



Portfolio Valuation Report

Tern Properties Company Limited

*This report has been prepared for
Tern Properties Company Limited for
public disclosure purpose*

Report No.: 2/19/00218
Report Date: 28 June 2019 (DC/EN/SW/cn)

Our Ref: 2/19/00218
DC/EN/SW/cn

28 June 2019

The Directors
Tern Properties Company Limited
26th Floor
Tern Centre, Tower 1
237 Queen's Road Central
Hong Kong

Dear Sirs,

Re: Portfolio Valuation for Tern Properties Company Limited as at 31 March 2019

1.1 Instructions

We refer to the instruction received from Tern Properties Company Limited (“the Company”) for us to carry out market valuation in respect of the various properties held by the Company and its associated companies and/or subsidiaries (hereinafter referred to as “the Group”) in Hong Kong for public disclosure purpose in relation to a possible off-market share buy-back. The property interests are identified in Section 2.0 Summary of Valuations.

We confirm that we had carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of market values of the individual unencumbered leasehold property interests as at 31 March 2019 (“the date of valuation”).

We would like to point out that the valuations presented in this report represent 100% interest of the various properties and not the share holdings within each by the Group.

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物業估價部
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公司牌照號碼 : C-003464

Jones Lang LaSalle Limited
Valuation Advisory Services
7th Floor, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong
Company Licence No. C-003464



ISO 9001 : 2015
Certificate No.: CC 568

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1.0 INTRODUCTION (CONT'D)

1.2 Basis of Valuation

Unless otherwise stated, our valuation has been prepared in accordance with the "HKIS Valuation Standards 2017 Edition" published by The Hong Kong Institute of Surveyors ("HKIS"), the "International Valuation Standards 2017" published by the International Valuation Standards Council ("IVSC") and the "RICS Valuation – Global Standards 2017" published by the Royal Institution of Chartered Surveyors ("RICS") subject to variation to meet local established law. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards. We have also complied with the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rule 11 of the Codes on Takeovers and Mergers.

Our valuation of the property interests is made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out 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."

We have applied the definition of market value to each property interest independently. We have ignored the potential effect of selling the entire portfolio at any one time. Likewise for property interest that is comprised of multiple floors or units, we have valued the property as a single property interest and have ignored the potential effect of selling the property on a strata title basis.

Our valuation services have been executed in accordance with our Quality Assurance System, accredited by HKQAA via ISO 9001:2015 and our report prepared with reference to the assumptions, definitions and limiting conditions as set out in our General Principles of Valuation.

1.3 Valuation Assumptions

Our valuations have been made on the assumption that the owner sells the individual property interests on the open market without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which could serve to affect the values of the property interests.

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

1.0 INTRODUCTION (CONT'D)

1.4 Valuation Methodologies

We have adopted both the direct comparison method and income capitalization method in the course of our valuation.

The direct comparison method is based on comparing the property to be valued directly with other comparable properties, which have recently been subject to transfer of legal ownership. However, given the differences between individual real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the properties under consideration.

The income capitalization method is based on the capitalization of the current passing rental income and potential reversionary income over the remaining tenure of the property from the date of valuation at appropriate investment yields to arrive at the capital value. The rental value and capitalization rate to be adopted for the valuation are derived from an analysis of market transactions and our interpretation of prevailing investor requirements or expectations.

1.5 Source of Information

We have relied to a considerable extent on the information provided by the Company including tenancy schedules of the subject properties and floor plans of various properties. We have accepted advice in relation to planning approvals, statutory notices, easements, tenure, particulars of occupancy, building plans, floor plans, floor areas and all other relevant matters. We have also conducted current searches at the Land Registry. We have assumed that all information provided to us is correct. However, should it be established subsequently that the details relating to the property interests are incorrect, we reserve the right to adjust the values reported herein.

The dimensions, measurements and areas included in the report are based on information contained in copies of documents obtained from the Company and the Land Registry and are therefore approximations. We have not carried out on site measurements to verify the correctness of the site area of the properties.

1.6 Title Investigation

We have not been provided with copies of the title documents relating to the property interests but we have caused searches to be made at relevant Land Registries. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may or may not appear on the land search records. All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate. We have not seen original planning and development consents and have assumed that the properties have been erected, being occupied and used in accordance with such consents and that there are no outstanding statutory notices.

1.0 INTRODUCTION (CONT'D)

1.7 Property Inspections

We have inspected the exteriors, and where possible the interiors of the properties on 7 March 2019 and 8 March 2019. The inspections were conducted by Ms. Evelyn Ng, MRICS, Manager and Ms. Selina Wu, MCIREA, Manager of Valuation Advisory Services of Jones Lang LaSalle Limited. We have not conducted formal site and structural surveys and, as such we cannot report that the properties are free from rot, infestation or any other structural defects. We have not carried out building surveys, nor have we inspected those parts of the properties which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition. We do not express an opinion about or advise upon the condition of the parts we had not inspected and this report should not be taken as making any implied representation or statement about such parts. No tests have been carried out to any of the services within the properties.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the properties, or has since been incorporated, and we are therefore unable to report that the properties are free from risk in this respect. For the purpose of this valuation, we have assumed that such investigation would not disclose the presence of any such material to any significant extent.

1.8 Site Investigation

We have not been instructed to carry out any investigations on site in order to determine the suitability of ground conditions and services, etc. for future development or renovation, nor did we undertake archaeological, ecological or environmental surveys. Our valuations are on the basis that these aspects are satisfactory and that where developments are contemplated, no extraordinary expenses or delays will be incurred during the construction or renovation period.

In the course of our valuation, we have assumed that no contamination affecting the properties or neighboring lands. However, should it be established subsequently that contamination exists at the properties or on any neighboring lands, or that the premises have been or are being put to any contaminative use, we reserve the right to adjust the values reported herein.

1.9 Plant and Machinery

Our valuations normally include all plant and machinery that form part of the building services installations. However, plant, machinery and equipment, which may have been installed wholly in connection with the occupier's industrial and commercial uses, together with furniture and furnishings, tenant's fixtures and fittings, are excluded in our valuations.

1.0 INTRODUCTION (CONT'D)

1.10 Potential Tax Liabilities

According to the information provided by the Company, the potential tax liabilities which would arise if the properties were to be sold at the amount of the valuation in this report is immaterial. It is unlikely that such liability would crystalize.

1.11 Report

This valuation report was prepared by Ms. Evelyn Ng, MRICS, Manager and Ms. Selina Wu, MCIREA, Manager of Valuation Advisory Services of Jones Lang LaSalle Limited under the supervision of Ms. Dorothy Y. Y. Chow MHKIS, MRICS & RPS(GP), Senior Director of the department.

We confirm that Ms. Dorothy Y. Y. Chow, Ms. Evelyn Ng and Ms. Selina Wu are in the position to provide an objective and unbiased valuation and are competent to undertake the valuation assignment.

Our summary of valuations and the valuation certificates are attached hereto.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Limited



Dorothy Chow B.Sc. (Hons), MSc, MRICS, MHKIS, RPS(GP)
Senior Director
Licence No.: E-182969

Note: Ms. Dorothy Y. Y. Chow, MHKIS MRICS RPS(GP), is a qualified general practice surveyor and has over 20 years of experience in the valuation of properties in Hong Kong.

2.0 SUMMARY OF VALUATIONS

Portfolio Valuation for Tern Properties Company Limited as at 31 March 2019

Summary of Valuations	Aggregate Market Value As at 31 March 2019 (HK\$)
Group I – Property interests occupied by the Group in Hong Kong	\$127,100,000
Group II – Property interests held by the Group for investment in Hong Kong	\$3,684,500,000
Group Total	\$3,811,600,000

2.0 SUMMARY OF VALUATIONS (CONT'D)

Group I

Property Interests Occupied by the Group in Hong Kong

Market Value
as at
31 March 2019
(HK\$)

-
- | | | |
|----|--|--------------|
| 1. | The Whole of 26 th , 27 th and 28 th Floors, Tower 1, Tern Centre,
237 Queen's Road Central, Hong Kong | \$71,100,000 |
| 2. | Flat No. 59 on 15 th Floor, Tower 9 and Car Parking Space Nos.
66 & 67 on Car Park Entrance 4 (Level 3), Hong Kong
Parkview, 88 Tai Tam Reservoir Road, Hong Kong | \$56,000,000 |
-

