

## **VALUATION REPORT**

**Valuation Services in relation to**

**the Market Value of Office Units and Carpark Spaces Located at No.9  
Des Voeux Road West, Hong Kong**

**Prepared for:**

**Canvest Environmental Protection Group Company Limited**

**Valuation Date:**

**28 February 2025**



17 April 2025

The Board of Directors  
**Canvest Environmental Protection Group Company Limited**  
28th Floor,  
No. 9 Des Voeux Road West,  
Sheung Wan,  
Hong Kong

Dear Sirs/Madams,

**VALUATION OF 28TH FLOOR, 29TH FLOOR, FLAT ROOF ABOVE  
29TH FLOOR, CARPARK SPACE NO. P12 ON 2ND FLOOR,  
AND CARPARK SPACE NO. P22 ON 2ND FLOOR,  
NO. 9 DES VOEUX ROAD WEST, HONG KONG**

**INSTRUCTIONS**

In accordance with the instructions of Canvest Environmental Protection Group Company Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out the valuation of the property interests in relation to 28th floor, 29th floor, flat roof above 29th floor, carpark space No. P.12 on 2nd floor and carpark space No. P22 on 2nd floor, No. 9 Des Voeux Road West, Hong Kong (the “**Office Building Disposal**”) held by the Group. We confirm that we have carried out inspection, made relevant enquiries and searches 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 interests as at 28 February 2025 (the “**Valuation Date**”).

**VALUATION STANDARDS**

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), Rule 11 of the Code on Takeovers and Mergers issued by the Securities and Futures Commission, the HKIS

Valuation Standards (2024 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published and revised from time to time by the International Valuation Standards Council.

## **BASIS OF VALUATION**

Our valuation is carried out on a Market Value basis, which is defined 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*”.

## **POTENTIAL TAX LIABILITIES**

As advised by the Group, the potential tax liabilities which may arise from the sale of the property interests include:

1. Ad valorem stamp duty (“AVD”) on consideration or value of the property (whichever is the higher) at tax rates as follows:

<b>Amount or value of the consideration (whichever is the higher)</b>	<b>Rate</b>
Up to \$4,000,000	\$100
\$4,000,000 to \$4,323,780	\$100 + 20% of excess over \$4,000,000
\$4,323,780 to \$4,500,000	1.50%
\$4,500,000 to \$4,935,480	\$67,500 + 10% of excess over \$4,500,000
\$4,935,480 to \$6,000,000	2.25%
\$6,000,000 to \$6,642,860	\$135,000 + 10% of excess over \$6,000,000
\$6,642,860 to \$9,000,000	3.00%
\$9,000,000 to \$10,080,000	\$270,000 + 10% of excess over \$9,000,000
\$10,080,000 to \$20,000,000	3.75%
\$20,000,000 to \$21,739,120	\$750,000 + 10% of excess over \$20,000,000
Above \$21,739,120	4.25%

The buyer, the seller, and any person who uses the instrument will be liable, or jointly and severally liable to pay AVD. In other words, the buyer, the seller and any person who uses the instrument will have the same extent of liability, under the law, to pay for any AVD payable on the chargeable instruments, irrespective of any agreement to the contrary made between them.

2. Profit tax on the profit from the sale of property at tax rates as follows:

<b>Assessable profits</b>	<b>Rate</b>
Assessable profits up to \$2,000,000	8.25%
Any part of assessable profits over \$2,000,000	16.50%

Based on discussions with the management of the company, we understand that the company monetizes the property interests by selling the subsidiaries that held the property interests and the buyer will assume responsibility for the relevant tax liabilities. In the event that the Group disposes of the property interests, and assuming there are no changes to the applicable tax laws and regulations in Hong Kong, it is likely that these tax liabilities will not be crystallized upon the sale of the property interests.

#### **VALUATION ASSUMPTIONS**

Our valuation of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

For the properties which are held under long term land use rights, we have assumed that transferable land use rights in respect of the property interests at nominal land use fees has been granted and that any premium payable has already been fully settled. Unless stated as otherwise, we have assumed that the respective title owner of the properties have an enforceable title of the property interests and have free and uninterrupted rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the properties without the need of seeking further approval from and paying additional premium to the Government for the unexpired land use term as granted.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is 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.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

## **VALUATION METHODOLOGY**

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “**continued uses**”).

