

PROPERTY VALUATION



Prepared for

GOAL FORWARD HOLDINGS LIMITED

In respect of

**Valuation of real properties located in
Hong Kong**

Valuation Date : 31 May 2021
Report Date : 19 August 2021
Our Reference : G2897/G25520/RE21061P/6638/V380

19 August 2021

Goal Forward Holdings Limited

Workshop Nos. A-B, 1st Floor

Sunking Factory Building

Nos. 1-7 Shing Chuen Road

Shatin, New Territories

Hong Kong

Dear Sirs,

INSTRUCTIONS

We refer to the instructions from Goal Forward Holdings Limited (the “Company”) for us to value the real properties held by the Company and / or its subsidiaries (together referred to as the “Group”) located in Hong Kong. We confirm that we have conducted inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the real properties as at 31 May 2021 (the “valuation date”).

BASIS OF VALUATION

Our valuations of the real properties have been based on the 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”. The Market Value is also understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

VALUATION METHODOLOGY

We have valued the real properties on market basis by the Comparison Approach assuming sale in their existing states with the benefit of vacant possession and by making reference to comparable sales evidence as available in the relevant market. Appropriate adjustments have then been made to account for the differences between the real properties and the comparables in terms of time, location, age, floor level, size and other relevant factors.

TITLE INVESTIGATION

We have caused land searches to be made at the Land Registry. We have also been provided with extracts of title documents and have been advised by the Group that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the extracts handed to us. Therefore, in the course of our valuations, we have relied on the advice and information given by the Group regarding the title of the real properties. All documents have been used for reference only.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the real properties are sold in the market without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the values of the real properties. In addition, no account has been taken of any option or right of pre-emption concerning or effecting the sale of the real properties and no forced sale situation in any manner is assumed in our valuations.

In valuing the real properties, we have relied on the advice given by the Group that the Group has valid and enforceable title to the real properties which are freely transferable, and have free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent / land use fees and all requisite land premium / purchase consideration payable have been fully settled.

VALUATION CONSIDERATIONS

The real properties were inspected by Mr. Andy Lee (MHKIS, MRICS) and Mr. Edmund Cheng (MHKIS, MRICS) in August 2021. We have inspected the real properties externally and where possible, the interior of the real properties. In the course of our inspections, we did not note any serious defects. However, no structural surveys have been made. We are, therefore, unable to report whether the real properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the services.

In the course of our valuations, we have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, particulars of occupancy, floor areas, identification of the real properties and all other relevant matters.

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the real properties but have assumed that the floor areas shown on the documents handed to us are correct. Except otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Company and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your advice that no material facts have been omitted from the information for us to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the real properties or for any expenses or taxation, which may be incurred in effecting a sale or purchase.

Unless otherwise stated, it is assumed that the real properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

For the purpose of compliance with Rule 11.3 of The Code on Takeovers and Mergers and as advised by the Company, the potential tax liabilities which may arise from the sale of the real properties include:

- Profits tax at 8.25% on assessable profits up to HK\$2,000,000; and 16.5% on any part of assessable profits over HK\$2,000,000; and
- Stamp duty (of which both the seller and the buyer are jointly and severally liable) for the real properties in Hong Kong; is as follows:

Amount or value of the consideration or value of the property (whichever is the higher)		Rates
Exceeds	Does not exceed	
	\$2,000,000	\$100
\$2,000,000	\$2,351,760	\$100 + 10% of excess over \$2,000,000
\$2,351,760	\$3,000,000	1.5%
\$3,000,000	\$3,290,320	\$45,000 + 10% of excess over \$3,000,000
\$3,290,320	\$4,000,000	2.25%
\$4,000,000	\$4,428,570	\$90,000 + 10% of excess over \$4,000,000
\$4,428,570	\$6,000,000	3%
\$6,000,000	\$6,720,000	\$180,000 + 10% of excess over \$6,000,000
\$6,720,000	\$20,000,000	3.75%
\$20,000,000	\$21,739,120	\$750,000 + 10% of excess over \$20,000,000
\$21,739,120		4.25%

As advised by the Company, the likelihood of any potential tax liabilities for the real properties being crystallized is remote as the Group has no intention to sell these real properties.