Group I Sub-total : \$127,100,000

2.0 SUMMARY OF VALUATIONS (CONT'D)

Group II Property Interests Held by the Group for Investment in Hong Kong	Market Value as at 31 March 2019 (HK\$)
3. Shops No. G15 and G16 on Ground Floor and Shop No. 8 on 1 st Floor, Site D of Park Lane Shopper's Boulevard, Nathan Road, Tsimshatsui, Kowloon	\$345,600,000
4. Shop No. G17 on Ground floor and Shop No. 9A on 1 st Floor, Site D of Park Lane Shopper's Boulevard, Nathan Road, Tsimshatsui, Kowloon	\$176,600,000
5. Shop No. G21 on Ground floor and Shop No. 11A on 1 st Floor, Site D of Park Lane Shopper's Boulevard, Nathan Road, Tsimshatsui, Kowloon	\$173,200,000
6. Duplex Shop F on Ground Floor and 1 st Floor, Burlington House, Nos. 90-94C Nathan Road, Tsimshatsui, Kowloon	\$164,000,000
7. Shops No. B & C on Ground Floor, the Whole of Upper Ground Floor and 1 st Floor, Ka Wing Building, 27 Granville Road, Tsimshatsui, Kowloon	\$223,400,000
8. The Whole of Lower Ground Floor, Ground Floor and 1 st Floor, Tower I, Tern Centre, 237 Queen's Road Central, Hong Kong	\$79,900,000
9. The Whole of Tower II, Tern Centre, 251 Queen's Road Central, Hong Kong	\$360,300,000

2.0 SUMMARY OF VALUATIONS (CONT'D)

Group II Property Interests Held by the Group for Investment in Hong Kong	Market Value as at 31 March 2019 (HK\$)
10. The Whole of Ground Floor, 1 st , 2 nd , 3 rd and 5 th Floors, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	\$255,400,000
11. The Whole of 9th Floor, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	\$11,400,000
12. The Whole of 20 th Floor, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	\$11,600,000
13. The Whole of the 6 th Floor, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	\$11,500,000
14. The Whole of the 12 th Floor, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	\$11,600,000
15. The Whole of Southgate Commercial Centre, 29 Granville Road, Tsimshatsui, Kowloon	\$538,100,000
16. Shops No. 1, 2 and 6 on Ground Floor, and the whole of 1st, 2nd, 3rd, 4th, 5th, 6th Floors, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	\$661,000,000
17. The Whole of 8th & 9th Floors, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	\$65,100,000
18. Units 1302& 1303, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	\$15,000,000

2.0 SUMMARY OF VALUATIONS (CONT'D)

Group II Property Interests Held by the Group for Investment in Hong Kong	Market Value as at 31 March 2019 (HK\$)
19. The Whole of 18th Floor, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	\$29,600,000
20. The Whole of 11th Floor, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	\$29,500,000
21. Carpark No. 31 on the Podium of Level 2, 37 Repulse Bay Road, Hong Kong	\$1,900,000
22. Shop No. 18A on Ground Floor, Star House, 3 Salisbury Road, Tsimshatsui, Kowloon	\$22,400,000
23. The Whole of The Wave, 184 Nathan Road, Jordan, Kowloon	\$437,000,000
24. Shop No. 5, Ground Floor, Lee Fat Building, Nos. 30-36 Jardine's Crescent, Causeway Bay, Hong Kong	\$30,700,000
25. The Whole of 16th Floor, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	\$29,700,000
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Group II Sub-total :	\$3,684,500,000
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3.0 VALUATION CERTIFICATE

Group I – Property Interests Occupied by the Group in Hong Kong

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
1. The Whole of 26 th , 27 th and 28 th Floors, Tower 1, Tern Centre, 237 Queen's Road Central, Hong Kong	The property comprises the top three floors of Tower 1 of Tern Centre, which is a twin-tower office development completed in 1990. Tower 1 comprises 30 storeys with ground floor and lower ground floor used as retail shops.	The property was occupied by the owner as offices as at the date of valuation.	HK\$71,100,000 (HONG KONG DOLLARS SEVENTY ONE MILLION AND ONE HUNDRED THOUSAND)

3.0 VALUATION CERTIFICATE (CONT'D)

Notes:

- (1) The registered owner of the property is Zepersing Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Deed of Mutual Covenant and Management Agreement in favour of Kamillex Property Management Limited "The Manager" vide Memorial No. UB4662958 registered on 4 January 1991.
 - Order No. DBR/RB02-03/0001/12 by the Building Authority under S.26 of the Buildings Ordinance vide Memorial No. 16081200970211 dated 31 March 2015. (re: for internal common areas and exterior of the building)

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
2. Flat No. 59 on 15 th Floor, Tower 9 (of Parkview Crescent) and Car Parking Spaces Nos. 66 & 67 on Car Park Entrance 4 (Level 3), Hong Kong Parkview, 88 Tai Tam Reservoir Road, Hong Kong 224 / 190,149 equal and undivided shares of Rural Building Lot No. 1051 (RBL 1051) and the Extension Thereto	The property comprises a flat on the 15 th floor of Tower 9 and two adjoining car parking spaces in the car parking podium of Hong Kong Parkview, a luxury residential development completed in 1989 in Island South district. According to the building brochure, the gross floor area and the saleable area of the flat is approximately 2,490 sq.ft. (231.33 sq.m.) and 2,087 sq.ft. (193.89 sq.m.) respectively.	The property was occupied by the Company as at the date of valuation. RBL 1051 is held under Conditions of Sale No. 11574 and its extension is held under Conditions of Exchange No. 11953, both are for a term of 75 years commencing from 3 December 1981 renewable for 75 years. The current government rent payable for the RBL 1051 and its extension is HK\$2,000 per annum.	HK\$56,000,000 (HONG KONG DOLLARS FIFTY SIX MILLION)

Notes:

- (1) The registered owner of the property is Zepersing Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Deed of Mutual Covenant with plan vide Memorial No. UB5108303 registered on 10 December 1991.
 - Occupation Permit No. H137/89 vide Memorial No. UB5078301 dated 13 November 1989.

3.0 VALUATION CERTIFICATE (CONT'D)

Group II – Property Interests Held by the Group for Investment in Hong Kong

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
3. Shop Nos. G15 and G16 on Ground Floor and Shop No. 8 on 1 st Floor, Site D of Park Lane Shopper's Boulevard, Nathan Road, Tsimshatsui, Kowloon 40 / 2,308 equal and undivided shares of Kowloon Inland Lot No. 10710	<p>The property comprises two shop units on the ground floor and one shop unit on the first floor of Park Lane Shopper's Boulevard, a 2-storey retail development completed in 1986 in Tsimshatsui.</p> <p>The approximate gross floor area and the saleable area of the property is 2,644 sq.ft. (245.63 sq.m.) and 2,422 sq.ft. (225.01 sq.m.) respectively.</p> <p>Breakdown of the saleable area for the respective floors are as follows:</p> <p>Shop No. 15 on G/F: 644 sq.ft. (59.83 sq.m.) Shop No. 16 on G/F: 644 sq.ft. (59.83 sq.m.) Shop No. 8 on 1/F: 1,134 sq.ft. (105.35 sq.m.)</p> <p>The lot is held under Conditions of Sale Nos. 11654 for a term of 75 years commencing from 23 February 1983 renewable for 75 years. The current government rent payable for the lot is HK\$1,000 per annum.</p>	<p>As at the date of valuation, the property was leased for a term of 2 years expiring in November 2020. The monthly rental as at the date of valuation is HK\$570,000 (exclusive of management fee and rates).</p>	<p>HK\$345,600,000 (HONG KONG DOLLARS THREE HUNDRED FORTY FIVE MILLION AND SIX HUNDRED THOUSAND)</p>

Notes:

- (1) The registered owner of the property is Strongfort Company Limited, a wholly owned subsidiary of the Company.

3.0 VALUATION CERTIFICATE (CONT'D)

(2) From our previous internal inspection of the property, we noted that the following addition and alteration works had been done within the property, which are not shown on the registered floor plan.

- Shop Nos. G15 and G16 on ground floor were merged into a single unit.
- An internal staircase was erected to link up the ground floor and the first floor.

For the purpose of the valuation, we have relied on the existing layout of the property and has not allowed for any costs which are necessary to reinstate the property to its original design and layout. It is estimated that the reinstatement costs would be less than HK\$500,000.

