



## **Valuation Report**

prepared for

**Emperor Entertainment Hotel Limited**

Valuation of Nos. 20-26 Old Bailey Street &  
No. 11 Chancery Lane, Central, Hong Kong

### **The Board of Directors**

Emperor Entertainment Hotel Limited  
28/F, Emperor Group Centre,  
No. 288 Hennessy Road,  
Wanchai, Hong Kong

3 July 2024

Dear Sirs,

### **INSTRUCTION AND VALUATION DATE**

We refer to your instructions for us to assess the Market Value of the property interests located in Hong Kong to be acquired by Emperor Entertainment Hotel Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 24 May 2024 (the “Valuation Date”).

### **VALUATION STANDARDS**

The valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors effective from 31 December 2020 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2022; and the requirements set out in the Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

### **VALUATION BASIS**

Our valuation has been undertaken on the basis of Market Value. Market Value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

## **VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

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

As the property interests are held under long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the leasehold interests.

## **VALUATION METHODOLOGY**

When valuing the property interests to be acquired by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

## **LAND TENURE AND TITLE INVESTIGATION**

We have made enquires and relevant searches at the Hong Kong Land Registry. However, we have not searched the original documents nor have we verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

## **INFORMATION SOURCES**

We have relied to a considerable extent on the information provided by the Group. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

## **INSPECTION AND INVESTIGATIONS**

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

## CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollars (“HKD”).

The valuation certificate is attached hereto.

Yours faithfully,  
For and on behalf of  
**Vincorn Consulting and Appraisal Limited**



**Vincent Cheung**  
*BSc(Hons) MBA FHKIS FRICS RPS(GP)*  
*MCIREA MHKSI MISCM MHIREA FHKIoD*  
*RICS Registered Valuer*  
*Registered Real Estate Appraiser & Agent PRC*  
**Managing Director**

### Note:

*Vincent Cheung is a fellow of the Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region (“Hong Kong”), a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People’s Republic of China. He is suitably qualified to carry out the valuation and has over 26 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.*

## VALUATION CERTIFICATE

### Property Interests to be Acquired by the Group for Investment in Hong Kong

Property	Description and Tenure	Occupancy Particulars	Market Value in the Existing State as at 24 May 2024
Nos. 20-26 Old Bailey Street & No. 11 Chancery Lane, Central, Hong Kong	<p>The property comprises a 25-storey residential building located in Mid-Levels.</p> <p>As per approved building plans dated 12 April 2024, the property has a site area and a gross floor area of approximately 3,298.75 square feet ("sq.ft.") and 29,685.58 sq.ft. respectively. As per information provided by the Group, the property is physically completed in 2024 and pending for the issuance of Occupation Permit.</p> <p>The subject lots, Inland Lot No. 4417 and The Remaining Portion of Inland Lot No. 4418, are held under Government Leases for a common term of 999 years commencing from 1 February 1855.</p>	As per our on-site inspection and information provided by the Company, the Property is currently vacant.	HKD705,000,000 (HONG KONG DOLLARS SEVEN HUNDRED AND FIVE MILLION)

**Notes:**

1. The property was inspected by Iverson Chan *BSc(Hons) MHKIS MRICS RPS(GP) RICS Registered Valuer CAIA* on 14 May 2024.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FHKIS FRICS RPS(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC*, Kit Cheung *BSc(Hons) FHKIS MRICS RPS(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC* and Iverson Chan *BSc(Hons) MHKIS MRICS RPS(GP) RICS Registered Valuer CAIA*.

