

# VALUATION REPORT

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VALUATION OF OFFICE NO. 1501 ON  
15/F OF TOWER 1, SILVERCORD,  
NO. 30 CANTON ROAD,  
TSIM SHA TSUI, KOWLOON,  
HONG KONG

RCP2410110

VALUATION DATE: 30 SEPTEMBER 2024

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Prepared for  
China Uptown Group Company Limited

Prepared by  
Greater China Appraisal Limited

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Our Ref.: GC256/261968/YWYC/AKOL/TCHF/DKKC

RCP2410110

6 November 2024

The Board of Directors  
China Uptown Group Company Limited  
Office No. 1501, 15/F, Tower 1, Silvercord,  
No. 30 Canton Road, Tsim Sha Tsui, Kowloon,  
Hong Kong

Dear Sirs,

**Re: Valuation of Office No. 1501 on 15th Floor of Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong**

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In accordance with your instructions to value the captioned real property interest held by China Uptown Group Company Limited (referred to as the "Company") and its subsidiaries (together referred to as the "Group") in Hong Kong, details of which are set out in the enclosed valuation certificate (such real property interest is hereinafter referred to as the "Real Property"), we confirm that we have carried out 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 Real Property as at 30 September 2024 (referred to as the "valuation date").

This letter which forms part of our valuation report explains the basis and methodology of valuation, and clarifies our assumptions made, title investigation of the Real Property and the limiting conditions.

## I. BASIS OF VALUATION

The valuation is our opinion of 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 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.

## II. VALUATION METHODOLOGY

We have valued the real property interest by using the direct comparison approach assuming sale of the real property interest in its existing state with the benefit of immediate vacant possession and by making reference to comparable sale transactions as available in the relevant market.

## III. ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the real property interest on the open market in its existing state without the benefit of any deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the real property interest.

As the Real Property is held under a long-term government lease, we have assumed that the owner of the Real Property has free and uninterrupted rights to use, transfer or lease the Real Property for the whole of the unexpired term of the respective government lease. In our valuation, we have assumed that the Real Property can be freely disposed of, transferred and leased to third parties on the open market without any additional payment to the relevant government authorities.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report.

Other specific assumptions in relation to the Real Property, if any, have been stated out in the footnotes of the valuation certificate.

## IV. TITLESHIP INVESTIGATION

We have caused searches made at the Land Registry in Hong Kong in respect of the real property interest. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which do not appear on the copy handed to us.

All legal documents disclosed in this report, if any, are for reference only and no responsibility is assumed for any legal matters concerning the legal title to the real property interests set out in this report.

## V. LIMITING CONDITIONS

We have inspected the exterior and, where possible, the interior of the Real Property. However, no structural survey has been made and we are therefore unable to report as to whether the Real Property is free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

We have not carried out detailed site measurements to verify the correctness of the areas in respect of the Real Property but have assumed that the areas shown on the relevant documents provided to us are correct. Based on our experience of valuation of similar real properties, we consider the assumptions so made to be reasonable. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

Having examined all relevant documentation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us by it on such matters as planning approvals, statutory notices, easements, tenure, occupation and floor areas and in the identification of the Real Property. We have had no reason to doubt the truth and accuracy of the information provided by the Group. We were also advised by 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 have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amounts owing neither on the real property valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the real property interest is free of encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

## VI. OPINION OF VALUE

Our opinion of the market value of the Real Property is set out in the attached valuation certificate.

## VII. REMARKS

Our valuation has been prepared in accordance with generally accepted valuation procedures and in compliance with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

In valuing the real property interest, we have prepared in accordance with the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors and the RICS Valuation - Global Standards (effective from 31 January 2022) published by The Royal Institution of Chartered Surveyors.



Site inspection of the Real Property was conducted on 16 October 2024 by Mr. Derrick Chau (MHKIS). The completed real property was maintained in a reasonable condition commensurate with its age and use and equipped with normal building services

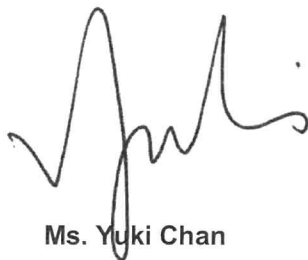
Unless otherwise stated, all monetary amounts stated herein are dominated in the currency of Hong Kong Dollars ("HK\$").

We enclose herewith the valuation certificate.

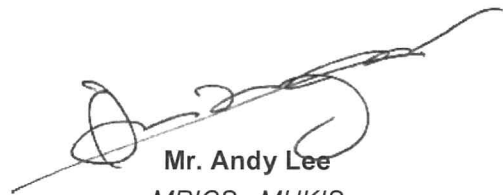
This valuation report is issued subject to our General Service Conditions.

Yours faithfully,  
For and on behalf of

**GREATER CHINA APPRAISAL LIMITED**

A handwritten signature in black ink, appearing to be 'Yuki Chan', is positioned above the name and title.

**Ms. Yuki Chan**  
*FRICS, FHKIS, RPS(G.P.), AAPI*  
*Director*

A handwritten signature in black ink, appearing to be 'Andy Lee', is positioned above the name and title.

**Mr. Andy Lee**  
*MRICS, MHKIS*  
*Assistant Director*

Notes: Ms. Yuki Chan is a Chartered Surveyor who has more than 10 years of real property valuation experience in Hong Kong, the PRC and the Asia-Pacific region.

Mr. Andy Lee is a Chartered Surveyor who has more than 10 years of real property valuation experience in Hong Kong, the PRC and the Asia-Pacific region.