In valuing the property interests, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the property. This approach is commonly used to value properties where reliable market evidence is available.

## **TITLE INVESTIGATION**

We have not been provided with copies of the title documents relating to the property interests in Hong Kong. However, we have caused searches to be made for the property at the Land Registry in Hong Kong. However, we have not scrutinised the original documents to verify ownership and encumbrances, or to ascertain any amendment which may or may not appear on the land search. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

## **SITE INVESTIGATION**

We have inspected the exteriors and, where possible, the interior of the Property. The site inspection was carried out on 26 July 2024 and 31 March 2025 by Greivis Sze (Director of Masterpiece Valuation Advisory Limited). However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

## **SOURCE OF INFORMATION**

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company 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.

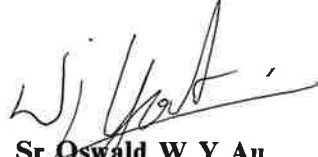
We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents and plans available to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

## **CURRENCY**

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars (HK\$).

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,  
For and on behalf of  
**Masterpiece Valuation Advisory Limited**



**Sr Oswald W Y Au**  
*MHKIS (GP), AAPI, MSc (RE),*  
*Registered Professional Surveyor (GP)*  
**Managing Director**

*Note:* Mr. Oswald W Y Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 20 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S., and Asia Pacific region.

## SUMMARY OF VALUES

### Property interests held by the Group for self-occupation in Hong Kong

No.	Property Interest	Market value	Market value
		in existing state as at 28 February 2025 <i>HKD</i>	in existing state 100% interest attributable to the Group as at 28 February 2025 <i>HKD</i>
1.	28th Floor and Carpark Space No. P22 on 2nd Floor, No. 9 Des Voeux Road West, Hong Kong	76,500,000	76,500,000
2.	29th Floor, Flat Roof above 29th Floor and Carpark Space No. P12 on 2nd Floor, No. 9 Des Voeux Road West, Hong Kong	80,500,000	80,500,000
<b>Sub-total:</b>		<b><u>157,000,000</u></b>	<b><u>157,000,000</u></b>



## VALUATION CERTIFICATE

No.	Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as at 28 February 2025 HKD
1.	28th Floor and Carpark Space No. P22 on 2nd Floor, No. 9 Des Voeux Road West, Hong Kong  An aggregate of 408/10,010 equal and undivided shares of and in Marine Lot No. 502, Marine Lot No. 503, Marine Lot No. 504, Section A and the Remaining Portion of Marine Lot No. 505, Marine Lot No. 506, Inland Lot No. 3183 and Inland Lot No. 3184.	<p>The property interest comprises an office unit on the 28th floor and a car parking space on the 2nd floor of No. 9 Des Voeux Road (the “development”), which is a 29-storey office building completed in 1995, as per Occupation Permit No. H37/95.</p> <p>The development is located on the northwestern side of Des Voeux Road West, near its junction with Queen Street in Sheung Wan, Hong Kong.</p> <p>The gross floor area and saleable area of the property interests, excluding the car parking space on the 2nd floor, are approximately 7,192 ft<sup>2</sup> (668.15 m<sup>2</sup>) and 5,025 ft<sup>2</sup> (466.83 m<sup>2</sup>), respectively.</p> <p>The development is zoned as “Commercial” under the approved Sai Ying Pun &amp; Sheung Wan Outline Zoning Plan No. S/H3/34, which was gazetted on 13 November 2020.</p> <p>The property interest is held under various government leases for a term of 999 years, with respective lease commencement dates and government rent payable, as stipulated in note ii below.</p>	The Property was owner occupied as at the Valuation Date	76,500,000 (100% interest attributable to the Group: 76,500,000)

*Notes:*

- i. Pursuant to the searches records obtained from the Land Registry, the registered owner of the property interests as at the Valuation Date was KK VII (BVI) Limited, which is an indirect wholly-owned subsidiary of the Company.
- ii. Pursuant to the search records obtained from the Land Registry, the particulars of the lots under which the property interests are held under are as follows:
  - a. The Marine Lot No. 502 is held under government lease for a term of 999 years, commencing on 28 May 1900, with an annual government rent payable of HK\$46.00.