Our valuations have been prepared in accordance with Rule 11 of the Code on Takeovers and Mergers issued by The Securities and Futures Commission, The HKIS Valuation Standards (2020 Edition) published by The Hong Kong Institute of Surveyors, The RICS Valuation – Global Standards published by The Royal Institution of Chartered Surveyors (“RICS”) and the International Valuation Standards (“IVS”) published by The International Valuation Standards Council.

The outbreak of the Novel Coronavirus (“COVID-19”), declared by the World Health Organization as a “Global Pandemic” on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinion of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Our valuations are therefore reported on the basis of “material valuation uncertainty” as per RICS Valuation Technical and Performance Standard (“VPS”) 3 and RICS Valuation Practice Guidance – Application (“VPGA”) 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuations than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuations of the real properties under frequent review.

Our valuations have been prepared under the generally accepted valuation procedures and are in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Codes on Takeovers and Mergers and Share Buy-backs issued by The Securities and Futures Commission.

REMARKS

Unless otherwise stated, all money amounts stated herein are in Hong Kong Dollars (HK\$) and no allowances have been made for any exchange transfers.

Our Summary of Values and the Valuation Certificates are attached herewith.

Yours faithfully,
For and on behalf of



BMI APPRAISALS LIMITED

Joannau W. F. Chan

BSc., MSc., MRICS, MHKIS, RPS(GP)

Senior Director

Note:

Ms. Joannau W.F. Chan is a member of the Hong Kong Institute of Surveyors (General Practice) who has over 28 years' experience in valuations of real properties in Hong Kong.

SUMMARY OF VALUES**Real properties held by the Group for owner-occupation in Hong Kong**

No.	Real property	Market Value in existing state as at 31 May 2021 HK\$
1.	Workshops A and B on 1st Floor, Sunking Factory Building, Nos. 1-7 Shing Chuen Road, Shatin, New Territories, Hong Kong	67,200,000
2.	Workshops A, E, F and J on 3rd Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	37,900,000
3.	Workshop D (including Flat-roof appurtenant thereto) on 4th Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	8,700,000
4.	Car Park Nos. 78, 79 and 80 on Ground Floor, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong	6,150,000
	Total:	<hr/> <u>119,950,000</u>

VALUATION CERTIFICATE
Real properties held by the Group for owner-occupation in Hong Kong

No.	Real Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2021 HK\$
1.	Workshops A and B on 1st Floor, Sunking Factory Building, Nos. 1-7 Shing Chuen Road, Shatin, New Territories, Hong Kong A total of 64/850th equal and undivided shares of and in Sha Tin Town Lot No. 26	The real property comprises two workshop units on the first floor of a 9-storey industrial building completed in 1981. The total gross floor area of the real property is approximately 17,716 sq.ft. The real property is held under New Grant No. 11228 for a term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.	The real property is occupied by the Company for industrial and ancillary office uses.	67,200,000

Notes:

1. The real property is situated in the industrial area of Shatin in New Territories.
2. The registered owner of the real property is Healthy Cheer International Limited vide Memorial No. 10122900300342 (Remarks: Workshop A) and vide Memorial No. 10122800270080 (Remarks: Workshop B) both dated 10 December 2010.
3. The real property is subject to the following material encumbrances:
 - a. Permit No. NT 50/81 vide Memorial No. ST200832 dated 20 March 1981;
 - b. Deed of Mutual Covenant vide Memorial No. ST200836 dated 19 June 1981;
 - c. Mortgage to secure all moneys in respect of general banking facilities (PT.) in favor of China Construction Bank (Asia) Corporation Limited vide Memorial No. 16051601320032 dated 28 April 2016; and
 - d. Assignment of Rentals in favor of China Construction Bank (Asia) Corporation Limited vide Memorial No. 16051601320047 dated 28 April 2016.
4. Healthy Cheer International Limited is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

