

Vigers Appraisal and Consulting Limited
General Practice Sector

27/F Standard Chartered Tower,
Millennium City 1, 388 Kwun Tong Road,
Kowloon, Hong Kong



T: +852 6651-5330 E: GP@Vigers.com W: www.Vigers.com

5 March 2024

The Board of Directors
Hong Kong Economic Times Holdings Limited

6th Floor, Kodak House II
321 Java Road
North Point
Hong Kong

Dear Sirs,

We refer to the recent instruction from "Hong Kong Economic Times Holdings Limited" (referred to as the "Company") and/or its subsidiary(ies) (together referred to as the "Group") to us to value the property interest(s) of "factories A, B and flat roof, C and D on 2nd floor, Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong" (referred to as the "Property") which is solely owned by the Company's subsidiary "Asianway (Far East) Limited" to be disposed of by the Group, we confirm that we have inspected the Property, made relevant enquiries and investigations as well as obtained such further information as we consider necessary for the purpose of providing our opinion of value of the Property as at 10 January 2024 (the "Valuation Date").

BASIS OF VALUE

Our valuation is our opinion of market value of the Property which is defined as intended to mean “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 valuation(s) has/have been prepared in accordance with “HKIS Valuation Standards 2020” published by “The Hong Kong Institute of Surveyors” (“HKIS”), “RICS Valuation – Global Standards” published by the “Royal Institution of Chartered Surveyors” (“RICS”), relevant provisions in the Companies Ordinance and Chapter 5 under the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” (Main Board) published by “The Stock Exchange of Hong Kong Limited” (“HKEx”). Market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement(s), special consideration or concession granted by anyone associated with the sale, or any element of special value(s). The market value of a property is also estimated without regard to cost(s) of sale and purchase, and without offset for any associated tax(es).

APPROACH TO VALUE

For the property which is owner-occupied, and we have adopted market approach which provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available. We have applied direct comparison method of valuation whereby comparisons based on actual sales transactions and/or offering of comparable properties have been made. Comparable properties with similar character, location and so on are analysed and carefully weighed against all respective advantages and disadvantages of the Property in order to arrive at the fair comparison of value(s).

TITLE INVESTIGATION

No responsibility is assumed for any legal matters concerning the legal title to the property set out in this report. We have conducted land registration record(s) at the Land Registry but we have not searched the original document(s) to ascertain ownership nor to verify any lease amendment(s) which may not appear on the copy(ies) handed to us. In the course of our valuation(s), we have relied to a considerable extent on the information made available to us and we have accepted advice on such matters as planning approval(s) or statutory notice(s), easement(s), tenure(s), occupancy status, site and floor areas as well as all other relevant matters. Unless otherwise stated, no on-site measurement has been made. All information and document(s) provided to us have been used for reference purpose and all dimension(s), measurement(s) and area(s) are therefore approximation(s). Unless otherwise stated, floor area measurements are carried out in accordance with the “Code of Measuring Practice (1st Edition March 1999)” and its “Supplement(s) to the Code of Measuring Practice” published by the HKIS.

The land lease(s) of the property had expired before 30 June 1997, and we have taken into account of the provisions contained in Annex III of the "Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the question of Hong Kong", the "New Territories Leases (Extension) Ordinance" and the Basic Law that such land lease(s) has/have been extended without paying additional land premium until 30 June 2047.

In the course of our valuation(s), we have assumed that the owner(s) has/have free and uninterrupted rights to use and assign the Property during the unexpired land-lease term(s) granted subject to the payment of usual Government Rent(s) unless otherwise noted or specified.

VALUATION CONSIDERATION

We have relied to a very considerable extent on the information given by the Company; and we have accepted advice given to us on such matters as statutory notice(s), easement(s), tenure(s), occupancy status, site and floor areas, identification of the Property and all other relevant matter(s). No detailed on-site measurement(s) to the Property has been taken. We have not carried out detailed on-site measurement to verify the correctness of the site and floor areas of the Property but we have assumed that the site and floor areas shown on the document(s) handed to us are accurate and reliable. All dimension(s), measurement(s) and area(s) included in our valuation report are based on the information contained in the document(s) provided to us and are therefore approximations.

We had carried out on-site inspection but we have not carried out any structural survey or test on any building services nor have we inspected the woodwork or other part(s) of the structure(s) which was/were covered, unexposed or inaccessible to us. We are therefore unable to report whether such part(s) of the Property is/are free from rot, infestation or any structural or non-structural defect. As advised by the Company, air-conditioning system and automatic sprinkler system as well as supply of electricity and water are all available throughout the Property.