(3) The following encumbrances are registered against the property at the date of our Land Registry searches:

- Deed of Grant of Easement with Plan vide Memorial No. UB2767732 dated 30 April 1985.
- Deed of Mutual Covenant and Management Agreement in favour of Espora Company Limited “The Manager” vide Memorial No. UB3009761 registered on 24 March 1986.
- Mortgage in favour of the Hang Seng Bank Limited to secure all moneys in respect of general banking facilities vide Memorial No. 16072800580035 dated 13 July 2016.
- Rental Assignment in favour of Hang Seng Bank Limited vide Memorial No. 16072800580049 dated 13 July 2016.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
4. Shop No. G17 on Ground Floor and Portion 9A of Shop No. 9 on 1 st Floor, Site D of Park Lane Shopper's Boulevard, Nathan Road, Tsimshatsui, Kowloon 16/2,308 equal and undivided shares (Shop No. G17 on Ground Floor) and 4/8 of 8/2,308 equal and undivided shares (Shop No. 9A on 1 st Floor) of Kowloon Inland Lot No. 10710	<p>The property comprises a shop unit on the ground floor and portion of a shop unit on the first floor of Park Lane Shopper's Boulevard, a 2 storey retail development completed in 1986 in Tsimshatsui.</p> <p>The approximate gross floor area and saleable area of the property is 1,322 sq.ft. (122.82 sq.m.) and 1,210 sq.ft. (112.41 sq.m.) respectively.</p> <p>Breakdown of saleable area for the respective floors are as follows:</p> <p>G/F: 642 sq.ft. (59.64 sq.m.) 1/F: 568 sq.ft. (52.77 sq.m.)</p> <p>The lot is held under Conditions of Sale Nos. 11654 for a term of 75 years commencing from 23 February 1983 renewable for 75 years. The current government rent payable for the lot is HK\$1,000 per annum.</p>	<p>As at the date of valuation, the property was leased for a term of 2 years expiring in July 2020. The monthly rental as at the date of valuation is HK\$178,000 (exclusive of management fee and rates).</p>	HK\$176,600,000 (HONG KONG DOLLARS ONE HUNDRED SEVENTY SIX MILLION AND SIX HUNDRED THOUSAND)

Notes:

- (1) The registered owner of the property is Spark View Limited, a wholly owned subsidiary of the Company.
- (2) From our previous internal inspection of the property, we noted that an internal staircase was erected to link up the ground floor and the first floor. Such a staircase is not shown on the registered floor plan. For the purpose of the valuation, we have relied on the existing layout of the property and has not allowed for any costs which are necessary to reinstate the property to its original design and layout. It is estimated that the reinstatement costs would be less than HK\$500,000.

3.0 VALUATION CERTIFICATE (CONT'D)

- (3) The following encumbrances are registered against the property at the date of our Land Registry searches:
- Deed of Grant of Easement with Plan vide Memorial No. UB2767732 dated 30 April 1985.
 - Deed of Mutual Covenant and Management Agreement in favour of Espora Company Limited “The Manager” vide Memorial No. UB3009761 registered on 24 March 1986.
 - Mortgage in favour of the Nanyang Commercial Bank Limited to secure all moneys in respect of general banking facilities vide Memorial No. 16102400570130 dated 30 September 2016.
 - Rental Assignment in favour of Nanyang Commercial Bank vide Memorial No. 16102400570142 dated 30 September 2016.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
5. Shop No. G21 on Ground Floor and Portion 11A of Shop No. 11 on 1 st Floor, Site D of Park Lane Shopper's Boulevard, Nathan Road, Tsimshatsui, Kowloon 16/2,308 equal and undivided shares (Shop No. G21 on Ground Floor) and 5/9 of 9/2,308 equal shares and undivided (Shop No. 11A on 1 st Floor) of Kowloon Inland Lot No. 10710	<p>The property comprises a shop unit on the ground floor and portion of a shop unit on first floor of Park Lane Shopper's Boulevard, a 2 storey retail development completed in 1986 in Tsimshatsui.</p> <p>The approximate gross floor area and saleable area of the property is 1,322 sq.ft. (122.82 sq.m.) and 1,281 sq.ft. (119.01 sq.m.) respectively.</p> <p>Breakdown of saleable area for the respective floors are as follows:</p> <p>G/F: 660 sq.ft. (61.32 sq.m.) 1/F: 621 sq.ft. (57.69 sq.m.)</p> <p>The lot is held under Conditions of Sale Nos. 11654 for a term of 75 years commencing from 23 February 1983 renewable for 75 years. The current government rent payable for the lot is HK\$1,000 per annum.</p>	<p>As at the date of valuation, the property was leased at a monthly rental of HK\$110,000 (exclusive of management fee and rates) for a term of 6 months expiring in August 2019.</p>	HK\$173,200,000 (HONG KONG DOLLARS ONE HUNDRED SEVENTY THREE MILLION AND TWO HUNDRED THOUSAND)

Notes:

- (1) The registered owner of the property is Longo Investment Company Limited, a wholly owned subsidiary of the Company.
- (2) From our previous internal inspection of the property, we noted that an internal staircase was erected to link up the ground floor and the first floor. Such a staircase is not shown on the registered floor plan. For the purpose of the valuation, we have relied on the existing layout of the property and has not allowed for any costs which are necessary to reinstate the property to its original design and layout. It is estimated that the reinstatement costs would be less than HK\$500,000.

3.0 VALUATION CERTIFICATE (CONT'D)

(3) The following encumbrances are registered against the property at the date of our Land Registry searches:

- Deed of Grant of Easement with Plan vide Memorial No. UB2767732 dated 30 April 1985.
- Deed of Mutual Covenant and Management Agreement in favour of Espora Company Limited "The Manager" vide Memorial No. UB3009761 registered on 24 March 1986.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
6. Duplex Shop F on Ground Floor and 1 st Floor, Burlington House, Nos. 90-94C Nathan Road, Tsimshatsui, Kowloon 5/173 equal and undivided shares of Kowloon Inland Lot No. 6776	<p>The property comprises a shop unit on both the ground and first floors of Burlington House, which is an 18 storey (including 1 storey basement) composite building completed in 1964 in Tsimshatsui.</p> <p>The approximate gross floor area and saleable area of the property is 1,400 sq.ft. (130.06 sq.m.) and 1,036 sq.ft. (96.25 sq.m.) respectively.</p> <p>Breakdown of saleable area for the respective floor are as follows:</p> <p>G/F: 635 sq.ft. (58.99 sq.m.) 1/F: 401 sq.ft. (37.25 sq.m.)</p> <p>The lot is held under Conditions of Renewal No. 5547 for a term of 150 years commencing from 24 June 1889. The current government rent payable for the property is HK\$38 per annum.</p>	<p>As at the date of valuation, the property was leased for a term of 2 year expiring in May 2019. The monthly rental as at the date of valuation is HK\$310,000 (exclusive of management fee and rates).</p>	HK\$164,000,000 (HONG KONG DOLLARS ONE HUNDRED AND SIXTY FOUR MILLION)

Notes:

- (1) The registered owner of the property is Grant Horn Investment Limited, a wholly owned subsidiary of the Company.

3.0 VALUATION CERTIFICATE (CONT'D)

(2) Upon previous inspection, we noted the following addition and alteration works were undertaken within the property, which are not shown on the registered floor plan:

- A cockloft was erected above the rear portion of the ground floor shop.
- An internal staircase was erected to link up the ground floor, the cockloft and the first floor.

For the purpose of the valuation, we have relied on the existing layout of the property and has not allowed for any costs which are necessary to reinstate the property to its original design and layout. It is estimated that the reinstatement costs would be less than HK\$500,000.

(3) The following encumbrances are registered against the property at the date of our Land Registry searches:

- Deed of Grant with plans in favour of Chan Sing Yam vide Memorial No. UB450989 dated 29 June 1964.
- Deed of Mutual Grant of Right of Way & Easements with plans in favour of Chan Sing Yam vide Memorial No. UB454592 dated 1 September 1964.
- Deed of Mutual Covenant with plan vide Memorial No. UB466580 registered on 16 December 1964.
- Order No. C/TF/000430/16/K by the Building Authority under S.24 (1) of the Buildings Ordinance with plan vide Memorial No. 16032400570119 dated 10 March 2016. (re: Common Parts only)
- Mortgage in favour of Nanyang Commercial Bank Limited to secure all moneys in respect of general banking facilities vide Memorial No. 16102400570168 dated 30 September 2016.
- Rental Assignment in favour of Nanyang Commercial Bank Limited vide Memorial No. 16102400570175 dated 30 September 2016.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019												
7. Shops No. B & C on Ground Floor, the Whole of Upper Ground Floor and 1 st Floor, Ka Wing Building, 27 Granville Road, Tsimshatsui, Kowloon	<p>The property comprises two shop units on the ground floor and two commercial floors of Ka Wing Building, which is a 19-storey composite building completed in 1987 in Tsimshatsui.</p> <p>The approximate total gross floor area and saleable area of the property is 7,900 sq.ft. (733.93 sq.m.) and 5,445 sq.ft. (505.85 sq.m.) respectively. Breakdown of the gross floor area for the respective floors are as follows:</p> <table> <thead> <tr> <th></th> <th><u>Approx. Gross Floor Area</u></th> <th><u>Approx. Saleable Area</u></th> </tr> </thead> <tbody> <tr> <td>Shops B & C on G/F</td> <td>2,300 sq.ft. (213.68 sq.m.)</td> <td>1,391 sq.ft. (129.23 sq.m.)</td> </tr> <tr> <td>UG/F</td> <td>2,800 sq.ft. (260.13 sq.m.)</td> <td>2,090 sq.ft. (194.17 sq.m.)</td> </tr> <tr> <td>1/F</td> <td>2,800 sq.ft. (260.13 sq.m.)</td> <td>1,964 sq. ft. (182.46 sq.m.)</td> </tr> </tbody> </table> <p>The lots are held under two government leases for a common term of 150 years commencing from 24 June 1888. The current government rent payable for each of the lot is HK\$160 per annum.</p>		<u>Approx. Gross Floor Area</u>	<u>Approx. Saleable Area</u>	Shops B & C on G/F	2,300 sq.ft. (213.68 sq.m.)	1,391 sq.ft. (129.23 sq.m.)	UG/F	2,800 sq.ft. (260.13 sq.m.)	2,090 sq.ft. (194.17 sq.m.)	1/F	2,800 sq.ft. (260.13 sq.m.)	1,964 sq. ft. (182.46 sq.m.)	<p>As at the date of valuation, Shops Nos. B and C on the Ground Floor were leased for a term of 3 years expiring in June 2021, with an option to renew for further 3 years. The monthly rental as at the date of valuation is HK\$305,000 (exclusive of management fee and rates).</p> <p>The whole of Upper Ground Floor and 1st Floor were leased for a term of 3 years expiring on June 2021. The monthly rental as at the date of valuation is HK\$270,000 (exclusive of management fee and rates).</p>	HK\$223,400,000 (HONG KONG DOLLARS TWO HUNDRED TWENTY THREE MILLION AND FOUR HUNDRED THOUSAND)
	<u>Approx. Gross Floor Area</u>	<u>Approx. Saleable Area</u>													
Shops B & C on G/F	2,300 sq.ft. (213.68 sq.m.)	1,391 sq.ft. (129.23 sq.m.)													
UG/F	2,800 sq.ft. (260.13 sq.m.)	2,090 sq.ft. (194.17 sq.m.)													
1/F	2,800 sq.ft. (260.13 sq.m.)	1,964 sq. ft. (182.46 sq.m.)													
325 / 750 equal and undivided shares of Kowloon Inland Lots Nos. 9367 and 8162															

