



永利行估值顧問有限公司
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Corporate Valuation & Advisory

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Our Ref : PRC/AC/7705/24

25 September 2024

The Board of Directors
ITC Properties Group Limited
30/F., Bank of America Tower,
No. 12 Harcourt Road,
Central, Hong Kong

Dear Sirs/Madam,

INSTRUCTIONS

We refer to your instruction for us to value the properties (the “Property”) held by Bayshore Ventures JV Ltd., a company in which ITC Properties Group Limited (the “Company”) had 50% equity interests immediately prior to completion of the disposal thereof on 28 August 2024, located in Canada. We confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the investment value of the Property as at 30 June 2024 (the “Valuation Date”).

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

BASIS OF VALUATION

The valuation is our opinion of the market value (the “Market Value”) which we would define as intended to mean 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 wherein 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 and without offset for any associated taxes or potential taxes.

The Market Value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.



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VALUATION METHODOLOGY

We have valued the Property by using direct comparison method, which is adopted based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, 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.

VALUATION CONSIDERATIONS

In valuing the Property, we have complied with all the requirements contained in Chapter 5 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standards 2022.

VALUATION ASSUMPTION

In our valuation, unless otherwise stated, we have assumed that:

- i. all necessary statutory approvals for the Property or the subject building of which the Property forms part of their use have been obtained;
- ii. transferable land use rights in respect of the Property for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid;
- iii. the owners of the Property have enforceable titles to the Property and have free and uninterrupted rights to use, occupy or assign the Property for the whole of the respective unexpired terms as granted;
- iv. no deleterious or hazardous materials or techniques have been used in the construction of the Property;
- v. the Property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;
- vi. the Property is connected to main services and sewers which are available on normal terms.

TITLE INVESTIGATION

We have been shown copies of various documents relating to the Property. However, we have not examined the original documents to verify the existing titles to the Property or any amendment which does not appear on the copies handed to us.

LIMITING CONDITIONS

We have conducted on-site inspection on 29 August 2024 by Ms. Vanessa Boland (Over 2 years' experience of Hotel Valuation in Canada; AIC Candidate Member).

During the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property are free from rot, infestation or any other defects. No tests were carried out on any of the services.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

Should it be discovered that any contamination, subsidence or other latent defect exists in the Property or on adjoining or neighboring land or that the Property had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have relied to a very considerable extent on the information provided by the Company and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Property. The plans including but not limited to location plan, site plan, lot index plan, outline zoning plan, building plan if any, in the report are included to assist the reader to identify the Property for reference only and we assume no responsibility for their accuracy.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also been advised by the Company that no material fact has 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.

We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of the Company. Neither have we verified the correctness of any information supplied to us concerning the Property.

REMARKS

We have valued all the properties in Canadian Dollar (CAD).

We enclose herewith the "Property Particulars and Opinion of Value".



Jessie X. Chen
MRICS, MSc (Real Estate), BEcon
Senior Associate Director



Jenny S. L. Mok
MHKIS, MRICS, BSc(Hons)
Senior Manager

Ms. Jessie X. Chen is a Registered Professional Surveyor (Valuation) with over 10 years' experience in valuation of properties in HKSAR, Macau SAR, mainland China, the Asia Pacific Region, Canada and Australia. Ms. Chen is a Professional Member of The Royal Institution of Chartered Surveyors.