3. The details of the land search records of the property dated 13 May 2024 are summarised below:-

<b>Item</b>	<b>Details</b>		
Registered Owner:	Century Chain Limited		
	By various assignments detailed below:-		
	<b>Unit</b>	<b>Date of Assignment</b>	<b>Memorial No.</b>
	Shop on Ground Floor, No. 20 Old Bailey Street	12 March 2018	18041102530174
	Shop on Ground Floor, No. 22 Old Bailey Street	12 March 2018	18041102530132
	Flat on Mezzanine Floor, Nos. 20-22 Old Bailey Street	12 March 2018	18041102530097
	Flat on 1st Floor, Nos. 20-22 Old Bailey Street	12 March 2018	18041102530117
	Flat on 2nd Floor, Nos. 20-22 Old Bailey Street	12 March 2018	18041102530142
	Flat on 3rd Floor, Nos. 20-22 Old Bailey Street	12 March 2018	18041102530051
	Flat on 4th Floor, Nos. 20-22 Old Bailey Street	12 March 2018	18041102530075
	Roof, Nos. 20-22 Old Bailey Street	12 March 2018	18041102530063
	Shop on Ground Floor, No. 24 Old Bailey Street	12 March 2018	18041102530049
	Shop on Ground Floor, No. 26 Old Bailey Street	12 March 2018	18041102530185
	Flat on 1st Floor, Nos. 24-26 Old Bailey Street	13 April 2018	18050802100026
	Flat on 2nd Floor, Nos. 24-26 Old Bailey Street	12 March 2018	18041102530158
	Flat on 3rd Floor, Nos. 24-26 Old Bailey Street	12 March 2018	18041102530102
	Flat on 4th Floor, Nos. 24-26 Old Bailey Street	12 March 2018	18041102530167
	Flat on 5th Floor, Nos. 24-26 Old Bailey Street	12 March 2018	18041102530122
	Roof, Nos. 24-26 Old Bailey Street	12 March 2018	18041102530082
	Flat A on Ground Floor, No. 11 Chancery Lane	12 March 2018	18040901800031
	Flat B on Ground Floor, No. 11 Chancery Lane	12 March 2018 & 20 June 2018	18040901800046 & 18071702240051
	Flat A on 1st Floor, No. 11 Chancery Lane	12 March 2018	18040901800027
	Flat B on 1st Floor, No. 11 Chancery Lane	12 March 2018	18040901800057
	Flat A on 2nd Floor, No. 11 Chancery Lane	13 April 2018	18050902340113
	Flat B on 2nd Floor, No. 11 Chancery Lane	12 March 2018	18040901800061

	Flat A on 3rd Floor, No. 11 Chancery Lane	12 March 2018	18040901800079
	Flat B on 3rd Floor, No. 11 Chancery Lane	12 March 2018	18040901800083
	Flat A on 4th Floor, No. 11 Chancery Lane	12 March 2018	18041002070045
	Flat B on 4th Floor, No. 11 Chancery Lane	13 April 2018	18050902340100
	Flat A on 5th Floor and Roof, No. 11 Chancery Lane	13 April 2018	18050902340124
	Flat B on 5th Floor and Roof, No. 11 Chancery Lane	12 March 2018	18040901800095
	The Space under the Staircase, No. 11 Chancery Lane	30 August 2018	18092002120016
<b>Government Rent:</b>	HKD20 per annum (Inland Lot No. 4417 and Inland Lot No. 4418)		
<b>Major Encumbrances:</b>	Debenture and Mortgage in favour of The Bank of East Asia, Limited dated 20 December 2018, registered vide Memorial No. 19010302230055		

4. The property is erected on Inland Lot No. 4417 and The Remaining Portion of Inland Lot No. 4418, which are held under Government Leases. The salient conditions are summarised below:-

<b>Item</b>	<b>Details</b>
Lot Numbers:	Inland Lot No. 4417 and Inland Lot No. 4418
Lease Term:	999 years commencing from 1 February 1855
Major Special Conditions:	The said Lessee or any other person or persons shall not nor will during the continuance of this demise use exercise or follow in or upon the said premises or any part thereof the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of Tallow, Oilman, Butcher, Distiller, Victualler or Tavern-keeper, Blacksmith, Nightman, Scavenger or any other noisy noisome or offensive trade or business whatever without the previous licence of His said Majesty signified in writing by the Governor or other person duly authorised in that behalf.

5. The property falls within an area zoned “Residential (Group A)” under Hong Kong Planning Area No. 3 – Approved Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/34 approved on 3 November 2020.
6. The general description and market information of the property are summarised below:-
- |                            |   |
|----------------------------|---|
| Location                   | : The property is located at Nos. 20-26 Old Bailey Street & No. 11 Chancery Lane, Central, Hong Kong.   |
| Transportation             | : Hong Kong International Airport and Central MTR Station are located approximately 36.7 kilometres and 0.6 kilometres away from the property respectively. |
| Nature of Surrounding Area | : The area is predominately a residential area in Mid-Levels.   |
7. Pursuant to the information provided by the Company, Century Chain Limited is an indirect wholly-owned subsidiary of Emperor International Holdings Limited.



