

VALUATION REPORT

**VALUATION OF VARIOUS CAR
PARKING SPACES ON LEVELS B1 AND
B2 OF ROYAL NO. 1, LOCATED AT LOT
NOS. 1, 2, 3, AND 4 ON HUANG SHA
AVENUE, LIWAN DISTRICT,
GUANGZHOU CITY, GUANGDONG
PROVINCE, PEOPLE'S REPUBLIC OF
CHINA**

RCP2405055

VALUATION DATE: 30 November 2024

Prepared for
Silver Grant International Holdings Group Limited

Prepared by
Greater China Appraisal Limited

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Our Ref.: GS152/263633/MLCM/AKOL/DKKC

RCP2405055

12 February 2025

The Board of Directors
Silver Grant International Holdings Group Limited
Room 4013B, 40th Floor, Office Tower,
Convention Plaza,
1 Harbour Road,
Wanchai,
Hong Kong

Dear Sirs,

Re: Valuation of various car parking spaces on Levels B1 and B2, Royal No.1 located at Lot Nos. 1, 2, 3 and 4 of Huang Sha Avenue, Liwan District, Guangzhou City, Guangdong Province, the People's Republic of China (the "PRC")

In accordance with your instructions to value the captioned real property interest to be acquired by Silver Grant International Holdings Group Limited (referred to as the "**Company**") and its subsidiaries (together referred to as the "**Group**") in the PRC, 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 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 Real Property as at 30 November 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, titleship 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 or offerings 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 long-term land use rights, 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 land use rights. 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.

No environment impact study has been ordered or made. Full compliance with applicable local, provincial and national environmental regulations and laws is assumed unless otherwise stated, defined, and considered in the report. It is also assumed that all required licences, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

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

IV. TITLESHP INVESTIGATION

We have been provided with copies of legal documents regarding the Real Property. However, due to the current registration system of the PRC, no investigation has been made for the legal title or any liability attached to the Real Property.

In the course of our valuation, we have relied upon the legal opinion given by the Company's PRC legal adviser – City Development Law Firm in relation to the legal title to the Real Property. 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 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, number of car parking spaces 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 outgoing of an onerous nature which could affect its value.

Since the Real Property is located in a relatively under-developed market, the PRC, those assumptions are often based on imperfect market evidence. A range of values may be attributable to the real property interest depending upon the assumptions made. While we have exercised our professional judgment in arriving at the value, report readers are urged to consider carefully the nature of such assumptions which are disclosed in the valuation report and should exercise caution in interpreting the valuation report.

VI. OPINION OF VALUE

Our opinion of the market value of the Real Property is set out in the attached the 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 and Practice Note 12 of the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

In valuing the real property interest, we have complied with the requirements contained in the HKIS Valuation Standards (2024 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 in December 2024 by Mr. Derrick Chau (MHKIS). The completed real property was maintained in a reasonable condition commensurate with their ages and uses and equipped with normal building services.

Unless otherwise stated, all monetary amounts stated herein are dominated in the currency of Renminbi ("RMB").

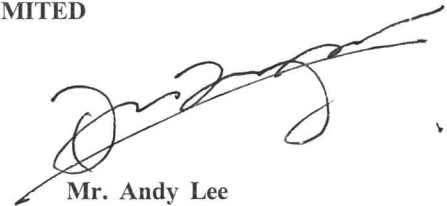
We enclose herewith the valuation certificate.

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

Yours faithfully,
For and on behalf of
GREATER CHINA APPRAISAL LIMITED

A blue ink signature of Mr. Man Lam, written in a cursive style.

Mr. Man Lam
MRICS, MHKIS, RPS (G.P.)
Director

A black ink signature of Mr. Andy Lee, written in a cursive style.

Mr. Andy Lee
MRICS, MHKIS
Assistant Director

Notes: Mr. Man Lam 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 to be acquired and held for investment by the Group in the PRC