No.	Real Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2021 HK\$
2.	<p>Workshops A, E, F and J on 3rd Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong</p> <p>A total 138/7,912th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324</p>	<p>The real property comprises four workshop units on the third floor within a 12-storey industrial building completed in 1979.</p> <p>The total gross floor area of the real property is approximately 13,621 sq.ft.</p> <p>The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.</p>	<p>The real property is occupied by the Company for industrial and ancillary office uses.</p>	<p>37,900,000</p>

Notes:

1. The real property is situated in the industrial area of Kwai Chung in New Territories.
2. The registered owner of the real property is Jade Royal Limited vide Memorial No. 18012301480218 (Remarks: Workshop A & J) and vide Memorial No. 18012301480190 (Remarks: Workshops E & F) both dated 9 January 2018.
3. The real property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant vide Memorial No. TW190219 dated 3 March 1980; and
 - b. Legal Charge in favour of OCBC Wing Hang Bank Limited vide Memorial No. 18100501770250 (Remarks: Workshop A), Memorial No. 18100501770241 (Remarks: Workshop E), Memorial No. 18100501770232 (Remarks: Workshop F), Memorial No. 18100501770227 (Remarks: Workshop J) all dated 2 October 2018.
4. Jade Royal Limited is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

No.	Real Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2021 HK\$
3.	Workshop D (including Flat-roof appurtenant thereto) on 4th Floor of Block 1, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong 31/7,912th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324	<p>The real property comprises a workshop unit on the fourth floor within a 12-storey industrial building completed in 1979.</p> <p>The gross floor area of the real property is approximately 2,955 sq.ft. plus a flat roof area of about 350 sq.ft.</p> <p>The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.</p>	The real property is occupied by the Company for industrial and ancillary office uses.	8,700,000

Notes:

1. The real property is situated in the industrial area of Kwai Chung in New Territories.
2. The registered owner of the real property is Wise Sino Limited vide Memorial No. 18012301480221 dated 9 January 2018.
3. The real property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant vide Memorial No. TW190219 dated 3 March 1980; and
 - b. Legal Charge in favour of OCBC Wing Hang Bank Limited vide Memorial No. 19101500870028 dated 11 October 2019.
4. Wise Sino Limited is a wholly-owned subsidiary of the Company.

VALUATION CERTIFICATE

No.	Real Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2021 HK\$
4.	Car Park Nos. 78, 79 and 80 on Ground Floor, Kwai Tak Industrial Centre, Nos. 15-33 Kwai Tak Street, Kwai Chung, New Territories, Hong Kong A total of 6/7,912 th equal and undivided shares of and in Kwai Chung Town Lot Nos. 322, 323 and 324	The real property comprises three lorry parking spaces on the ground floor within a 12-storey industrial building completed in 1979. The real property is held under New Grant Nos. 5413, 5414 and 5415 for a common term of 99 years less the last 3 days commencing on 1 July 1898 which has been statutorily extended to 30 June 2047.	The real property is occupied by the Company for car parking uses.	6,150,000

Notes:

1. The real property is situated in the industrial area of Kwai Chung in New Territories.
2. The registered owner of the real property is Wise Sino Limited vide Memorial No. 18012301480232 (Remarks: Car Park No. 78), Memorial No. 18012301480200 (Remarks: Car Park No. 79) and Memorial No. 18012301480246 (Remarks: Car Park No. 80) all dated 9 January 2018.
3. The real property is subject to the following material encumbrances:
 - a. Deed of Mutual Covenant vide Memorial No. TW190219 dated 3 March 1980; and
 - b. Legal Charge in favour of OCBC Wing Hang Bank Limited vide Memorial No. 19101500870028 dated 11 October 2019.
4. Wise Sino Limited is a wholly-owned subsidiary of the Company.