3.0 VALUATION CERTIFICATE (CONT'D)

Notes:

- (1) The registered owner of the property is Spark View Limited, a wholly owned subsidiary of the Company.
- (2) From our internal inspection of the property, we noted that Shops B and C on the ground floor had been merged into a single unit. For the purpose of the valuation, we have relied on the existing layout of the property and has not allowed for any costs which are necessary to reinstate the property to its original design and layout. It is estimated that the reinstatement costs would be less than HK\$500,000.
- (3) The following encumbrances are registered against the property at the date of our Land Registry searches apart from tenancy agreement:
 - Occupation Permit No. K26/87 vide Memorial No. UB3535509 dated 29 October 1987.
 - Deed of Mutual Covenant vide Memorial No. UB3552588 registered on 24 November 1987.
 - Order No. INVO00280/K11/TF by the Building Authority under S.26 (1) of the Buildings Ordinance with plan vide Memorial No. 16071402380286 dated 17 June 2016. (re: for the reinforced concrete canopy at the first floor level facing Granville Road)
 - Mortgage in favour of Hang Seng Bank Limited to secure all moneys in respect of general banking facilities vide Memorial No. 17101001370016 dated 22 September 2017.
 - Rental Assignment in favour of Hang Seng Bank Limited vide Memorial No. 17101001370023 dated 22 September 2017.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019												
8. The Whole of Lower Ground Floor, Ground Floor and 1 st Floor, Tower I, Tern Centre, 237 Queen's Road Central, Hong Kong 38/500 equal and undivided shares of The Remaining Portion of Section A of Inland Lot No. 202 (IL 202 s.A RP), the Remaining Portion of Inland Lot No. 1482 (IL 1482 RP), Section B of Inland Lot No. 1482 (IL 1482 s.B), the Remaining Portion of Section A of Inland Lot No. 1482 (IL 1482 s.A RP), The Remaining Portion of Inland Lot No. 117 (IL 117 RP) and The Remaining Portion of Section A of Inland Lot No. 117 (IL 117 s.A RP)	<p>The property comprises the lowest three floors of Tower I of Tern Centre, which is a twin-tower office development completed in 1990 in Sheung Wan. Tower 1 comprises 30 storeys, in which the ground floor and lower ground floor are used as retail shops whilst the remaining floors are used as offices.</p> <p>The approximate total gross floor area and saleable area of the property is 6,080 sq.ft. (564.85 sq.m.) and 3,934 sq.ft. (365.48 sq.m.) respectively. Breakdown of the floor areas for respective floors are as follows:</p> <table> <thead> <tr> <th></th> <th style="text-align: center;"><u>Approx. Gross Floor Area</u></th> <th style="text-align: center;"><u>Approx. Saleable Area</u></th> </tr> </thead> <tbody> <tr> <td>LG/F</td> <td style="text-align: center;">1,613 sq.ft. (149.85 sq.m.)</td> <td style="text-align: center;">1,232 sq.ft. (114.46 sq.m.)</td> </tr> <tr> <td>G/F</td> <td style="text-align: center;">2,287 sq.ft. (212.47 sq.m.)</td> <td style="text-align: center;">1,272 sq.ft. (118.17 sq.m.)</td> </tr> <tr> <td>1/F</td> <td style="text-align: center;">2,180 sq.ft. (202.53 sq.m.)</td> <td style="text-align: center;">1,430 sq.ft. (132.85 sq.m.)</td> </tr> </tbody> </table>		<u>Approx. Gross Floor Area</u>	<u>Approx. Saleable Area</u>	LG/F	1,613 sq.ft. (149.85 sq.m.)	1,232 sq.ft. (114.46 sq.m.)	G/F	2,287 sq.ft. (212.47 sq.m.)	1,272 sq.ft. (118.17 sq.m.)	1/F	2,180 sq.ft. (202.53 sq.m.)	1,430 sq.ft. (132.85 sq.m.)	<p>As at the date of valuation, the property was fully let to various tenants with the latest tenancy expiring in 31 July 2020. The total monthly rental receivable was approximately \$228,000 (exclusive of management fee and rates) as at the date of valuation.</p>	HK\$79,900,000 (HONG KONG DOLLARS SEVENTY NINE MILLION AND NINE HUNDRED THOUSAND)
	<u>Approx. Gross Floor Area</u>	<u>Approx. Saleable Area</u>													
LG/F	1,613 sq.ft. (149.85 sq.m.)	1,232 sq.ft. (114.46 sq.m.)													
G/F	2,287 sq.ft. (212.47 sq.m.)	1,272 sq.ft. (118.17 sq.m.)													
1/F	2,180 sq.ft. (202.53 sq.m.)	1,430 sq.ft. (132.85 sq.m.)													

3.0 VALUATION CERTIFICATE (CONT'D)

Notes:

- (1) The registered owner of the property is Zepersing Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Deed of Mutual Grant of Rights in favour of Grademark Limited and High Spark Properties Limited vide Memorial No. UB4633067 dated 3 December 1990.
 - Deed of Mutual Covenant and Management Agreement in favour of Kamillex Property Management Limited “The Manager” vide Memorial No. UB4662958 registered on 4 January 1991.
 - Offensive Trades Licence from District Lands Office / Hong Kong West & South vide Memorial No. 15060301570031 registered on 3 June 2015.
 - Order No. DBR/RB02-03/0001/12 by the Building Authority under S.26 of the Buildings Ordinance vide Memorial No. 16081200970211 dated 31 March 2015. (re: for internal common areas and exterior of the building)

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
9. The Whole of Tower II, Tern Centre, 251 Queen's Road Central, Hong Kong	The property comprises the whole of Tower II of Tern Centre, which is a twin-tower office development completed in 1990 in Central. Tower II comprises 18 storeys, in which the ground floor and lower ground floor are used as retail shops whilst the remaining floors are used as offices.	As at the date of valuation, the property was let to various tenants with the latest tenancy expiring in September 2020. The occupancy rate was about 97.6%. As at the date of valuation, the total monthly rental receivable was approximately \$912,800 (exclusive of management fee and rates).	HK\$360,300,000 (HONG KONG DOLLARS THREE HUNDRED SIXTY MILLION AND THREE HUNDRED THOUSAND)
Section B of Inland lot No. 99 (IL 99 s.B), The Remaining Portion of Section A of Inland Lot No. 117A (IL 117A s.A RP), The Remaining Portion of Section A of Inland Lot No. 117B (IL 117B, s.A RP), The Remaining Portion of Inland Lot No. 117C (IL 117C RP), The Remaining Portion of Section A of Inland Lot No. 117D (IL 117D s.A RP) and The Remaining Portion of Inland Lot No. 117D (IL 117D RP)	The total gross floor area and saleable area of the property is approximately 37,322 sq.ft. (3,467.30 sq.m.) and 23,130 sq.ft. (2,148.83 sq.m.) respectively.		
	The property is held under 5 government leases all for a term of 999 years commencing from 26 June 1843. The government rent for each of the lot are as follows:		
	<u>Lot No</u>	<u>Government Rent</u>	
	IL 99sB	HK\$18 per annum	
	IL 117A s.A RP	HK\$6.68 per annum	
	IL 117B s.A	HK\$7.78 per annum	
	IL 117C	3 pounds 16S. 2 1/2 D per annum	
	IL 117D	4 pounds 2S. 6D. per annum	