VALUATION ASSUMPTION

Our valuation has been made on the assumption that the Property could be sold in the prevailing market in existing state assuming sale with vacant possession and without the effect of any deferred term contract, leaseback, joint venture or any other similar arrangement which may serve to affect the value of the Property unless otherwise noted or specified. In addition, we are advised that there are no option or right of pre-emption concerning or affecting the sale of the Property.

The use of the word “property” throughout this report is intended to mean “land and building” and the word “land” has its normal legal interpretation.

Unless otherwise stated, we have carried out our valuation(s) assuming that:

- all necessary statutory approvals for the property of the development of which the property forms part of the use(s) have been obtained;
- no deleterious or hazardous materials or techniques have been used in the construction of the property;
- the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown;
- for those parts of the property could not be inspected would not reveal material defects or cause to alter our valuation(s);
- the property is connected to main services and sewers which are available on normal terms;
- in the case of the property which is under construction, the property will be satisfactorily completed to the standard in due course and details as described in the latest development schedules as contained in the sales brochure; and
- in valuation(s) of the property which is held under multiple ownership, the cost of repairs and maintenance to the development of which the property forms part of the use are shared among all co-owner(s) of the development, unless instructed by the Company or otherwise aware of to the contrary, and that there are no onerous liabilities outstanding.

In the course of our valuation(s), we have taken the following into account:

- the tenure of the property;
- the age, type, accommodation, location, amenities, fixtures and features of the property and other significant environment factors within the locality;
- the general state of repair, the construction and apparent major defects; and
- the overall quality of management of the development of which the property forms part of.

In undertaking our market value assessment of the Property under multiple-ownership, any redevelopment potential attached to the site has been excluded, unless otherwise instructed. Unless otherwise stated, we have not carried out our valuation(s) on redevelopment basis; and the study of any possible alternative development option(s) and/or related economics do/does not come within the service scope of this report.

Any element of value attributable to furnishing and/or removable fitting(s) of any description as well as portable and temporary structure(s) when arriving at our opinion of value of the Property has/have been disregarded or excluded. We have valued the Property in accordance with its original approved state. Any premium or discount attached to the unauthorized addition(s) and/or alteration(s) has been disregarded. Nor have we considered any cost(s) required to restore the Property to its original state if requested by government authorities, unless otherwise noted.

We have assumed that the Property has been constructed, occupied and used in full compliance with all, and without contravention of any, Ordinances, except only where otherwise stated. We have further assumed that, for any use(s) of the Property upon which this report is based, any and all required license(s), permit(s), certificate(s), and/or authorization(s) has/have been obtained, except only where otherwise stated.

Our market value assessment is made on the assumption that the owner(s) sell(s) the Property in the prevailing market without the benefit or burden of cash rebate or any other similar arrangement(s) which may serve to affect the value(s) of the Property. No allowance has been made in our valuation for any charges, mortgage(s) or amount(s) owing on the Property, nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, we have assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which may serve to affect the value of the Property.

REMARKS

We hereby confirm that:

- (1) we have no present or prospective interest in the Property; and are not a related corporation of nor having a relationship with the Company or other party/parties who the Company is contracting with;
- (2) we are authorised to practise as external valuer and have the necessary expertise and experience in valuing similar types of properties;
- (3) our valuation has been prepared on a fair and unbiased basis;
- (4) the valuer's compensation is not contingent upon reporting of a predetermined value or direction in value that favours the cause of the vendor or purchaser, the amount of the value estimate, the attainment of a stipulated result, or occurrence of subsequent event; and
- (5) we are independent of the Company.

Unless otherwise stated, all monetary amounts stated herein are denoted in "Hong Kong Dollar" ("HK\$"), the lawful currency of "Hong Kong Special Administrative Region" ("Hong Kong"); and the conversion factors adopted are 1.00 square metre ("sq.m.") to 10.7639 square feet ("sq.ft.") for area measurement, and 1.00 metre ("m.") to 3.2808 feet ("ft.") for length measurement.

We enclose herewith the core content of our valuation report.

