



*Prepared for*

**Maoye International Holdings Limited**

*In respect of*

**the Valuation of a property located at No.2 Gongjiao Road, Chengdu North Railway Station, Jinniu District, Chengdu City, Sichuan Province, the People's Republic of China**

**Valuation date : 31 December 2022**  
**Report date : 31 March 2023**  
**Our reference : B02423**

31 March 2023

The Board of Directors  
Maoye International Holdings Limited  
Room 3301, 33rd Floor,  
Office Tower Convention Plaza,  
No.1 Harbour Road,  
Wan Chai, Hong Kong

Dear Sirs and Madams,

Re : Valuation of a property located at No.2 Gongjiao Road, Chengdu North Railway Station, Jinniu District, Chengdu City, Sichuan Province, the People's Republic of China (“the **Property**”)

#### **INSTRUCTIONS**

We refer to your instruction for us to value the property interests held by Maoye International Holdings Limited (the “**Company**”) or its subsidiaries (together referred as the “**Group**”) located in the People's Republic of China (the “**PRC**”). We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property in existing state as at 31 December 2022 (the “**Valuation Date**”) for the purpose of incorporation into the circular issued by the Company on the date hereof.

This letter which forms part of our valuation report explains the basis and methodology(ies) of valuation, clarifying assumptions, valuation considerations, title investigations and limiting conditions of this valuation.

## **BASIS OF VALUATION**

The valuation is our opinion of the market value (“**Market Value**”) which is defined by the Hong Kong Institute of Surveyors 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”.

## **VALUATION METHODOLOGY(IES)**

In valuing the completed portions of the Property, we have adopted the market approach. The market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

## **VALUATION STANDARDS**

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards 2020 Edition published by the Hong Kong Institute of Surveyors (“**HKIS**”), the RICS Valuation – Global Standards (Effective on 31 January 2022) published by the Royal Institution of Chartered Surveyors (“**RICS**”) and the International Valuation Standards (“**IVS**”) published by International Valuation Standards Council (IVSC) (Effective on 31 January 2022).

## **TITLE INVESTIGATION**

We have been shown copies of various documents relating to the property interest. However, we have not examined the original documents to verify the existing title to the property interest or any amendment which does not appear on the copies handed to us.

## **AREA MEASUREMENT AND INSPECTION**

Our Mr. Ivan Mak (CFA) inspected the Property on 16 February 2023. In the course of our inspections, we did not note any serious structural defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free from rot infestation or any other defects. No tests were carried out on any of the services. Moreover, we have not carried out investigations on site to determine the suitability of the ground conditions and the services etc., for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and no extraordinary expenses or delay will be incurred during the development period.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

We have not carried out investigation to determine the suitability of the ground conditions or the services for any property developments to be erected thereon. Our valuation is on the basis that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period. Moreover, it is assumed that the utilization of the land and improvements will be within the boundaries of the sites held by the owner or permitted to be occupied by the owner. In addition, we assumed that no encroachment or trespass exists, unless noted in the valuation report.

#### **VALUATION ASSUMPTION**

Our valuations have been made on the assumption that the owner sells the Property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interest or for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interest is free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

All consents, approvals and license from relevant government authorities for the property interest have been granted without any onerous conditions or undue time delay which might affect their values. All the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the valuation report covers.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. However, we have assumed that the utilization of the property interest and improvements are within the boundaries of the property interest described and that no encroachment or trespass exists, unless noted in the valuation report.

## LIMITING CONDITIONS

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

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material fact has been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assured unless otherwise stated, defined and considered in the valuation report.

As at the Valuation Date, we continue to be faced with an unprecedented set of circumstances caused by Novel Coronavirus (COVID-19) and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the Property is therefore reported as being subject to “material valuation uncertainty” as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards (Effective on 31 January 2022).

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt this explanatory note, including the “material valuation uncertainty” declaration, does not mean that the valuation cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the Valuation Date. We do not accept responsibility or liability for any losses arising from such subsequent changes in value. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.

## REMARKS

Unless otherwise stated, all money amounts stated are in Renminbi (RMB).

The English transliteration of the Chinese name(s) in this valuation report, where indicated by an asterisk (\*), is included for information purposes only, and should not be regarded as the official English name(s) of such Chinese name(s).

We enclose herewith our valuation report.

