



Flagship Appraisals and Consulting Limited

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**VALUATION OF KWAI CHUNG OFFICE AT
1601-08 & 1701-04, RILEY HOUSE
88 LEI MUK ROAD, KWAI CHUNG**

As at 31 March 2022

For Tsui Wah Holdings Limited

Project Code: FC202203020

Prepared by Flagship Appraisals and Consulting Limited

27 May 2022

The Directors
Tsui Wah Holdings Limited
Unit 1606-1608, 16/F, Riley House
88 Lei Muk Road, Kwai Chung
New Territories
Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from Tsui Wah Holdings Limited (the "Company") for us to value the property held by the Company and/or its subsidiaries (together referred to as the "Group") located in Hong Kong. We confirm that we have conducted an inspection, made relevant enquiries, and obtained such further information as we consider necessary to provide you with our opinion of the property's market value as of 31 March 2022 (the "valuation date").

BASIS OF VALUATION

The valuation is our opinion of market value which we would define 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 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.



FLAGSHIP **VALUATION METHODOLOGY**

In valuing the property, we have adopted the comparison approach assuming sale in its existing state with the benefit of vacant possession and by making reference to comparable sales information as available in the relevant market. Appropriate adjustments have been made to account for the differences between the property and the comparables in terms of time, accessibility and other relevant factors.

TITLE INVESTIGATION

We have caused searches made at the Land Registry in Hong Kong in respect of the property located in Hong Kong. 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 property interest set out in this report.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the property is sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property. No forced sale situation in any manner is assumed in our valuation.

In valuing the property, we have assumed that the property owner has valid and enforceable title to the property, which is freely transferable, and has free and uninterrupted rights to use the same, for the whole of the unexpired term granted subject to the payment of annual Government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.



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VALUATION CONSIDERATIONS

The property inspection was conducted in April 2022 by Mr. Man Lam (MHKIS). During our inspection, we did not note any serious defects. However, no structural survey has been done and we are not able to report as to whether the property is free from rot, infestation or any other structural defect. No test has been carried out on any of the services. We have assumed in our valuation that the property is in good structural condition at the valuation date.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group. We have accepted the advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identifications of the property and all other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the property but have assumed that the floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group, and we have relied on your advice that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages, or amounts owing on the property or any expenses or taxation that may be incurred in effecting a sale or purchase.

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.

Our valuation has been prepared in accordance with the HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors and the International Valuation Standards (IVS) published by The International Valuation Standards Council.

Our valuation has been prepared under the generally accepted valuation procedures. It is in compliance with the Rules Governing the Listing of Securities on The Stock Exchange



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of Hong Kong Limited.

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has and continues to impact many aspects of daily life and the global economy - with some real estate markets have experienced lower levels of transactional activity and liquidity. Many countries have implemented travel, movement and operational restrictions. In some cases, "lockdowns" have been applied to varying degrees and to reflect further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect global economies and real estate markets. Nevertheless, as at the valuation date, property markets are mostly functioning again. However, we remain cautious due to uncertainty about the pace of the economic recovery; therefore, we recommended that the valuation of the property should be under frequent review.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Hong Kong Dollars (HK\$) and no allowance has been made for any exchange transfers.

The summary of value and the valuation certificate are attached herewith.

Yours faithfully,

For and on behalf of

FLAGSHIP APPRAISALS AND CONSULTING LIMITED

Man C.M. Lam

MHKIS, RPS(G.P.), MRICS

Consultant

Note:

Mr Man C.M. Lam is a member of The Hong Kong Institute of Surveyors (General Practice) who has over 17 years' experience in valuations of properties in Hong Kong.

SUMMARY OF VALUE**Property held under owner-occupation**

Property	Market Value in existing state as at 31 March 2022 <i>HK\$</i>
Units 1601-1608 on the 16th Floor and Units 1701-1704 on the 17th Floor, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong	259,800,000
Total:	<hr/> 259,800,000 <hr/>

VALUATION CERTIFICATE
Property held under owner-occupation

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 March 2022 HK\$
Units 1601-1608 on the 16th Floor and Units 1701-1704 on the 17th Floor, Riley House, No. 88 Lei Muk Road, Kwai Chung, New Territories, Hong Kong 50,237/944,862th equal and undivided shares of and in Lot No. 937 in D.D. 450	<p>The property comprises various units on the 16th Floor & 17th Floor of a high-rise industrial building completed in 1992.</p> <p>The total saleable area of the property is approximately 55,220 sq. ft.</p> <p>The property is held under New Grant No. 4185 for a term of 99 years commencing on 1 July 1898 at an annual rent of HK\$900. The said term has been statutorily extended to 30 June 2047 by virtue of the New Territories Leases (Extension) Ordinance.</p>	The property was occupied by the Group for office and workshop uses as at the valuation date.	259,800,000

Notes:

1. The property is located in Kwai Chung, New Territories, about 15 minutes' walking distance to Mass Transit Railway – Kwai Hing Station. The immediate locality is a composite industrial/residential area.
2. The registered owner of Units 1601-1608 on the 16th Floor of the property is Corporate Winner Limited via Memorial No. 14033100880031 dated 3 March 2014.
3. The registered owner of Units 1701 and 1704 on the 17th Floor of the property is Enrich Sources Limited via Memorial No. 14033100880084 dated 3 March 2014.
4. The registered owner of Units 1702 and 1703 on the 17th Floor of the property is Enrich Sources Limited via Memorial No. 14033100880135 dated 3 March 2014.
5. The property is subject to an Occupation Permit No. NT112/92 via Memorial No. TW858567 dated 24 September 1992.
6. The property is subject to a Deed of Mutual Covenant and Management Agreement with Plans via Memorial No. TW862882 dated 12 October 1992.

7. Units 1601-1608 on the 16th Floor of the property are subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited via Memorial No. 17121800760060 dated 30 November 2017.
8. Units 1701 and 1704 on the 17th Floor of the property are subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited via Memorial No. 17121800760021 dated 30 November 2017.
9. Units 1702 and 1703 on the 17th Floor of the property are subject to a Mortgage in favour of DBS Bank (Hong Kong) Limited via Memorial No. 17121800760049 dated 30 November 2017.