3.0 VALUATION CERTIFICATE (CONT'D)

Notes:

- (1) The registered owner of the property is High Spark Properties Limited, a wholly owned subsidiary of the Company.
- (2) The property is currently zoned for "Commercial" purposes under the Draft Sai Ying Pun and Sheung Wan Outline Zoning Plan No. S/H3/32 dated 21 September 2018.
- (3) Various tenancy agreements are registered against the property at the date of our Land Registry searches.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019															
10. The Whole of Ground Floor, 1 st , 2 nd , 3 rd and 5 th Floors, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	The property comprises the lowest four retail floors together with an office floor of The Bodynits Building, which is a 19-storey commercial building completed in 1997 in Tsimshatsui.	As at the date of valuation, the property was let to various tenants with the latest tenancy expiring in October 2020. The occupancy rate was 77.1% and the total monthly rental receivable for the property was approximately \$501,500 (exclusive of management fee and rates).	HK\$255,400,000 (HONG KONG DOLLARS TWO HUNDRED FIFTY FIVE MILLION AND FOUR HUNDRED THOUSAND)															
1,140/2,130 equal and undivided shares of Kowloon Inland Lot No. 9133																		
	The approximate total gross floor area and saleable area of the property are 7,152 sq.ft. (664.44 sq.m.) and 4,720 sq.ft. (438.50 sq.m.) respectively. Breakdown of the floor areas for respective floors are as follows:																	
	<table> <thead> <tr> <th>Floor</th><th>Approx. Gross Floor Area</th><th>Approx. Saleable Area</th></tr> </thead> <tbody> <tr> <td>G/F</td><td>1,529 sq.ft. (142.05 sq.m.)</td><td>1,017 sq.ft. (94.48 sq.m.)</td></tr> <tr> <td>1/F & 2/F</td><td>2,968 sq.ft. (275.73 sq.m.)</td><td>1,950 sq.ft. (181.16 sq.m.).</td></tr> <tr> <td>3/F</td><td>1,673 sq.ft. (155.43 sq.m.)</td><td>1,080 sq.ft. (100.33 sq.m.)</td></tr> <tr> <td>5/F</td><td>982 sq.ft. (91.23 sq.m.)</td><td>673 sq.ft. (62.52 sq.m.)</td></tr> </tbody> </table>	Floor	Approx. Gross Floor Area	Approx. Saleable Area	G/F	1,529 sq.ft. (142.05 sq.m.)	1,017 sq.ft. (94.48 sq.m.)	1/F & 2/F	2,968 sq.ft. (275.73 sq.m.)	1,950 sq.ft. (181.16 sq.m.).	3/F	1,673 sq.ft. (155.43 sq.m.)	1,080 sq.ft. (100.33 sq.m.)	5/F	982 sq.ft. (91.23 sq.m.)	673 sq.ft. (62.52 sq.m.)		
Floor	Approx. Gross Floor Area	Approx. Saleable Area																
G/F	1,529 sq.ft. (142.05 sq.m.)	1,017 sq.ft. (94.48 sq.m.)																
1/F & 2/F	2,968 sq.ft. (275.73 sq.m.)	1,950 sq.ft. (181.16 sq.m.).																
3/F	1,673 sq.ft. (155.43 sq.m.)	1,080 sq.ft. (100.33 sq.m.)																
5/F	982 sq.ft. (91.23 sq.m.)	673 sq.ft. (62.52 sq.m.)																
	The Property is held under Conditions of Regrant No. 8803 for a lease term of 150 years commencing from 24 June 1888. The current government rent payable for the lot is HK\$194 per annum.																	

3.0 VALUATION CERTIFICATE (CONT'D)

Notes:

- (1) The registered owner of the property is Kimberly Investment Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrance is registered against the property at the date of our Land Registry searches:
 - Occupation Permit No. K21/97 vide Memorial No. UB7149174 dated 27 June 1997.
 - Deed of Mutual Covenant and Management Agreement in favour of Kamillex Property Management Limited “The Manager” vide Memorial No. UB7227997 registered on 26 August 1997.
 - Mortgage in favour of The Bank of East Asia Limited to secure all moneys in respect of general banking facilities vide Memorial No. 17010500500175 dated 12 December 2016.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
11. The Whole of 9 th Floor, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon 70/2,130 equal and undivided shares of Kowloon Inland Lot No. 9133	The property comprises an office floor of The Bodynits Building, which is a 19-storey commercial building completed in 1997 in Tsimshatsui. The gross floor area and saleable area of the property is approximately 1,074 sq.ft. (99.78 sq.m.) and 686 sq.ft. (63.73 sq.m.) respectively. The property is held under Conditions of Regrant No. 8803 for a lease term of 150 years commencing from 24 Jun 1888. The current government rent payable for the lot is HK\$194 per annum.	As at the date of valuation, the property was leased at a monthly rental of HK\$36,500 (exclusive of rates and management fee) for a term of 2 years expiring in August 2020.	HK\$11,400,000 (HONG KONG DOLLARS ELEVEN MILLION AND FOUR HUNDRED THOUSAND)

Notes:

- (1) The registered owner of the property is Win Easy Development Limited, an associate (50% ownership) of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Occupation Permit No. K21/97 vide Memorial No. UB7149174 dated 27 June 1997.
 - Deed of Mutual Covenant and Management Agreement in favour of Kamillex Property Management Limited "The Manager" vide Memorial No. UB7227997 registered on 26 August 1997.
 - Mortgage in favour of The HongKong Chinese Bank Limited Remarks: The consideration is all monies power of sale exercised see assignment Mem. No. 7961698 vide UB7314510 dated 16 October 1997.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
12. The Whole of 20 th Floor, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	The property comprises an office floor of The Bodynits Building, which is a 19-storey commercial building completed in 1997 in Tsimshatsui.	As at the date of valuation, the property was leased at a monthly rental of HK\$35,500 (exclusive of rates and management fee) for a term of 2 years expiring in March 2020.	HK\$11,600,000 (HONG KONG DOLLARS ELEVEN MILLION AND SIX HUNDRED THOUSAND)
70/2,130 equal and undivided shares of Kowloon Inland Lot No. 9133	The gross floor area and saleable area of the property are approximately 1,074 sq.ft. (99.78 sq.m.) and 686 sq.ft. (63.73 sq.m.) respectively.	The property is held under Conditions of Regrant No. 8803 for a lease term of 150 years commencing from 24 June 1888. The current government rent payable for the lot is HK\$194 per annum.	

Notes:

- (1) The registered owner of the property is Pomeroy Company Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Occupation Permit No. K21/97 vide Memorial No. UB7149174 dated 27 June 1997.
 - Deed of Mutual Covenant and Management Agreement in favour of Kamillex Property Management Limited "The Manager" vide Memorial No. UB7227997 registered on 26 August 1997.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
13. The Whole of the 6 th Floor, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	The property comprises the whole sixth floor of The Bodynits Building, which is a 19-storey commercial building completed in 1997 in Tsimshatsui.	As at the date of valuation, the property was leased for a term of 2 years expiring in May 2021. The monthly rental as at the date of valuation is HK\$32,200 (exclusive of management fee and rates).	HK\$11,500,000 (HONG KONG DOLLARS ELEVEN MILLION AND FIVE HUNDRED THOUSAND)
70/2,130 equal and undivided shares of Kowloon Inland Lot No. 9133	The gross floor area and saleable area of the property is approximately 1,074 sq.ft. (99.78 sq.m.) and 686 sq.ft. (63.73 sq.m.) respectively.		
	The property is held under Conditions of Regrant No. 8803 for a lease term of 150 years commencing on 24 June 1888. The current government rent payable for the lot is HK\$194 per annum.		

Notes:

- (1) The registered owner of the property is Pomeroy Company Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Occupation Permit No. K21/97 vide Memorial No. UB7149174 dated 27 June 1997.
 - Deed of Mutual Covenant and Management Agreement in favour of Kamillex Property Management Limited "The Manager" vide Memorial No. UB7227997 registered on 26 August 1997.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
14. The Whole of the 12 th Floor, The Bodynits Building, 3 Cameron Road, Tsimshatsui, Kowloon	The property comprises the whole twelfth floor of The Bodynits Building, which is a 19-storey commercial building completed in 1997 in Tsimshatsui.	As at the date of valuation, the property was leased at a monthly rental of HK\$33,900 (exclusive of rates and management fee) for a term of 2 years expiring in September 2019.	HK\$11,600,000 (HONG KONG DOLLARS ELEVEN MILLION AND SIX HUNDRED THOUSAND)
70/2,130 equal and undivided shares of Kowloon Inland Lot No. 9133	The gross floor area and saleable area of the property is approximately 1,074 sq.ft. (99.78 sq.m.) and 686 sq.ft. (63.73 sq.m.) respectively.	The property is held under Conditions of Regrant No. 8803 for a lease term of 150 years commencing from 24 June 1888. The current government rent payable for the lot is HK\$194 per annum.	