Yours faithfully,

For and on behalf of

**Graval Consulting Limited**



**Lawrence Chan Ka Wah**

*MRICS MHKIS RPS(GP) MCIREA MHIREA MHKIM*

*RICS Registered Valuer*

Partner

**Analysed and reported by: Ivan K.H. Mak, CFA**  
*Assistant Manager*

*Mr. Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors in the General Practice Section, a RICS Registered Valuer and a member of the China Institute of Real Estate Appraisers and Agents, who has over 19 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Region. Lawrence joined Graval Consulting Limited in 2020.*

*Mr. Ivan Mak was graduated from The Hong Kong Polytechnic University who has over 9 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asian Rim. Ivan joined Graval Consulting Limited in 2020.*

## VALUATION REPORT

### Property held by the Group in the PRC for investment purpose

| Property  | Description and tenure  | Particulars of occupancy                          | Market Value in existing state as at 31 December 2022 |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
|---|---|---|---|---|----------|-----------|-----|---|----------|-----------|-----|---|-----------------|--------------|-------------------------------|--|--|
| The Levels 1 to 3 of Block 1, No.2 Gongjiao Road, Chengdu North Railway Station, Jinniu District, Chengdu City, Sichuan Province, the PRC | The Property comprises the whole of the Level 1 to Level 3 and 2 Mezzanine Levels of a commercial complex building which was completed in about 1980s.<br><br>The total gross floor area of the Property is approximately 7,204 sq.m.   | The Property was vacant as at the Valuation Date. | RMB141,700,000  |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
|   | <table border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Levels</th> <th style="text-align: right;">Approximate Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">1</td> <td style="text-align: right;">2,234.67</td> </tr> <tr> <td style="text-align: left;">Mezzanine</td> <td style="text-align: right;">250</td> </tr> <tr> <td style="text-align: left;">2</td> <td style="text-align: right;">2,234.67</td> </tr> <tr> <td style="text-align: left;">Mezzanine</td> <td style="text-align: right;">250</td> </tr> <tr> <td style="text-align: left;">3</td> <td style="text-align: right;"><u>2,234.66</u></td> </tr> <tr> <td style="text-align: left;"><b>Total</b></td> <td style="text-align: right;"><b><u><u>7,204.00</u></u></b></td> </tr> </tbody> </table> | Levels  | Approximate Gross Floor Area (sq.m.)                  | 1 | 2,234.67 | Mezzanine | 250 | 2 | 2,234.67 | Mezzanine | 250 | 3 | <u>2,234.66</u> | <b>Total</b> | <b><u><u>7,204.00</u></u></b> |  |  |
| Levels  | Approximate Gross Floor Area (sq.m.)  |   |   |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
| 1   | 2,234.67  |   |   |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
| Mezzanine   | 250   |   |   |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
| 2   | 2,234.67  |   |   |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
| Mezzanine   | 250   |   |   |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
| 3   | <u>2,234.66</u>   |   |   |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
| <b>Total</b>  | <b><u><u>7,204.00</u></u></b>   |   |   |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |
|   | The land-use rights of the Property were granted for wholesale and retail uses expiring on 14 May 2040.   |   |   |   |          |           |     |   |          |           |     |   |                 |              |                               |  |  |

*Notes:*

1. Pursuant to a Real Estate Certificates (Document Nos.: Chuan (2022) Cheng Du Shi Bu Dong Chan Quan No.0285359), the land use rights of the Property with a site area of approximately 3,041.20 sq.m. were granted to Cheng Shang Group Holding Company Limited\* (成商集團控股有限公司) for a term expiring on 14 May 2040 for wholesale and retail uses.

As stipulated in the Real Estate Certificates, the ownership of the building of the Levels 1 to 3 and 2 Mezzanine Levels of the Property with a total gross floor area of approximately 7,204.00 sq.m. is vested in Cheng Shang Group Holding Company Limited for commercial use.

2. The Property is situated at No.2 Gongjiao Road in Jinniu District of Chengdu City, buildings in the locality are medium to high-rise commercial buildings and shopping malls. Chengdu Metro North Railway Station is just near to the Property. Metro, taxis and buses are accessible to the Property.
3. The unit rate of similar commercial premises in the locality as at the Valuation Date is in the range of RMB37,000 per sq.m. to RMB38,800 per sq.m.

4. Our Mr. Ivan Mak (CFA) inspected the Property on 16 February 2023, the external and internal conditions of the Property were reasonable.
5. Cheng Shang Group Holding Company Limited is a company incorporated in the PRC and an a wholly-owned subsidiary of the Company which owns the entire interest of the Property.
6. In the course of our valuation, we have made the following assumptions:
  - (a) The Property has obtained the relevant title documents and, whether as a whole or on a strata-title basis, is freely transferable to any third party (both overseas and domestic) in the open market without payment of any land premiums or any incidental costs;
  - (b) All land premiums and other costs of ancillary utility services have been settled in full;
  - (c) The Property is free from any mortgages, orders and other legal encumbrances which may cause adverse effect to the title of the Property; and
  - (d) In the course of our valuation, we have relied on the information provided by the Company, including but not limited to the ownership, planning approvals or statutory notices, easements and tenure of the Property. If the reality is different to the information provided by the Company, we reserved our rights to amend our valuation opinions.