- b. The Marine Lot No. 503 is held under government lease for a term of 999 years, commencing on 28 May 1900, with an annual government rent payable of HK\$44.00.
  - c. The Marine Lot No. 504 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
  - d. The Section A of Marine Lot No. 505 is held under government lease for a term of 999 years, commencing on 8 January 1900, with an annual government rent payable of HK\$16.08.
  - e. The remaining portion of Marine Lot No. 505 is held under government lease for a term of 999 years, commencing on 8 January 1900, with an annual government rent payable of HK\$17.92.
  - f. The Marine Lot No. 506 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$12.00.
  - g. The Inland Lot No. 3183 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
  - h. The Inland Lot No. 3184 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
- iii. The major encumbrance registered against the property interests are as follows:
- a. Deed of Dedication with plan re part in favour of the Government of Hong Kong dated 17 March 1995 vide Memorial No. UB6257857;
  - b. Modification Letter re ML 502 dated 26 April 1995 vide Memorial No. UB6279960;
  - c. Occupation Permit (No. H37/95) dated 31 May 1995 vide Memorial No. UB6311690;
  - d. Deed of Mutual Covenant and Management Agreement in favour of China Merchants & Kan Property Management Company Limited dated 21 June 1995 vide Memorial No. UB6344864;
  - e. Sub-Deed of Mutual Covenant (Remarks: Supplemental to D.M.C. and Management Agreement M/N 6344864) dated 21 June 1995 vide Memorial No. UB6346483; and
  - f. Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited for all moneys (pt.) dated 23 February 2022 vide Memorial No. 22030401660035.
- iv. The property sales comparable are selected as they have characteristics comparable to the office portion of the property interests. The price range of the comparable from HKD15,000 to HKD19,000 per ft<sup>2</sup> on saleable area. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including time, size, location, view, floor, year of completion, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, we have adopted the average unit rate of the comparable of HKD14,990 per ft<sup>2</sup> on saleable area.
- v. The selection criteria of the 3 office transaction comparable references are stated below:
- a. The usage of the comparable references, which are office;
  - b. The location of the comparable references, which are located in Sheung Wan, Hong Kong;
  - c. The saleable area of the comparable references, which are larger than 1,500 ft<sup>2</sup>; and

- d. The transaction date of the comparable references has occurred within 3 years prior to the valuation date.

The comparable references are exhaustive based on the above selection criteria.

- vi. The property sales comparable are selected as they have characteristics comparable to the car parking space portion of the property interests. The price range of the comparable from HKD1,900,000 to HKD2,200,000 per car parking space. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including time, location, floor, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, we have adopted the average unit rate of the comparable of HKD1,500,000 per car parking space.
- vii. The selection criteria of the 3 car parking space transaction comparable references are stated below:
  - a. The usage of the comparable references, which are car parking space;
  - b. The location of the comparable references, which are located in Sheung Wan, Hong Kong;
  - c. The floor level of the comparable references, which are located on 2nd floor; and
  - d. The transaction date of the comparable references has occurred within 3 years prior to the valuation date.

The comparable references are exhaustive based on the above selection criteria.

## VALUATION CERTIFICATE

No.	Property Interest	Description and tenure	Particulars of occupancy	Market value
				in existing state as at 28 February 2025 HKD
2.	29th Floor, Flat Roof above 29th Floor and Carpark Space No. P12 on 2nd Floor, No. 9 Des Voeux Road West, Hong Kong	<p>The property interest comprises an office unit on the 29th floor, a flat roof above 29th floor and a car parking space on the 2nd floor of No. 9 Des Voeux Road (the “development”), which is a 29-storey office building completed in 1995, as per Occupation Permit No. H37/95.</p> <p>The development is located on the northwestern side of Des Voeux Road West, near its junction with Queen Street in Sheung Wan, Hong Kong.</p> <p>The gross floor area and saleable area of the office portion of the property interests are approximately 7,192 ft<sup>2</sup> (668.15 m<sup>2</sup>) and 5,025 ft<sup>2</sup> (466.83 m<sup>2</sup>), respectively. The ancillary area of the flat roof portion of the property interest are approximately 2,137 ft<sup>2</sup> (198.53 m<sup>2</sup>)</p> <p>The development is zoned as “Commercial” under the approved Sai Ying Pun &amp; Sheung Wan Outline Zoning Plan No. S/H3/34, which was gazetted on 13 November 2020.</p> <p>The property interest is held under various government leases for a term of 999 years, with respective lease commencement dates and government rent payable, as stipulated in note ii below.</p>	The Property was owner occupied as at the Valuation Date	80,500,000 (100% interest attributable to the Group: 80,500,000)
	An aggregate of 488/10,010 equal and undivided shares of and in Marine Lot No. 502, Marine Lot No. 503, Marine Lot No. 504, Section A and the Remaining Portion of Marine Lot No. 505, Marine Lot No. 506, Inland Lot No. 3183 and Inland Lot No. 3184.			