Notes:

- (1) The registered owner of the property is Pomeroy Company Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Occupation Permit No. K21/97 vide Memorial No. UB7149174 dated 27 June 1997.
 - Deed of Mutual Covenant and Management Agreement in favour of Kamillex Property Management Limited "The Manager" vide Memorial No. UB7227997 registered on 26 August 1997.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
15. The Whole of Southgate Commercial Centre, 29 Granville Road, Tsimshatsui, Kowloon	The property comprises the whole of Southgate Commercial Building, which is a 19-storey office building completed in 1998. The lowest three floors are designated as retail use, whilst the remaining floors are used for offices. The retail floors are accessible directly to and from Granville Road by a separate staircase.	As at the date of valuation, the property was let to various tenants with the latest tenancy expiring in November 2022. The occupancy rate was about 100% and the total monthly rental receivable was approximately \$1,555,780 (exclusive of management fee and rates).	HK\$538,100,000 (HONG KONG DOLLARS FIVE HUNDRED THIRTY EIGHT MILLION AND ONE HUNDRED THOUSAND)
The Whole of Kowloon Inland Lot Nos. 7075 and 6551	The approximate total gross floor area and saleable area of the property is 36,076 sq.ft. (3,351.54 sq.m.) and 21,783 sq.ft. (2,023.69 sq.m.) respectively.	The property is held under Conditions of Re-grant Nos. 5647 and 5336 both for a term of 150 years commencing from 24 June 1888. The current government rent payable for each of the lots is \$160 per annum.	

Notes:

- (1) The registered owner of the property is Take Easy Investment Limited, a wholly owned subsidiary of the Company.
- (2) The property is currently zoned for "Commercial (6)" uses under the approved Tsim Sha Tsui Outline Zoning Plan No. S/K1/28 exhibited on 13 December 2013 as at the date of valuation.
- (3) The total registered site area of Inland Lot Nos. 7075 and 6551 is about 2,801 sq.ft. We are of the opinion that the market value of the property lies on its existing use value.

3.0 VALUATION CERTIFICATE (CONT'D)

- (4) The salient lease conditions of Kowloon Inland Lot Nos. 7075 and 6551 are summarized below:
- The lot shall not be used for industrial purposes and no factory building shall be erected thereon (KIL 7075 only)
 - The lot or any building erected thereon shall not be used for any purpose other than non-industrial (excluding godown, residential and petrol filling station) purposes (KIL 6551 only)
 - The total gross floor area of any building(s) erected on the lot shall not be less than 937 sq.m. and shall not exceed 1,561.87 sq.m. (KIL 6551 only)
- (5) The following encumbrances are registered against the property at the date of our Land Registry searches:
- Modification Letter (re: KIL 6551) vide Memorial No. UB6776526 dated 2 October 1996.
 - Occupation Permit (Permit No. K16/98) vide Memorial No. UB7520217 dated 18 June 1998.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
16. Shops No. 1, 2 and 6 on Ground Floor, and the whole of 1 st , 2 nd , 3 rd , 4 th , 5 th , 6 th Floors, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon 3,632 / 7,498 equal and undivided shares of Kowloon Inland Lot Nos. 8437, 8244 and 10218	The property comprises the 6 retail / restaurants floors and 3 ground floor shops of Tern Plaza, which is a 20-storey commercial building completed in 1994. Separate lift is designed for the retail/restaurant floors while a spiral staircase is also used to link up 1 st to 3 rd floor. The approximate total gross floor area and saleable area of the property is 26,391 sq.ft. (2,452.78 sq.m.) and 17,398 sq.ft. (1,616.31 sq.m.) respectively. Breakdown of the areas for respective floors are as follows:	As at the date of valuation, the property was fully occupied. The property was let to various tenants with the latest tenancy expiring in January 2022. The total monthly rental receivable for the property was approximately \$2,075,000 (exclusive of management fee and rates).	HK\$661,000,000 (HONG KONG DOLLARS SIX HUNDRED AND SIXTY ONE MILLION)
Floor Approx. Gross Area Approx. Saleable Area			
G/F 1/F 2/F 3/F 4/F to 6/F (Each floor)	2,236 sq.ft. (207.73 sq.m.) 5,040 sq.ft. (468.23 sq.m.) 5,173 sq.ft. (480.58 sq.m.) 5,215 sq.ft. (484.49 sq.m.) 2,909 sq.ft. (270.25 sq.m.)	1,359 sq.ft. (126.25 sq.m.) 2,806 sq.ft. (260.68 sq.m.) 3,147 sq.ft. (292.36 sq.m.) 3,147 sq.ft. (292.36 sq.m.) 2,313 sq.ft. (214.88 sq.m.)	

3.0 VALUATION CERTIFICATE (CONT'D)

Notes:

- (1) The registered owner of the property is Win Easy Development Limited, an associate (50% ownership) of the Company.
- (2) The following encumbrances are registered registration against the property at the date of our Land Registry searches apart from various tenancy agreements:
 - Occupation Permit No. K33/94 vide Memorial No. UB6094045 dated 25 July 1994.
 - Deed of Mutual Covenant and Management Agreement vide Memorial No. UB 6107083 registered on 3 September 1994.
 - Sub-Deed of Mutual Covenant with plans in favour of Kamillex Property Management Limited (Manager) vide Memorial No. 09102901110032 dated 30 September 2009.
 - Mortgage in favour of Nanyang Commercial Bank Limited for a consideration of all money in respect of general banking facilities vide Memorial No. 09110500990156 dated 8 October 2009. (re: Shop 1 on G/F)
 - Rental Assignment in favour of Nanyang Commercial Bank Limited vide Memorial No. 09110500990166 dated 8 October 2009. (re: Shop 1 on G/F)
 - Mortgage in favour of Nanyang Commercial Bank Limited for a consideration of all money in respect of general banking facilities vide Memorial No. 09110500990173 dated 8 October 2009. (re: Shop 2 on G/F)
 - Rental Assignment in favour of Nanyang Commercial Bank Limited vide Memorial No. 09110500990182 dated 8 October 2009. (re: Shop 2 on G/F)

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
17. The Whole of 8 th & 9 th Floors, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	The property comprises 2 office floors of Tern Plaza, which is a 20-storey commercial building completed in 1994.	As at the date of valuation, the property was let to various tenants with the latest tenancy expiring in January 2022. The occupancy rate was 69.9% and the total monthly rental receivable for the property was approximately \$135,600 (exclusive of management fee and rates).	HK\$65,100,000 (HONG KONG DOLLARS SIXTY FIVE MILLION AND ONE HUNDRED THOUSAND)
482 / 7,498 equal and undivided shares of Kowloon Inland Lot Nos. 8437, 8244 and 10218	The approximate total gross floor area and saleable area of the property is 6,022 sq.ft. (559.46 sq.m.) and 4,076 sq.ft. (378.67 sq.m.) respectively.		
	The property is held under three government leases. The lease term of Kowloon Inland Lot Nos. 8437 and 8244 commences on 24 June 1888 for a common term of 150 years, whilst that of Kowloon Inland Lot No. 10218 commences on 24 June 1963 for a lease term of 75 years.		
	The current government rent payable for Kowloon Inland Lot Nos. 8437, 8244 and 10218 are HK\$170, HK\$496 and HK\$168 per annum respectively.		

Notes:

- (1) The registered owner of the property is Home Easy Limited, an associate (50% ownership) of the Company.
- (2) The following encumbrances are registered registration against the property at the date of our Land Registry searches apart from various tenancy agreements:
 - Occupation Permit No. K33/94 vide Memorial No. UB6094045 dated 25 July 1994.
 - Deed of Mutual Covenant and Management Agreement vide Memorial No. UB 6107083 registered on 3 September 1994.

3.0 VALUATION CERTIFICATE (CONT'D)

(2) (Cont'd):

- Legal Charge / Mortgage in favour of Standard Chartered Bank (Hong Kong) Limited for all moneys vide Memorial No. 05042002360051 dated 1 April 2005.
- Rental Assignment in favour of Standard Chartered Bank (Hong Kong) Limited for all moneys vide Memorial No. 05042002360068 dated 1 April 2005.
- Partial Release vide Memorial No. 09110500990071 dated 30 September 2009.
- Sub-Deed of Mutual Covenant with plans in favour of Kamillex Property Management Limited (Manager) vide Memorial No. 09102901110032 dated 30 September 2009.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
18. Office Units 2 and 3 on 13 th Floor, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	The property comprises 2 office units of Tern Plaza, which is a 20-storey commercial building completed in 1994.	As at the date of valuation, the property was let to two tenants with the latest tenancy expiring in February 2020.	HK\$15,000,000 (HONG KONG DOLLARS FIFTEEN MILLION)
107 / 7,498 equal and undivided shares of Kowloon Inland Lot Nos. 8437, 8244 and 10218	The approximate total gross floor area and saleable area of the property is 1,420 sq.ft. (131.92 sq.m.) and 959 sq.ft. (89.09 sq.m.) respectively.	The total monthly rental receivable for the property was approximately \$46,900 (exclusive of management fee and rates).	
	The property is held under three government leases. The lease term of Kowloon Inland Lot Nos. 8437 and 8244 commences on 24 June 1888 for a common term of 150 years, whilst that of Kowloon Inland Lot No. 10218 commences on 24 June 1963 for a lease term of 75 years.		
	The current government rent payable for Kowloon Inland Lot Nos. 8437, 8244 and 10218 are HK\$170, HK\$496 and HK\$168 per annum respectively.		