## VALUATION CERTIFICATE

Real property interest held for owner-occupation and to be disposed of by the Group in Hong Kong

Real Property	Descriptions and Tenure	Particulars of Occupancy	Market value In existing state as at 30 September 2024 (HK\$)
Office No. 1501 on 15th Floor of Tower 1, Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (the "Real Property")	The subject development, Silvercord, comprises 2 blocks of 13-storey office buildings erected over a 4-storey commercial podium plus a lower ground floor and a basement consisting of a shopping arcade and car parking spaces. It was completed in 1983.	The Real Property is currently occupied by the Group for office use.	29,300,000  (Hong Kong Dollars Twenty Nine Million and Three Hundred Thousand Only)
35/13,615 <sup>th</sup> shares of and in Kowloon Inland Lot No. 10656 (the "Lot")	<p>The subject development is a corner site located on the eastern side of Canton Road and bounded by Haiphong Road to the north within Tsim Sha Tsui district. The locality is a conventional commercial hub which comprises office and retail developments and intermingled with some low-rise Chinese tenement blocks, private medium to high-rise comprehensive composite developments and hotels.</p> <p>The Real Property comprises an office unit on the 15th Floor of Tower 1 of the subject development. It has a gross floor area of approximately 2,605 sq.ft.</p> <p>The Lot is held under a Conditions of Sale No. 11435 for a term of 75 years commencing on 30 September 1980 and renewable for further 75 years.</p> <p>The Government rent of the Lot is HK\$1,000 per annum.</p>		

### Notes:

- (i) The registered owner of the Real Property is Weina Land Limited, a wholly-owned subsidiary of the Company, via Memorial No. 08021502700153 dated 18 January 2008.
- (ii) The Real Property is subject to a Deed of Mutual Covenant with Plans vide Memorial No. UB2520408 dated 1 December 1983. A Deed of Mutual Covenant sets out and regulates the rights and obligations between co-owners and between co-owners and the manager. It also provides for the management of the development.
- (iii) The Real Property is subject to a Mortgage in favour of Long View Credit Limited for a consideration of all moneys maximum amount secured: HK\$30,000,000.00 vide Memorial No. 23083101370029 dated 30 August 2023. A Mortgage is a security over land for securing money or money's worth.
- (iv) According to the Approved Tsim Sha Tsui Outline Zoning Plan No. S/K1/28 ("the Plan"), the Lot is zoned under Commercial (6). According to the explanatory note of the Plan, this zone is intended primarily for commercial developments, which may include uses such as office, shop, services, place of entertainment, eating place and hotel, functioning as a territorial business centre and regional or district commercial/shopping centres. The areas under this zoning are major employment nodes.

- (v) Given that there are sufficient comparables available in the market, we consider direct comparison approach would be the desirable approach to value the market value of the Real Property. In the course of our valuation of the Real Property, we have made reference to various transactions of similar real properties within the locality having similar characteristics. The selection criteria for the comparables are as follows:

1. The comparables are recent transactions (within 30 months before the Valuation Date);
2. Situated within the same commercial development (i.e. Silvercord, No. 30 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong) as the Real Property; and
3. Corner unit for office use.

Based on the above selection criteria, the five selected comparables are considered exhaustive and relevant to the Real Property in terms of location, timing of transaction, property usage and other characteristics. Details of the comparable properties are shown as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name of Development	Silvercord	Silvercord	Silvercord	Silvercord	Silvercord
Tower	1	2	1	1	2
Floor	10	6	14	14	15
Unit	7	7	7	11	7
Gross Floor Area (sq.ft.)	2,472	2,444	2,472	2,584	2,472
Date of Instrument	15 Apr 2024	23 Feb 2024	26 Apr 2023	19 Apr 2023	15 Jul 2022
Consideration (HK\$)	25,956,000	29,328,000	34,608,000	36,176,000	40,200,000
Approximate Unit Rate on the basis of Gross Floor Area (HK\$/sq.ft.)	10,500	12,000	14,000	14,000	16,262

Appropriate adjustments have been made to reflect the differences between the selected comparables and the Real Property in terms of time, floor, view and environment. Details of considerations for the adjustment factors are shown as follows:

Adjustment Factor	Adjustment	Considerations
Time	-9% to -27%	Adjustments have been made to reflect the changes in the market conditions over a period of time.
Floor	0% to 4%	Properties on higher floor level enjoy better ventilation, better privacy and less affected by noise from busy traffic on ground and hence command a higher unit rate.
View and Environment	0% to 5%	Generally, properties with a better view / environment would command a higher unit rate than those with a worse view / environment.

List of the comparables with each of their adjustments made and the resulting adjusted unit rates are tabulated as follows:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Total Adjustment	-2%	-6%	-17.5%	-22.5%	-25%
Adjusted Unit Rate on the basis of Gross Floor Area (HK\$/sq.ft.)	10,290	11,280	11,550	10,850	12,197

Having considered the above adjustments to the comparables, the adjusted unit rates range from about HK\$10,290 to HK\$12,197 per sq. ft. on gross floor area basis, representing an adjusted average unit rate of approximately HK\$11,230 per sq. ft. on gross floor area basis.



## GENERAL SERVICE CONDITIONS

The service(s) provided by Greater China Appraisal Limited will be performed in accordance with professional appraisal standard. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy of all data provided to us. We will act as an independent contractor and reserve the right to use subcontractors. All files, working papers or documents developed by us during the course of the engagement will be our property. We will retain this data for at least seven years after completion of the engagement.

Our report is to be used only for the specific purpose stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. You may show our report in its entirety to those third parties who need to review the information contained herein. No one should rely on our report as a substitute for their own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement. You will not be liable for our negligence. Your obligation for indemnification and reimbursement shall extend to any controlling person of Greater China Appraisal Limited, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the amount of fees we received for this engagement.

We reserve the right to include your company/firm name and logo in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

**END OF REPORT**