Yours faithfully,

For and on behalf of

VIGERS APPRAISAL AND CONSULTING LIMITED



Sr David W. I. CHEUNG

MRICS MHKIS RPS(GP) CIREA RICS Registered Valuer

Deputy Managing Director

Note: Sr David W. I. CHEUNG is a "Registered Professional Surveyor in General Practice Division" ("RPS(GP)") under the "Surveyors Registration Ordinance" (Cap. 417) in Hong Kong; and is a "RICS Registered Valuer" under the "Valuer Registration Scheme" regulated by the RICS with over 37 years' valuation experience on properties in various regions including Hong Kong, Macao, the People's Republic of China, Taiwan, Japan, the United Kingdom ("UK"), Canada and the United State of America ("USA"). Sr CHEUNG has been vetted on the "List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers" published by the HKIS, and is suitably qualified for undertaking valuations relating to listing exercises. Sr CHEUNG has been employed by "Vigers Appraisal and Consulting Limited" as a qualified surveyor since 2006.

PROPERTY VALUATION REPORT

Property currently held by Asianway (Far East) Limited for owner-occupation purpose

The Property	Description and Tenure	Occupancy Status	Market Value in Existing State as at the Valuation Date
<p>Factories A, B and flat roof, C and D on 2nd floor, Tai Ping Industrial Centre, Block 1, No. 57 Ting Kok Road, Tai Po, New Territories, Hong Kong</p> <p>All those 816/12,702 parts or shares of and in The Remaining Portion of Lot No. 1637 in D.D. 11 registered at the Land Registry</p>	<p>The Property comprises 4 factory units together with a flat roof on the 2nd floor of a 26-storey industrial building completed in 1982.</p> <p>According to the information of the developer's sales brochure, the 4 factory units have a total gross floor area of approximately 41,570 square feet (or about 3,861.9831 square metres) plus a flat roof of approximately 11,847 square feet (or about 1,100.6234 square metres).</p> <p>The Property is held under a New Grant No. TP9052 for a lease term of 99 years commencing on 1 July 1898 and has been statutorily extended to 30 June 2047. The annual Government Rent is equivalent to 3% of the Rateable Value from time to time of the Property.</p>	<p>As advised by the Group, the Property is owner-occupied as a factory as at the Valuation Date.</p>	<p>HK\$122,600,000</p> <p>(HONG KONG DOLLARS ONE HUNDRED TWENTY TWO MILLION SIX HUNDRED THOUSAND ONLY)</p> <p>(*Please refer to Note 13)</p>

Notes:

1. Pursuant to our recent Land Registration Record(s), the current registered owner of the Property is "ASIANWAY (FAR EAST) LIMITED" which is a wholly-owned subsidiary of the Company vide Memorial No. TP523579 dated 17 March 1997.
2. Pursuant to our recent Land Registration Record(s), the Property is subject to the following salient encumbrances.

The Property

- (1) Deed of Mutual Covenant vide Memorial No. TP210563 dated 6 October 1982;
- (2) Letter (Certificate of Compliance) vide Memorial No. TP224473 dated 17 October 1979;
- (3) Occupation Permit vide Memorial No. TP224474 dated 16 August 1982.

Factory B on 2/F and Flat Roof

- (1) Notice No. WCMS/TC05994/06/NT-E01 by The Building Authority under S.24c(1) of The Buildings Ordinance vide Memorial No. 09051300710046 dated 11 December 2007;
- (2) Order No. UBCSI/02-01/0006/11 by The Building Authority under Section 24(1) of The Buildings Ordinance vide Memorial No. 13080600880136 dated 4 July 2013.

3. As informed by the Group, the aforesaid Notice and Order had been rectified and our valuation is made on the assumption that the above-mentioned Notice and Order had been complied with the requirements of The Building Authority and the Property is not subject to any other material encumbrances.
4. The Property falls within an area currently zoned in use of "Other Specified Uses (Business) for industrial or industrial-office building" under the Approved Tai Po Outline Zoning Plan No. S/TP/30 gazetted on 8 July 2022.
5. The Property is situated on the northwestern side of Ting Kok Road and bounded by Ting Lai Road in Tai Po district of the New Territories in Hong Kong. The locality is mainly of industrial and residential developments. The area is conveniently served by public transportation such as buses, light buses and taxis.
6. As confirmed by the Group, there is no breach of environmental regulations; and there are no investigations, notices, pending litigation, breaches of law or title defects as against the Property.
7. The Property is owner-occupied, and we have assessed the Property on the special assumption that the Property is available for sale with vacant possession as at the Valuation Date.
8. An external and internal inspection to the Property and surrounding environment, but not in any form of a building survey, was carried out by Sr Hammer W. H. CHUI MRICS MHKIS RICS Registered Valuer under the direct supervision of Sr David W. I. CHEUNG MRICS MHKIS RPS(GP) CIREA RICS Registered Valuer on 5 January 2024. At the time of our inspection, we revealed that the four factory units of the Property were combined and used as a single unit. The physical condition of the Property was reasonable.
9. In the course of our valuation, we have identified and considered transactions of industrial units within Blocks 1, 2 and 3 of Tai Ping Industrial Centre in between 21 March 2023 and 4 December 2023. Those transacted units in size ranging from 4,209 square feet to 13,486 square feet with unit transacted price (in term of gross floor area basis) ranging from HK\$1,937 per square foot to HK\$3,500 per square foot. The assessed value of the 4 factory units of the Property (total gross floor area of about 41,570 square feet) with unit rate of HK\$2,868 per square foot (in term of gross floor area basis) is within the unit price range of the comparables.
10. In the valuation, we have considered the following six comparables situated in the vicinity.