Notes:

- (1) The registered owner of the property is Pomeroy Company Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered registration against the property at the date of our Land Registry searches apart from various tenancy agreements:
 - Occupation Permit No. K33/94 vide Memorial no. UB6094045 dated 25 July 1994.
 - Deed of Mutual Covenant and Management Agreement vide Memorial No. UB 6107083 registered on 3 September 1994.
 - Sub-deed of Mutual Covenant vide Memorial No. UB6107084 registered on 3 September 1994.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
19. The Whole of 18 th Floor, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon	The property comprises the whole eighteenth floor of Tern Plaza, which is a 20-storey commercial building completed in 1994.	As at the date of valuation, all four units of the property were leased to 4 tenants, with the latest tenancy expiring in September 2020. The total monthly rental of the property is approximately HK\$90,600 (exclusive of rates and management fee).	HK\$29,600,000 (HONG KONG DOLLARS TWENTY NINE MILLION AND SIX HUNDRED THOUSAND)
214/7,498 equal and undivided shares of Kowloon Inland Lot No. 8437, 8244 and 10218	The gross floor area and saleable area of the property is approximately 2,839 sq.ft. (263.75 sq.m.) and 1,887 sq.ft. (175.31 sq.m.) respectively.		
	The property is held under three government leases. The lease term of Kowloon Inland Lot Nos. 8437 and 8244 commence on 24 June 1888 for a common term of 150 years, whilst that of Kowloon Inland Lot No. 10218 commences on 24 June 1963 for a lease term of 75 years.		
	The current government rent payable for Kowloon Inland Lot Nos. 8437, 8244 and 10218 are HK\$170, HK\$496 and HK\$168 per annum respectively.		

Notes:

- (1) The registered owner of the property is Pomeroy Company Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Occupation Permit No. K33/94 vide Memorial No. UB6094045 dated 25 July 1994.
 - Deed of Mutual Covenant and Management Agreement vide Memorial No. UB6107083 registered on 3 September 1994.
 - Sub-deed of Mutual Covenant vide Memorial No. UB6107084 registered on 3 September 1994.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
20. The Whole of 11 th Floor, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon 213/7,498 equal and undivided shares of Kowloon Inland Lot No. 8437, 8244 and 10218	<p>The property comprises the whole eleventh floor of Tern Plaza, which is a 20-storey commercial building completed in 1994.</p> <p>The gross floor area and saleable area of the property is approximately 2,839 sq.ft. (263.75 sq.m.) and 1,887 sq.ft. (175.31 sq.m.) respectively.</p> <p>The property is held under three government leases. The lease term of Kowloon Inland Lot Nos. 8437 and 8244 commence on 24 June 1888 for a common term of 150 years, whilst that of Kowloon Inland Lot No. 10218 commences on 24 June 1963 for a lease term of 75 years.</p> <p>The current government rent payable for Kowloon Inland Lot Nos. 8437, 8244 and 10218 are HK\$170, HK\$496 and HK\$168 per annum respectively.</p>	<p>As at the date of valuation, the property was let to various tenants with the latest tenancy expiring in July 2020. The occupancy rate was 74.1% and the total monthly rental receivable for the property was approximately \$65,500 (exclusive of management fee and rates).</p>	HK\$29,500,000 (HONG KONG DOLLARS TWENTY NINE MILLION AND FIVE HUNDRED THOUSAND)

Notes:

- (1) The registered owner of the property is Pomeroy Company Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Occupation Permit No. K33/94 vide Memorial No. UB6094045 dated 25 July 1994.
 - Deed of Mutual Covenant and Management Agreement vide Memorial No. UB6107083 registered on 3 September 1994.
 - Sub-Deed of Mutual Covenant vide Memorial No. UB6107084 registered on 3 September 1994.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
21. Carpark No. 31 on the Podium of Level 2, 37 Repulse Bay Road, Hong Kong	The property comprises one of the car parking spaces within the car parking podium of 37 Repulse Bay Road, which is a luxury residential development completed in 1994 in Repulse Bay.	The property was vacant as at the date of valuation.	HK\$1,900,000 (HONG KONG DOLLARS ONE MILLION AND NINE HUNDRED THOUSAND)
1/2,667 equal and undivided shares of Rural Building Lot No. 410	The lot is held under the government lease of Rural Building Lot No. 410 for a term of 75 years commencing from 20 June 1938 renewable for 75 years. The current government rent payable for lot is HK\$766 per annum.		

Notes:

- (1) The registered owner of the property is High Spark Properties Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Notice of Changing and Adjusting the Total Undivided Shares vide Memorial No. UB5910090 dated 29 January 1994.
 - Occupation Permit No. H19/94 vide Memorial No. UB5931514 dated 7 February 1994.
 - Deed of Mutual Covenant vide Memorial No. UB5975036 registered on 16 April 1994.
 - Management Agreement in favour of Kolot Property Services Limited “The Manager” vide Memorial No. UB5975037 dated 10 March 1994.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
22. Shop No. 18A on Ground Floor, Star House, 3 Salisbury Road, Tsimshatsui, Kowloon	The property comprises a unit shop on ground floor of Star House, which is a 19 storey commercial building with shopping arcade on lower floors completed in 1969 in Tsimshatsui.	As at the date of valuation, the property was leased to a tenant at a monthly rental of HK\$46,000 (exclusive of rates and management fee) for a term of 3 years expiring in November 2021.	HK\$22,400,000 (HONG KONG DOLLARS TWENTY TWO MILLION AND FOUR HUNDRED THOUSAND)
37/19,328 equal and undivided shares of Kowloon Marine Lot No. 10	The gross floor area and saleable area of the property is approximately 450 sq.ft. (41.81 sq.m.) and 260 sq.ft. (24.15 sq.m.) respectively.		

The property is held under Government Lease for a lease term of 999 years commencing from 25 July 1864. The current government rent payable for the lot is HK\$736 per annum.

Notes:

- (1) The registered owner of the property is Trademark Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Deed of Mutual Covenant vide Memorial No. UB2190469 dated 11 December 1981.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
23. The Whole of The Wave, No. 184 Nathan Road, Kowloon	The property comprises the whole of The Wave, which is a 15-storey office building completed in 1994. The lowest three floors and basement floor are designated as retail use, whilst the remaining floors are designated for offices. The retail floors are accessible directly to and from Nathan Road by a separate staircase.	As at the date of valuation, the property was fully let with the latest tenancy expiring in October 2021. The total monthly rental receivable for the property was approximately \$1,247,800 (exclusive of rates and management fee).	HK\$437,000,000 (HONG KONG DOLLARS FOUR HUNDRED AND THIRTY SEVEN MILLION)
The Whole of Kowloon Inland Lot No. 9571	The total gross floor area and saleable area of the property is approximately 28,316 sq.ft. (2,621.33 sq.m.) and 18,151 sq.ft. (1,686.27 sq.m.) respectively.		
	The property is held under Conditions of Re-grant No. 9426 for a term of 150 years commencing from 25 December 1893. The current government rent payable for the lot is \$274 per annum.		

Notes:

- (1) The registered owner of the property is Kingunit Company Limited, a wholly owned subsidiary of the Company.
- (2) The property is currently zoned for "Commercial" uses under the approved Tsim Sha Tsui Outline Zoning Plan No. S/K1/28 approved on 13 December 2013 as at the date of valuation.
- (3) The registered site area of Inland Lot No. 9571 is about 2,382 sq.ft. We are of the opinion that the market value of the property lies on its existing use value.