8. In the course of our valuation of the property, we have considered and analysed residential sale comparables.

The residential sale comparables collected on an exhaustive basis are considered relevant to the property in terms of property type, location, building age, size and transaction date. A total of six residential sale comparables located in Mid-levels, with a building age within 10 years from the completion year of the property, transacted within 18 months on or before the valuation date and with a saleable area of not greater than 1,000 sq.ft. have been identified and analysed. The unit rates of the adopted residential sale comparables range from HKD29,681 to HKD38,411 per sq.ft. on the basis of effective saleable area. The following table shows the details of residential sale comparables with the adopted adjustments:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5	Comparable 6
<b>Development</b>	<b>The Richmond</b>	<b>The Richmond</b>	<b>Caine Hill</b>	<b>Alassio</b>	<b>Central 8</b>	<b>The Richmond</b>
Address	No. 62C Robinson Road	No. 62C Robinson Road	No. 73 Caine Road	No. 100 Caine Road	No. 8 Mosque Street	No. 62C Robinson Road
District	Mid-levels	Mid-levels	Mid-levels	Mid-levels	Mid-levels	Mid-levels
Year of Completion	2021	2021	2023	2016	2020	2021
Property Type	Residential	Residential	Residential	Residential	Residential	Residential
Floor	30/F	27/F	29/F	5/F	3/F	6/F
Actual Floor	26/F	23/F	25/F	4/F	3/F	5/F
Unit	B	B	A	C	D	A
Effective Saleable Area (sq.ft.)	462.00	462.00	289.00	544.00	195.75	304.00
View	Building View	Building View	Building View	Building View	Building View	Building View
Nature	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Supplemental Agreement for Sale & Purchase	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Agreement for Sale & Purchase
Date of Instrument	22 March 2024	12 January 2024	18 September 2023	31 March 2023	13 March 2023	7 March 2023
Consideration (HKD)	17,746,000	16,535,000	9,705,800	19,500,000	5,810,000	10,000,000
<b>Effective Saleable Unit Rate (HKD/sq.ft.)</b>	<b>38,411</b>	<b>35,790</b>	<b>33,584</b>	<b>35,846</b>	<b>29,681</b>	<b>32,895</b>
<b>Adjustment</b>						
Time	Nil	(0.6%)	(7.1%)	(13.2%)	(13.2%)	(13.2%)
Location	Nil	Nil	Nil	Nil	5.0%	Nil
Building Age	1.5%	1.5%	0.5%	4.0%	2.0%	1.5%
Floor Level	(8.0%)	(6.5%)	(7.5%)	3.0%	3.5%	2.5%
Size	0.4%	0.4%	(0.5%)	0.8%	(1.0%)	(0.4%)
View	5.0%	5.0%	5.0%	10.0%	10.0%	10.0%
Total Adjustment	(1.6%)	(0.6%)	(9.8%)	3.1%	4.8%	(1.1%)
<b>Adjusted Effective Saleable Unit Rate (HKD/sq.ft.)</b>	<b>37,799</b>	<b>35,574</b>	<b>30,299</b>	<b>36,945</b>	<b>31,109</b>	<b>32,536</b>

Adjustments in terms of different aspects, including time, location, building age, floor level, size and view, have been made to the unit rates of the adopted comparables. After due adjustments in terms of the aforesaid aspects, the adjusted unit rates of the adopted residential sale comparables range from HKD30,299 to HKD37,799 per sq.ft. on the basis of effective saleable area. The five adjusted unit rates of residential sale comparables are assigned with the same weight and represent a weighted average of HKD34,000 per sq.ft. on the basis of effective saleable area for the benchmark unit.

Further adjustments in terms of floor, size and view have been made to the adopted unit rates of each unit of the property, based on the benchmark unit rate of HKD34,000 per sq.ft. After due adjustments in terms of the aforesaid aspects, the adjusted unit rates of each unit of the property range from HKD25,972 to HKD36,492 per sq.ft. on the basis of effective saleable area, which represents an averaged unit rate of HKD32,081 per sq.ft. on the basis of effective saleable area. The Market Value of the property with a total effective saleable area of 21,975.58 sq.ft. is hence circa HKD705,000,000.