	Comparable 1	Comparable 2	Comparable 3
Property Address	unit B on 18/F and car parking space No. 78 on 1/F, Tai Ping Industrial Centre Block 1	unit D on 14/F and flat roof 3 on 17/F and car parking space No. L10 on G/F, Tai Ping Industrial Centre Block 2	units A and B on 9/F, Tai Ping Industrial Centre Block 3
Year Built	1982	1981	1984
Floor Level for Industrial Unit	18/F	14/F	9/F
Gross Floor Area ("GFA")	10,790 sq.ft.	6,231 sq.ft.	13,486 sq.ft.
Ancillary Area	–	flat roof: 159 sq.ft.	–
Headroom	11.48 ft.	11.48 ft.	11.48 ft.
Floor Loading	150 pounds/square foot	150 pounds/square foot	150 pounds/square foot
Transaction Date	4 Dec 2023	7 Aug 2023	31 Jul 2023
Consideration	HK\$22,000,000	HK\$19,600,000	HK\$47,201,000
Unit Rate in GFA basis	HK\$1,937/square foot (* See Note 2)	HK\$2,841/square foot (* See Note 3)	HK\$3,500/square foot
Nature of Transaction	Provisional Agreement for Sale and Purchase	Agreement for Sale and Purchase	Agreement for Sale and Purchase

	Comparable 4	Comparable 5	Comparable 6
Property Address	unit D on 7/F, Tai Ping Industrial Centre Block 2	unit E on 16/F, Tai Ping Industrial Centre Block 2	unit E on 11/F, Tai Ping Industrial Centre Block 2
Year Built	1981	1981	1981
Floor Level for Industrial Unit	7/F	16/F	11/F
Gross Floor Area ("GFA")	6,231 sq.ft.	4,209 sq.ft.	4,209 sq.ft.
Ancillary Area	-	-	-
Headroom	11.48 ft.	11.48 ft.	11.48 ft.
Floor Loading	150 pounds/square foot	150 pounds/square foot	150 pounds/square foot
Transaction Date	14 Apr 2023	28 Mar 2023	21 Mar 2023
Consideration	HK\$19,500,000	HK\$13,880,000	HK\$13,850,000
Unit Rate in GFA basis	HK\$3,130/square foot	HK\$3,298/square foot	HK\$3,291/square foot
Nature of Transaction	Agreement for Sale and Purchase	Agreement for Sale and Purchase	Agreement for Sale and Purchase

Notes:

1. According to the information from the developer's sales brochure, the headroom and floor loading of the Property are 13.12 feet and 250 pounds per square foot respectively.
2. For the Comparable 1, the property comprises a car parking space and we have adopted that the market value of the car parking space is HK\$1,100,000 (based on historical market transactions between 18 April 2023 and 8 May 2023). Thus, the unit rate (in term of gross floor area basis) of the industrial unit for the Comparable 1 is HK\$1,937/square foot (i.e. (HK\$22,000,000 – HK\$1,100,000)/ 10,790 sq.ft.).
3. For Comparable 2, the property comprises a lorry parking space and a flat roof area. In arriving the unit rate of the industrial portion, the market value of the lorry parking space was deducted from the transaction price where a market value of HK\$1,850,000 for the lorry parking space have been adopted based on historical transactions between 22 November 2021 and 23 March 2023. A remaining value of HK\$17,750,000 was then derived (i.e. HK\$19,600,000 – HK\$1,850,000) which includes both the industrial unit and its ancillary flat roof. Regarding the flat roof area, we have adopted a 1/10 ratio for assessment of the unit rate when considering such ancillary flat roof to the adjacent industrial unit, or we consider that the market value of each 10 sq.ft. of such ancillary flat roof is equivalent to 1 square foot of industrial unit. Thus, the unit rate (in term of gross floor area basis) of the industrial unit for Comparable 2 can be estimated as HK\$2,841/square foot (i.e. HK\$17,750,000/ (6,231 sq.ft. + (159 sq.ft. x 1/10))).