3.0 VALUATION CERTIFICATE (CONT'D)

- (4) The salient lease conditions of Kowloon Inland Lot No. 9571 are summarized below:
- The lot shall not be used for industrial purposes and no factory building shall be erected thereon
 - The grantee shall not assign, underlet, mortgage or otherwise deal with the lot or any section thereof or create or assign, underlet, mortgage or otherwise deal with any estate, interest or share therein or enter in any agreement to do any of the said things unless and until he shall first have paid to the Government the whole of the outstanding balance of premium together with interest accrued thereon at the said rate
- (5) The following encumbrances are registered against the property at the date of our Land Registry searches apart from various tenancy agreements:
- Occupation Permit No. K18/94 vide Memorial No. UB6021572 dated 6 May 1994
 - Deed of Mutual Covenant vide Memorial No. UB6043313 registered on 20 June 1994.
 - Mortgage in favour of The Ka Wah Bank Limited for a consideration of part of all moneys vide Memorial No. UB6047708 dated 20 May 1994
 - Mortgage to secure general banking facilities in favour of Bank of China for consideration see memorial power of sale exercised see assignment M/N 8268656 vide Memorial No. UB6044945 dated 20 May 1994 (re: Unit A on 15th Floor)
 - Second Mortgage in favour of Bank of China for a consideration of all moneys vide Memorial No. UB7165944 dated 19 Jun 1997 (re: Unit A on 15th Floor)
 - Memorandum of Change of Name of Building from "Englong Commercial Building" to "The Wave" vide Memorial No. 06071101220016 dated 8 July 2006.

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
24. Shop No. 5, Ground Floor, Lee Fat Building, Nos. 30-36 Jardine's Crescent, Causeway Bay, Hong Kong 463/6,800 equal and undivided shares of Section C, E, F and G of Inland Lot No. 81	The property comprises a shop unit on ground floor of Lee Fat Building in Causeway Bay, which is a 21-storey composite building completed in 1983. The approximate gross floor area and saleable area of the property is 700 sq.ft. (65.03 sq.m.) and 415 sq.ft. (38.55 sq.m.) respectively. The lot is held under Government Lease for a term of 999 years commencing from 26 June 1843. The current government rent payable for the property is HK\$40 per annum.	As at the date of valuation, the property was leased at a monthly rental of HK\$35,000 (exclusive of rates and management fee) for a term of 2 months commencing from February 2019.	HK\$30,700,000 (HONG KONG DOLLARS THIRTY MILLION AND SEVEN HUNDRED THOUSAND)

Notes:

- (1) The registered owner of the property is Trademark Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches apart from tenancy agreement:
 - Deed of Mutual Covenant vide Memorial No. UB2429055 registered 4 July 1983.
 - Order No. DBR/RB03-02/0001/12 by the Building Authority under Section 26 of the Buildings Ordinance vide Memorial No. 14021201300014 dated 27 November 2013. (re: Common Part(s) only)

3.0 VALUATION CERTIFICATE (CONT'D)

Property	Description, age and tenure	Particulars of occupancy	Market Value as at 31 March 2019
25. The Whole of 16 th Floor, Tern Plaza, 5 Cameron Road, Tsimshatsui, Kowloon 214/7,498 equal and undivided shares of Kowloon Inland Lot No. 8437, 8244 and 10218	<p>The property comprises the whole sixteenth floor of Tern Plaza, which is a 20-storey commercial building completed in 1994.</p> <p>The gross floor area and saleable area of the property is approximately 2,839 sq.ft. (263.75 sq.m.) and 1,887 sq.ft. (175.31 sq.m.) respectively.</p> <p>The property is held under three government leases. The lease term of Kowloon Inland Lot Nos. 8437 and 8244 commence on 24 June 1888 for a common term of 150 years, whilst that of Kowloon Inland Lot No. 10218 commences on 24 June 1963 for a lease term of 75 years.</p> <p>The current government rent payable for Kowloon Inland Lot Nos. 8437, 8244 and 10218 are HK\$170, HK\$496 and HK\$168 per annum respectively.</p>	<p>As at the date of valuation, all the four units in the property were leased, with the latest tenancy expiring in March 2021. The total monthly rental of the property is approximately HK\$94,700 (exclusive of rates and management fee).</p>	HK\$29,700,000 (HONG KONG DOLLARS TWENTY NINE MILLION AND SEVEN HUNDRED THOUSAND)

Notes:

- (1) The registered owner of the property is Pomeroy Company Limited, a wholly owned subsidiary of the Company.
- (2) The following encumbrances are registered against the property at the date of our Land Registry searches:
 - Occupation Permit No. K33/94 vide Memorial No. UB6094045 dated 25 July 1994.
 - Deed of Mutual Covenant and Management Agreement vide Memorial No. UB6107083 registered on 3 September 1994.
 - Sub-Deed of Mutual Covenant vide Memorial No. UB6107084 registered on 3 September 1994.

Appendix No. 1

**General Principles of Valuation
for Properties in Hong Kong**

**GENERAL PRINCIPLES ADOPTED IN THE PREPARATION
AND CONDITIONS THAT APPLY TO AND FORM PART
OF
HONG KONG VALUATIONS AND REPORTS**

This document sets out the terms of engagement for our valuation services. They apply unless we have specifically mentioned otherwise in the service agreement or in the body of the Reports. Where appropriate, we will be pleased to discuss variations to suit any particular circumstances, where appropriate. Any variations to these terms of engagement must be confirmed in writing.

Our Valuations and Reports are confidential to, and for the use only of, the party to whom they are addressed and for the stated specific purpose. No responsibility whatsoever is accepted to any third parties who may use or rely on the whole or any part of the contents of any such Valuation or Report. The whole or any part of the Valuation or Report, or reference thereto, must not be published or referred to in any document, statement, circular, or in any communication with third parties, without our prior written approval of the form and context in which it will appear.

1. Valuation Methodology:

All work is carried out in accordance with the "HKIS Valuation Standards 2017" published by The Hong Kong Institute of Surveyors ("HKIS"), the "International Valuation Standards 2017" published by the International Valuation Standards Council ("IVSC") and the "RICS Valuation – Global Standards 2017" published by the Royal Institution of Chartered Surveyors ("RICS") subject to variation to meet local established law. Unless otherwise stated, our valuations are undertaken as External Valuers as defined in the relevant Valuation Standards.

Compliance with the RICS standards may be subject to monitoring under the RICS' conduct and disciplinary regulations.

2. Valuation Basis:

Our valuations are made on the basis of Market Value as defined by IVSC and adopted by HKIS and RICS, set out 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."

Our valuations are made on the assumption that the owner sells the property on the open market without the benefit of a deferred terms contract, leaseback, joint venture or similar arrangement which would serve to affect the value of the property.

Each valuation is current as at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property). We do not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of preceding half of this paragraph, we do not assume any responsibility or accept liability where this valuation is relied upon after the expiration of three months from the date of valuation.

3. Costs:

No allowances are made in our valuations for dealing with any encumbrances such as charges, mortgages, nor for amounts owing on the properties nor for any expenses or taxation which may be incurred in effecting a sale or disposal.

4. Source of Information:

We accept as being complete and correct the information provided to us, by the sources listed, as to details of tenure, tenancies, tenant's improvements, planning consents and other relevant matters, as summarized in our report.

5. Assumptions

Unless we state otherwise in the valuation, our valuation assumes (without investigation on our part), where applicable,

- (a) good and marketable title, and no encumbrance on the property's title which could materially affect its value,
- (b) no encroachment by or on the property,
- (c) no major environmental factor (including contamination) affects the property,
- (d) no deficiencies in the structural integrity of the property and other improvements,
- (e) the property is not affected or required for any public purposes or is to be acquired for a public purpose,
- (f) there are no outstanding statutory orders on the property or the likely possibility of future orders being made by a regulatory authority,
- (g) body corporate records and finances are in a satisfactory order and there are no major financial commitments, orders or levies in respect of any major rectifications, remedial or other works to be undertaken by the body corporate above normal maintenance,
- (h) no material litigation pending relating to the property,
- (i) that the property (and any works thereto) comply with all relevant statutory regulations, including enactments relating to fire regulations,
- (j) no deleterious materials (including by way of example asbestos and calcium chloride)
- (k) ground conditions and services are suitable (including, particularly with respect to agricultural land, no possibility of latent infestation in the soil or of disease which might affect crops or stock at any time in the future) and no extraordinary expenses or delays will be incurred due to archaeological, ecological or environmental matters.

Without affecting the generality of the above, where leases or documents of title or site and building surveys or building report or pest certificate or engineer's certificate or body corporate records are provided to us for the purpose of the valuation, reliance must not be placed on our interpretation thereof of any of these documents.

6. Tenants:

Enquiries as to the financial standing of actual or prospective tenants are not made unless we specifically agree to in writing. Where properties are valued with the benefit of lettings, it is therefore assumed, unless we are informed otherwise in writing, that the tenants are capable of meeting their financial obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

7. Measurements:

All measurements are carried out in accordance with the "Code of Measuring Practice" booklet published by the HKIS. To suit the local legislation and/or client's request or agreement, we declare our departure from the "RICS property measurement" published by RICS in May 2015. Unless otherwise stated, we do not physically measure the actual properties or verify the floor areas provided to us, unless we specifically agree in writing to do so, although we make reference to the Registered Floor Plans if available.

8. Jurisdiction:

Unless the parties otherwise agree in writing, all disputes arising out and relating to our valuation shall be finally settled under Hong Kong Law and the parties irrevocably submit to the jurisdiction of the Hong Kong Courts.