*Notes:*

- i. Pursuant to the searches records obtained from the Land Registry, the registered owner of the property interests as at the Valuation Date was KK VIII (BVI) Limited, which is an indirect wholly-owned subsidiary of the Company.

- ii. Pursuant to the search records obtained from the Land Registry, the particulars of the lots under which the property interests are held under are as follows:
- a. The Marine Lot No. 502 is held under government lease for a term of 999 years, commencing on 28 May 1900, with an annual government rent payable of HK\$46.00.
  - b. The Marine Lot No. 503 is held under government lease for a term of 999 years, commencing on 28 May 1900, with an annual government rent payable of HK\$44.00.
  - c. The Marine Lot No. 504 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
  - d. The Section A of Marine Lot No. 505 is held under government lease for a term of 999 years, commencing on 8 January 1900, with an annual government rent payable of HK\$16.08.
  - e. The remaining portion of Marine Lot No. 505 is held under government lease for a term of 999 years, commencing on 8 January 1900, with an annual government rent payable of HK\$17.92.
  - f. The Marine Lot No. 506 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$12.00.
  - g. The Inland Lot No. 3183 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
  - h. The Inland Lot No. 3184 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
- iii. The major encumbrance registered against the property interests are as follows:
- a. Deed of Dedication with plan re part in favour of the Government of Hong Kong dated 17 March 1995 vide Memorial No. UB6257857;
  - b. Modification Letter re ML 502 dated 26 April 1995 vide Memorial No. UB6279960;
  - c. Occupation Permit (No. H37/95) dated 31 May 1995 vide Memorial No. UB6311690;
  - d. Deed of Mutual Covenant and Management Agreement in favour of China Merchants & Kan Property Management Company Limited dated 21 June 1995 vide Memorial No. UB6344864;
  - e. Sub-Deed of Mutual Covenant (Remarks: Supplemental to D.M.C. and Management Agreement M/N 6344864) dated 21 June 1995 vide Memorial No. UB6346483; and
  - f. Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited for all moneys (pt.) dated 23 February 2022 vide Memorial No. 22030401660020.
- iv. The property sales comparable are selected as they have characteristics comparable to the office portion of the property interests. The price range of the comparable from HKD15,000 to HKD19,000 per ft<sup>2</sup> on saleable area. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including time, size, location, view, floor, year of completion, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, we have adopted the average unit rate of the comparable of HKD15,040 per ft<sup>2</sup> on saleable area.

- v. The selection criteria of the 3 office transaction comparable references are stated below:
- a. The usage of the comparable references, which are office;
  - b. The location of the comparable references, which are located in Sheung Wan, Hong Kong;
  - c. The saleable area of the comparable references, which are larger than 1,500 ft<sup>2</sup>; and
  - d. The transaction date of the comparable references has occurred within 3 years prior to the valuation date.

The comparable references are exhaustive based on the above selection criteria.

- vi. The property sales comparable are selected as they have characteristics comparable to the car parking space portion of the property interests. The price range of the comparable from HKD1,900,000 to HKD2,200,000 per car parking space. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including time, location, floor, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, we have adopted the average unit rate of the comparable of HKD1,500,000 per car parking space.

- vii. The selection criteria of the 3 car parking space transaction comparable references are stated below:
- a. The usage of the comparable references, which are car parking space;
  - b. The location of the comparable references, which are located in Sheung Wan, Hong Kong;
  - c. The floor level of the comparable references, which are located on 2nd floor; and
  - d. The transaction date of the comparable references has occurred within 3 years prior to the valuation date.

The comparable references are exhaustive based on the above selection criteria.