Real Property	Descriptions and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 November 2024
Various car parking spaces on Levels B1 and B2, Royal No.1 located at Lot Nos. 1, 2, 3 and 4 of Huang Sha Avenue, Liwan District, Guangzhou City, Guangdong Province, the PRC	<p>The Real Property is located on the middle section of Huangsha Avenue within Liwan District. The area is predominately a residential area in Liwan District.</p> <p>The Real Property comprises 800 car parking spaces on Levels B1 and B2 of a development, known as Royal No.1. The subject development was completed in around 2018.</p> <p>According to the information provided, the Real Property has a total gross floor area of approximately 9,514.6 square metres.</p> <p>The land use rights of the Real Property are held under various sets of Real Estate Title Certificate for a term of 50 years commencing on 7 April 2011 for car parking space uses and car parking space (Civil Air Defence Works) uses. (see Notes (i) and (ii))</p>	<p>According to the information provided by the Company, the Real Property is vacant.</p>	<p>RMB320,000,000</p> <p>(Renminbi Three Hundred and Twenty Million Only)</p>

Notes:

- (i) According to 400 sets of Real Estate Title Certificate, issued by 廣州市國土資源和規劃委員會 (translated as “Guangzhou City State-owned Land Resources and Planning Committee”), the land use rights of 400 car parking spaces on Level B1 of the Real Property with a total gross floor area of approximately 4,776.2 square metres have been granted to 廣州黃沙鐵路房地產開發有限公司 (“Guangzhou Huangsha Railway Real Property Development Company Limited”) (the “Huangsha Railway”) for a term of 50 years commencing on 7 April 2011 for car parking space uses and the building ownership rights of such portions of the Real Property have been vested in Huangsha Railway. According to the information provided, Guangdong Zhuguang and Huangsha Railway was a co-operative joint venture partner.

- (ii) According to 400 sets of Real Estate Title Certificate issued by Guangzhou City State-owned Land Resources and Planning Committee, the land use rights of 400 car parking spaces on Level B2 of the Real Property with a total gross floor area of approximately 4,738.4 square metres have been granted to Huangsha Railway for a term of 50 years commencing on 7 April 2011 for car parking space (Civil Air Defence Works) uses and the building ownership rights of such portions of the Real Property have been vested in Huangsha Railway.
- (iii) We have been provided with a legal opinion regarding the real property interest issued by the Company's PRC legal adviser which are summarised below:
1. Huangsha Railway is the legal owner of the Real Property and has the rights to legally occupy, use, gift, transfer, lease or mortgage the Real Property;
 2. The Real Property is not subject to any mortgage and seizure;
 3. The car parking spaces of the Real Property are subject to the valid and consistent land use rights term; and
 4. Car parking spaces (Civil Air Defence Works) are subject to the unified allocation and use by the government during wartime or emergency situation.
- (iv) 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 offerings of similar real properties within the locality having similar characteristics. The selection criteria for the comparables are as follows:
- 1) Situated within Liwan District;
 - 2) Situated within residential development; and
 - 3) Private car parking space.

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

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
Name of Development	Fuli Plaza	Fuli Sheng Yue Ju	Fuli Plaza	Fuli Plaza	Fuli Plaza	Fuli Plaza
District	Liwan District	Liwan District	Liwan District	Liwan District	Liwan District	Liwan District
Floor	B3	B2	B1	B1	B1	B1
Usage	Car parking	Car parking	Car parking	Car parking	Car parking	Car parking
Date of Offering	30 August 2024	14 August 2024	8 July 2024	26 June 2024	8 May 2024	8 May 2024
Asking Unit Rate (RMB per car parking space)	440,000	470,000	450,000	380,000	430,000	460,000

Appropriate adjustments have been made to reflect the differences between the selected comparables and the car parking spaces on Level B1 of the Real Property. 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	Comparable 6
Total adjustment	-1%	-1%	-1%	-2%	-3%	-3%
Approximate Adjusted Unit Rate (RMB per car parking space)	436,000	465,000	446,000	372,000	417,000	446,000

Adopted Unit Rate for the car parking spaces on Level B1 of the Real Property (per car parking space)

RMB430,000

Having assessed the unit rate for the car parking spaces on Level B1 of the Real Property by the above analysis, adjustments have been made to reflect the differences between it and the car parking spaces on Level B2 of the Real Property. The adjustments made and the resulting adjusted unit rates of the car parking spaces on Level B2 of the Real Property are tabulated as follows:

	Car Parking Spaces on Level B2
Total adjustment	-15%
Approximate Adjusted Unit Rate (RMB per car parking space)	370,000

- (v) The details breakdown of the market value of the Real Property as at valuation date is shown as follows:

	Market Value in existing state as at 30 November 2024 (RMB)
400 car parking spaces on Level B1	172,000,000
400 car parking spaces on Level B2	<u>148,000,000</u>
Total	<u><u>320,000,000</u></u>

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