

VALUATION REPORT OF

Property located in Hong Kong

PREPARED FOR

Hanvey Group Holdings Limited

Date: 26 March 2025

Prepared by: FVA Advisory Limited

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Date: 26 March 2025

Cheer China Group Holdings Limited

Units 1503-6, 15th Floor

Tower 1, Ever Gain Plaza

No. 88 Container Port Road

Kwai Chung

New Territories, Hong Kong

Dear Sirs,

Re: House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in DD104, Yuen Long, New Territories (the "Property")

1. INSTRUCTIONS

In accordance with your instruction for us to value the Property located at House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in DD104, Yuen Long, New Territories, we confirm that we have carried out inspection of the exterior of the Property and the general locale, 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 28 February 2025 (the "Valuation Date") for your financial reporting purposes.

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

2. BASIS OF VALUATION

Our valuation of the property interest is made on the basis of **Market Value** as defined by IVSC and adopted by HKIS and RICS, set out as follows:

"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."

The valuation presented in this report represents the 100% interest of the Property and not the shareholdings of the Company holding the property interest thereof.

3. VALUATION METHODOLOGY

In the course of our valuation, we have adopted the Direct Comparison Method as the primary valuation method.

The Direct Comparison Method is a method of valuation based on comparing the Property with the prices realized on actual sales and/or asking prices of comparable properties. Comparable properties are generally located in the surrounding areas or in other sub-markets which are comparable to the Property. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative difference that may affect the price likely to be achieved by the Property under consideration.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the Property on the market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the capital value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation that may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free of legal complications and encumbrances, restrictions, outgoings of an onerous nature that could affect its capital value.

5. TITLE INVESTIGATION

We have not been provided with copies of the title documents relating to the Property but we have conducted land search at the Land Registry. However, we have not examined the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. All documents and leases have been used for reference only.

6. NATURE AND SOURCE OF INFORMATION

In arriving at our valuation, we have received information from yourself, public and subscription websites, other estate agents and valuers and from our own records. We have applied professional skepticism and have checked the information where reasonably possible. In the absence of evidence to the contrary, we have assumed that information used in the valuation is correct.

7. LIMITING CONDITIONS

We have inspected exterior of the Property and the general locale in October 2024 by Philemon Hui (MRICS). However, we have not carried out detailed onsite measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents are correct. All documents have been used as reference only and all dimensions, measurements and areas are approximations.

We have relied to a considerable extent on information provided by you and have accepted advice given to us on such matters, in particular, but not limited to, the tenure, statutory notices, easements, particulars of occupancy, floor areas and all other relevant matters in the identification of the Property.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised by you 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.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on any property or any expenses and 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 their values.

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

8. REMARKS

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. Neither the whole nor any part of this report can be published, disclosed or referred to in any public document without our written consent.

We enclose herewith the summary of values and the valuation certificates.

Yours faithfully,



Jeff Sin, MRICS

Director

For and on behalf of

FVA Advisory Limited

Room 2302, 23/F, Lee Garden Two,
28 Yun Ping Road, Causeway Bay,
Hong Kong

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 28 February 2025
1. House No. 20, Greenery Gardens, 3 Fairview Park Boulevard, Remaining Portion of Lot No. 4767 in DD104, Yuen Long, New Territories (as known as the "Property") 217/10191 equal and undivided shares of and in Lot 4767 in DD104 (the "Lot")	<p>The Property is a 2-storey garden house of reinforced concrete structure completed in 2004.</p> <p>The gross floor area of the Property is 2,568 square feet or thereabout and the saleable area of the property is 1,659 sq. ft..</p> <p>The Property is held under New Grant No. YL4557 for a term of 50 years commencing on 17 August 2000.</p> <p>The current ground rent payable for the lot is an amount equal to 3% of the rateable value per annum.</p>	<p>As advised by the company, the Property was leased for a monthly rental of HK\$44,800 till 19 September 2026 as at the Valuation Date</p>	<p>HK\$15,900,000 (Hong Kong Dollars Fifteen Million Nine Hundred Thousand)</p>

Notes:

1. As per the Land Registry search record, the registered owner of the Property is Cheer China Group Holdings Limited.
2. The Property is falling within an area zoned "Commercial/Residential" under the Approved Mai Po and Fairview Park Outline Outline Zoning Plan No. S/YL-MP/8.
3. The following major encumbrances were registered against the Property as per the Land Search Record:
 - i. Certificate of Compliance dated 7 January 2004 vide Memorial No. YL1068055.
 - ii. Deed of Mutual Covenant and Management Agreement with Plan dated 1 March 2004 vide Memorial No. YL1076840.
 - iii. Deed of Grant of Right of Way with Plan dated 20 December 2023 vide Memorial No. 24011000290017
 - iv. Deed of Grant of Utilities Access with Plan dated 20 December 2023 vide Memorial No. 24011000290028
4. In the course of our valuation, we have identified and considered transactions of houses within Greenery Gardens and Royal Camellia, in between 28 June 22 and 10 April 24.
Details of the comparables are listed below:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Address	House No. 23, Greenery Gardens	House No. 21, Royal Camellia	House No. 23, Royal Camellia	House No. 17, Royal Camellia
Year Built	2003	1998	1998	1998
Saleable Area (sq ft.)	2,420	1,290	1,290	1,290
Transaction Date	2024-02-16	2024-04-10	2022-07-15	2022-06-28
Nature of Transaction	Agreement of Sales and Purchase	Agreement of Sales and Purchase	Agreement of Sales and Purchase	Agreement of Sales and Purchase
Consideration (HK\$)	29,800,000	14,500,000	13,780,000	14,780,000
Adjusted Unit Rate (HK\$/sq. ft.)	7,817	9,071	7,460	8,374

The four comparables above form an exhaustive list of transactions based on the selection criteria.

We have compared the factors and made adjustments on time, size and age. Adjustment on time is made to reflect the market condition. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. Age adjustment is made to reflect the difference in physical condition.

Details on the adjustment mechanism for each of the adjustment factors for the valuation are set out below.

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Time	Downward Adjustment	Downward Adjustment	Downward Adjustment	Downward Adjustment
Size	Upward Adjustment	Downward Adjustment	Downward Adjustment	Downward Adjustment
Age	Nil	Upward Adjustment	Upward Adjustment	Upward Adjustment

After making the above due adjustments, the adjusted unit rates for the Property is HK\$8,100 per sq. ft. on effective saleable area basis (i.e., 1,958 sq. ft., which also included part of the ancillary area) . Thus the market value of the Property is estimated of HK\$15,900,000.