The six comparables above form an exhaustive list of transactions based on the selection criteria mentioned in note 9.

11. We have made adjustments to reflect differences between the comparables and the subject of this valuation with the adjustment factors including time, size, floor level, headroom, floor loading and building age. We have adopted that the general basis of the adjustments are shown as follows.

For time adjustment, we are based on the Private Flatted Factories – Price Indices from Rating and Valuation Department of the Government of the Hong Kong Special Administrative Region (please refer to the URL of "https://www.rvd.gov.hk/doc/en/statistics/his_data_14.xls") and we considered that if the time index of a comparable is higher than the subject property, a downward adjustment is made and vice versa; for size adjustment, we considered that if the size of a comparable property is smaller than the subject property, a downward adjustment is made and vice versa; for floor level adjustment, we consider that if the floor level of a comparable is higher than the subject property, an upward adjustment is made as it is more convenient to use staircases in lower floor level units, where large amounts of goods are often transported; for headroom adjustment, if the headroom of a comparable is lower than the subject property, an upward adjustment is made and vice versa; for floor loading adjustment, if the loading of a comparable is inferior to the subject property, an upward adjustment is made and vice versa; for building age adjustment, if the building age of a comparable is older than the subject property, an upward adjustment is made and vice versa.

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

Adjustment Factors	Comparable 1	Comparable 2	Comparable 3
Time	No adjustment	Downward adjustment	Downward adjustment
Size	Downward adjustment	Downward adjustment	Downward adjustment
Floor Level	Upward adjustment	Upward adjustment	Upward adjustment
Headroom	Upward adjustment	Upward adjustment	Upward adjustment
Loading	Upward adjustment	Upward adjustment	Upward adjustment
Building Age	No adjustment	Upward adjustment	Downward adjustment
Total Adjustment	+4.2%	-3.4%	-3.4%
Adjusted Unit Rate in GFA basis	HK\$2,018/square foot	HK\$2,744/square foot	HK\$3,381/square foot

Adjustment Factors	Comparable 4	Comparable 5	Comparable 6
Time	Downward adjustment	Downward adjustment	Downward adjustment
Size	Downward adjustment	Downward adjustment	Downward adjustment
Floor Level	Upward adjustment	Upward adjustment	Upward adjustment
Headroom	Upward adjustment	Upward adjustment	Upward adjustment
Loading	Upward adjustment	Upward adjustment	Upward adjustment
Building Age	Upward adjustment	Upward adjustment	Upward adjustment
Total Adjustment	-7.7%	-5.4%	-7.2%
Adjusted Unit Rate in GFA basis	HK\$2,889/square foot	HK\$3,120/square foot	HK\$3,054/square foot

Based on the above, the adjusted average unit rate in GFA basis for the subject factory units is HK\$2,868 per square foot, and therefore, the market value of factories A, B, C and D on 2nd floor of the Property is estimated as HK\$119,222,760 (i.e. 41,570 square feet x HK\$2,868 per square foot), say HK\$119,200,000. For the market value of the ancillary flat roof of the Property, we have adopted a common practice of a 1/10 ratio in unit rate of adjacent factory unit for assessment of such ancillary area, so that the market value of flat roof on 2nd floor of the Property is HK\$3,397,719.6 (i.e. 11,847 square feet x HK\$2,868 per square foot x 1/10), say HK\$3,400,000.

Thus, the total market value of the Property is estimated of HK\$122,600,000.

12. In arriving the market value of the Property, we consider that the period between 21 March 2023 and 4 December 2023 is an appropriate review period because the most recent 6 comparables are considered sufficient for the purpose of valuation.
13. Breakdowns on the market value of the Property as at the Valuation Date are shown as follows:
 - (1) Value of factories A, B, C and D on 2nd floor of the Property is HK\$119,200,000;
 - (2) Value of flat roof on 2nd floor of the Property is HK\$3,400,000.