



Asset Appraisal Limited
中誠達資產評估顧問有限公司

Rm 801, 8/F., On Hong Commercial Building
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VALUATION REPORT

UNIT NOS.3, 4 AND 9 ON 11TH FLOOR
HOUSTON CENTRE
NO.63 MODY ROAD
KOWLOON
HONG KONG

AS AT
30 SEPTEMBER 2023

FOR

ASIA CASSAVA RESOURCES HOLDINGS LIMITED

PREPARED BY
ASSET APPRAISAL LIMITED
26 OCTOBER 2023

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Our Ref : AAL/AC/11046/23

26 October 2023

The Board of Directors
Asia Cassava Resources Holdings Limited
Unit 612-3, Houston Centre
No. 63 Mody Road
Tsim Sha Tsui East
Kowloon
Hong Kong

Dear Sirs,

Re: Valuation of Unit Nos. 3, 4 and 9 on 11th Floor, Houston Centre, No. 63 Mody Road, Kowloon, Hong Kong

In accordance with the instructions from Asia Cassava Resources Holdings Limited (the "Company") to value the captioned property interests (the "Property") situated in Hong Kong, we confirm that we have carried out inspection of the Property, 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 30 September 2023 (the "date of valuation").

BASIS OF VALUATION

Our valuation of the Property represents the market value which 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 where the parties had each acted knowledgeably, prudently and without compulsion*".

TITLESHP

We have caused searches to be made at the Hong Kong Land Registry for the Property. However, we have not verified ownerships of the Property or to verify the existence of any amendments which do not appear on the registration details retrieved by us from the Hong Kong Land Registry. All registration details have been disclosed herein for reference only. We do not accept liability for any interpretation that we have placed on such registration details which is more properly within the sphere of the legal advisers. No responsibility is assumed for any legal matters concerning legal title to the Property set out in this report.

VALUATION METHODOLOGY

The Property is valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

ASSUMPTIONS

Our valuation has been made on the assumption that the Group sell the Property on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Property.

As the Property is held by the owner by means of long term Government lease, we have assumed that the owner has a free and uninterrupted right to use the Property for the whole of the unexpired term of its Government Lease.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. 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.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Property was last inspected on 13 October 2023 by the undersigned. She has inspected the exterior and, where possible, the interior of the buildings and structures of the Property. However, no structural survey has been made for them. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment. During the site inspection, he has ascertained the following matters of the Property as at the date of site inspection:

- the general environment and development conditions of the area in which the Property is situated;
- the existing use of the Property;
- the occupancy of the Property;
- the facilities provided by the Property;
- the existence of any non-conformity use within the Property;
- the repair and maintenance conditions of the Property; and
- the existence of any closure order and resumption order affixed to the Property.

The market value estimate contained within this report specifically excludes the impact of environmental contamination resulting from abnormal soil movement or other causes. It is recommended that the reader of this report consult a qualified environmental auditor for the evaluation of possible environmental defects, the existence of which could have a material impact on market value.

No soil analysis or geological studies were ordered or made in conjunction with this report, nor were any water, oil, gas, or other subsurface minerals use rights or conditions investigated.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Property, we have complied with all the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors.

We enclose herewith our valuation certificate.

Yours faithfully,
for and on behalf of
Asset Appraisal Limited



Sandra Lau
MHKIS AAPI RPS(GP)
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

VALUATION CERTIFICATE

Property being acquired by the Group for investment purpose

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2023 HK\$
Unit Nos. 3, 4 and 9 on 11 th Floor Houston Centre No. 63 Mody Road Kowloon Hong Kong	The Property comprises 3 contiguous office units on 11 th floor of a 17-storey (including 3 basement levels) commercial building of reinforced concrete construction. The subject building was completed in 1981.	The Property was being used as offices under the tradenames "California Costume International Ltd.", "Mega Toys (HK) Ltd.", "Mega Resources Ltd." and "Megatoys International Ltd." as at the date of valuation.	50,560,000
99/8410 th shares of and in Kowloon Inland Lot No. 10588	The total gross floor area of the Property is 5,681 square feet. The property is held under Conditions of Sale No. 11183 for a term of 75 years renewable for 75 years commencing on 3 March 1978. The annual Government rent of Kowloon Inland Lot No. 10588 is HK\$1,000.		

Notes:

1. As at the date of valuation, the registered owner of Unit No. 3 of the Property is Mega Toys (H.K.) Limited vide memorial no. 05122000860025 21 November 2005.
2. As at the date of valuation, the registered owner of Unit No. 4 of the Property is California Costume International Limited vide memorial no. 05111900520020 21 October 2005.
3. As at the date of valuation, the registered owner of Unit No. 9 of the Property is Mega Toys (H.K.) Limited vide memorial no. 05111900520046 21 October 2005.
4. The Certificate of Compliance was issued by the Director of Public Work to the subject development on 15 July 1981 and was registered vide memorial no. UB2113717.
5. The Certificate of Compliance was issued by Land Officer, the Land Office, the Registrar General's Department to the subject development on 15 July 1981 and was registered vide memorial no. UB2113718.
6. The following salient encumbrances were registered in the land registry against the Property as at the date of valuation:
 - i. Deed of Mutual Covenant registered via memorial no. UB2154935 dated 24 September 1981;
 - ii. Three-Party Mortgage Deed in favour of Cathay Bank Hong Kong Branch registered against Unit No. 3 of the Property via memorial no. 15110400990011 dated 26 October 2015;
 - iii. Three-Party Mortgage Deed in favour of Cathay Bank Hong Kong Branch registered against Unit No. 4 of the Property via memorial no. 15110400990029 dated 26 October 2015; and
 - iv. Three-Party Mortgage Deed in favour of Cathay Bank Hong Kong Branch registered against Unit No. 9 of the Property via memorial no. 15110400990033 dated 26 October 2015.
 - v. Agreement for Sale and Purchase in favour of Win Global Shipping Limited registered against Unit No. 3 of the Property via memorial no. 23060801170051 dated 1 June 2023.
 - vi. Agreement for Sale and Purchase in favour of Win Global Shipping Limited registered against Unit No. 4 of the Property via memorial no. 23060801170036 dated 1 June 2023.
 - vii. Agreement for Sale and Purchase in favour of Win Global Shipping Limited registered against Unit No. 9 of the Property via memorial no. 23060801170044 dated 1 June 2023.

7. The property falls within an area zoned as "Commercial" under Tsim Sha Tsui Outline Zoning Plan No. S/K1/28 exhibited for public inspection on 3 December 2013.
8. The locality is an established commercial area lying at the harbour-front area nearby the Cross Harbour Tunnel. Developments in the vicinity are predominated with medium-rise commercial buildings intermingling with some medium-rise hotels of various ages. Shopping facilities are available within the lower floors of the commercial developments. Public transports serving the vicinity include buses, mini-buses and taxi. Both MTR Tsim Sha Tsui Station and MTR Hung Hom Station are within walking distance of the subject development.