Ms. Jenny S. L. Mok is a Chartered Surveyor with over 10 years' experience in valuation of properties in HKSAR and mainland China. Ms. Mok is a Professional Member of The Royal Institution of Chartered Surveyors and a Member of The Hong Kong Institute of Surveyors.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property	Description and tenure	Particulars of occupancy	Market value as at 30 June 2024												
A hotel located at 1601 Bayshore Drive, Vancouver, B.C., V6G 2V4, Canada	The Property comprises a hotel complex, known as The Westin Bayshore Vancouver, including a 9-storey mid-rise hotel building completed in 1961, an 18-storey high-rise hotel building completed in 1970, a convention center completed in about 2001 and two airspace parcels which are an underground parking garage containing approximately 230 parking stalls. Associated renovations were completed at around 2019.	The Property is currently operated as a hotel by Westin Hotel Management, L.P. (the “Operator”) for a term of thirty (30) years commencing from 31st May, 2013.	CAD259,000,000												
Lot J of the Public Harbour of Burrard Inlet Plan LMP12980;	According to the Bayshore Property Survey provided by the Company, the total site area of Lot J is 275,040 sq.ft. (6.33 acres). Details are as follows:	Portions of the retail and office spaces of the Property are leased under various tenancies with the last term expiring on 28 February 2025 yielding a total monthly rental of CAD18,969.17 exclusive of management fees.	50% interest attributed to the Group: CAD129,500,000												
Air Space Parcel 1 of the Public Harbour of Burrard Inlet Air Space Plan BCP5714;	<table><tr><td>Site Area</td><td>Acres</td><td>Sq.ft.</td></tr><tr><td>Land Lot</td><td>5.54</td><td>240,788</td></tr><tr><td>Marina Water Lot</td><td>0.79</td><td>34,252</td></tr><tr><td>Total:</td><td>6.33</td><td>275,040</td></tr></table>	Site Area	Acres	Sq.ft.	Land Lot	5.54	240,788	Marina Water Lot	0.79	34,252	Total:	6.33	275,040		
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Total:	6.33	275,040													
Air Space Parcel 2 of the Public Harbour of Burrard Inlet Air Space Plan BCP5715	The existing building and structure of the Property has a floor area of approximately 449,123 sq.ft. comprising 499 guest rooms in the 9-storey and the 18-storey hotel towers. The Property also comprises a marina, two restaurants, a retail mall, fitness facilities and large conference facilities.														

Notes:

- Pursuant to one title document numbered CA3357712, the registered owner of the Property is SWA Vancouver Hotel Nominee Inc., Inc. No.C0908345 ("SWA").
- The Property is governed by a site specific CD-1 zoning and falls within Zone CD-1 (321). CD-1 is designated for comprehensive development, which permits a mix of residential and commercial usage.

3. In undertaking our valuation of the Property, we have made reference to various market comparable. We have selected the comparable based on the consideration of usage, grading, condition, location, time of transaction, scale, service and facilities etc. The comparable adopted is considered to be most relevant and appropriate. Details of selected comparable are listed below:

	Hyatt Regency La Jolla	The Rimrock Resort Hotel	GEC Granville Suites Hotel Downtown	King Blue Hotel
Location:	San Diego CA, US	Banff, AB, Canada	Vancouver, BC, Canada	Toronto, ON, Canda
No. of rooms:	419	330	143	118
Grading:	4.5	4.5	3.0	4.0
Time:	Jul 2022	Jun 2023	Nov 2023	Sep 2021
Consideration (CAD):	293,371,000	170,000,000	70,000,000	74,000,000
Unit Rate per room (CAD):	700,169.45	515,151.52	489,510.49	627,118.64
Total Adjustments:	-10.9%	-4.6%	-2.1%	-21.4%
Adjusted Unite Rate per room (CAD):	623,851.98	491,454.55	479,240.56	492,828.71

We have compared the factors and made adjustments on time, condition, location, facilities, age and size. Time factor is reflecting the different market situation between transaction date of comparable and the valuation date. Condition is comparing in terms of design, decoration or maintenance. Adjustment on location is based on transportation condition, surrounding view and environment, distance to downtown or major tourism sport. Facilities is adjusted based on comparison on the facilities provided like restaurant, meeting room, gym room, swimming pool etc. Age factor is compared mainly based on completion year or renovated year. For size, downward adjustment is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. After making the above due adjustments, the adopted unit rate per room is at CAD520,000.

4. In the course of our valuation, we have valued the Property based on the following assumptions:
- the Property is legally held by SWA, an indirectly wholly-owned subsidiary of the Target Company;
 - SWA is entitled to transfer, lease, mortgage or dispose of the Property freely in the market; and
 - the Property is free from any mortgage or third parties' encumbrance.