



August 29, 2024

**The Board of Directors**

Asia Standard Hotel Group  
1555 — 200 Burrard Street  
Vancouver, BC V6C 3L6

**RE: Valuation of Vancouver, BC Canada Properties**

1400 Robson Street & 1394 Robson Street, Vancouver BC

**Instructions, Purpose & Valuation Date**

In accordance with your instructions for us to value certain properties in Vancouver, Canada in which Asia Standard Hotel Group Limited (the “Company”) together with its subsidiaries (collectively the “Group”) have interests, we confirm that we have inspected the properties, made relevant enquiries, and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the values of such properties as at May 31, 2024 (the “Valuation Date”) (i) for incorporation into scheme document dated August 29, 2024 issued by Asia Standard International Group Limited, The Sai Group Limited and the Company; and (ii) to be a document on display in accordance with The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong.

**Basis of Valuation**

Our valuation of each of the properties represents its Market Value, as at May 31, 2024, in accordance with the Canadian Uniform Standards of Professional Appraisal Practice.

Market Value is defined by the Appraisal Institute of Canada in the Canadian Uniform Standards of Professional Appraisal Practice as:

“The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.”

Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in Canadian dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

### **Valuation Basis and Assumptions**

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of The Hong Kong Limited, Rule 11 of The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission and The HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors.

### **Scope of Work**

The scope of work has included the following:

- ▼ Title searches were conducted and reviewed
- ▼ An inspection of the exterior of the subject property, as well as the surrounding neighbourhood, was completed. The inspection was limited to a walk-through, non-invasive, visual examination of the subject property.
- ▼ Review of publicly available physical, legal, social, political, economic and other factors that could affect the value of the subject property.
- ▼ Collection of municipal information pertaining to the subject property such as zoning, assessment and taxes.
- ▼ Review of documentation relating to the subject property provided by the client or their agent. Documents provided by the client are not available for review without client approval.

- ▼ Research of transactional data on land and buildings comparable to the subject property. As well, a market rental survey has been conducted to estimate rental rates for the subject property. Sources of market evidence included real estate agents, consultants, vendors and purchasers, as well as MLS and Altus Data Solutions.
- ▼ Estimation of the highest and best use “as if vacant” and the highest and best use of the land “as improved”, as at the Effective Date.
- ▼ Valuation of the interest in the subject property utilizing the most appropriate appraisal methodology; in this regard, the Direct Comparison Approach has been applied and later reconciled to a final estimate of value.
- ▼ Completion of a narrative report outlining background, descriptions, analyses and value conclusion(s)
- ▼ The analysis set out in this report relied on written and verbal information obtained from a variety of sources that are considered to be reliable. Unless otherwise stated herein, client-supplied information was not verified and is believed to be correct. The mandate for the appraisal did not require a report prepared to the standard appropriate for court purposes or for arbitration; full documentation or confirmation of all information by reference to primary sources was not completed.

The following was not included in the scope of work for this assignment:

- ▼ This valuation does not consider any personal property
- ▼ Findings that may be discovered through a more rigorous due diligence mandate
- ▼ A technical investigation such as the following was not completed:
  - detailed inspections or engineering review of the structure, roof or mechanical systems
  - an environmental review of the property
  - a site or building survey
  - investigations into the bearing qualities of the soil, or
  - audit of financial and legal arrangements concerning the subject property leases.

**Extraordinary Limiting Conditions**

An Extraordinary Limiting Condition, as defined in Section 3.29 of CUSPAP 2024, is a necessary modification to, or exclusion of, a Standard Rule which may diminish the reliability of the report.

This report is subject to the following Extraordinary Limiting Conditions:

**Extraordinary Limiting Conditions**

Inspection	The properties were inspected on May 4, 2024.
Title Investigation and Encumbrances	<p>We have carried out land search’s at the Land Title and Survey Authority of British Columbia of Canada.</p> <p>We have been provided with copies of title documents of the properties. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any amendments.</p> <p>We are not aware of any material encumbrances registered on the titles that would affect values.</p>
Financing	For the purpose of this appraisal we have assumed that the property is free and clear of all financing.
Environmental	<p>We are not experts in environmental matters and make no representations regarding them. It is assumed for the purpose of this report that there is no environmental contamination. A formal environmental audit should be conducted for certainty.</p> <p>The impact on value of contamination on the site, if any, has therefore not been taken into account in our estimate of value.</p>
Soil Conditions	<p>It is assumed that there are no hidden or unapparent conditions of the soil or sub-soil which would render the subject property more or less valuable than reported in the appraisal. No engineering tests were completed, and no liability is assumed for soil conditions. It is strongly advised that the advice of appropriate experts be sought.</p> <p>We have not been provided with any information regarding the quality or stability of the soils at the subject property. For the purpose of this report, it is assumed that the subject property’s soil conditions are similar in nature to the lands in the surrounding area and would not require significant extraneous site preparation costs prior to development. Should further geotechnical information be made available, we reserve the right to amend our conclusion of value.</p>

## Market Conditions

The estimate of value is based on an analysis of data available as of the date of this report; we emphasize our value estimates are subject to market fluctuations (either downward or upward) between the effective date and any future date of sale. As real estate markets are both dynamic and cyclical in nature (in particular when rapid changes to real estate values occur over a short time period), we cannot be held responsible for any changes in market conditions occurring beyond the effective date of the appraisal.

## Extraordinary Assumptions

An Extraordinary Assumption, as defined in Section 3.28 of CUSPAP 2024, is an assumption, directly related to a specific assignment, which, if were not assumed to be true, could materially alter the opinions or conclusions.

This report is subject to the following Extraordinary Assumptions:

### Extraordinary Assumptions

#### Density

We have been provided and have reviewed the architectural plans, dated February 2020 by Musson Cattell Mackay Partnership. The plans indicate a total density of 9.625 FSR, based on the maximum 8.75 FSR as outlined in the Zoning Bylaw and the West End Community Plan, as well as an additional 10% heritage transfer density. We have had no reason to doubt the truth and accuracy of this information which is material to the valuations, nor have we had any reason to doubt that the architectural plans dated February 2020 is not current. We were also advised by the Company that no material facts have been omitted from the information provided.

FSR or Floor Square Ratio is generally calculated as the total Gross Buildable Area (above grade) divided by the Site Area of the property.

The Density or FSR that is achieved on any development site has a direct impact on Land Value. Typically a higher land value results when a higher density or FSR is achieved.

Based on the budget and summary of costs incurred to date which have been provided by the client, all costs relating to the heritage transfer density have been paid.

We have been provided with a unit summary which indicates net saleable areas for the residential component. It is an Extraordinary Assumption that the densities outlined in the building plans, residential unit summary and net commercial densities indicated provided by the client are correct.

Cost Estimates	<p>We have been provided with a summary of the construction budget and costs incurred to date as of March 2024. We have relied on these estimates without audit and it is an Extraordinary Assumption of this report that the costs provided are correct and complete. A full analysis of construction estimates and development consulting are beyond the scope of this appraisal. Any changes in proposed development specifications and/or construction costs could be expected to impact the values estimated in this report.</p>
Interior Finishes	<p>Based on our inspection of 1400 Robson Street and review of the marketing material, the interior finishes are considered of high quality and above average.</p>
Sales Data	<p>We have been provided with a list of firm pre-sale contracts in place for the East Tower of the subject project. The noted pre-sales have been incorporated into the revenue estimate of our residual pro forma. It is an Extraordinary Assumption of this report that the information provided is correct and complete, as well as that the pre-sales in place as at the effective date of this report will close at the reported values upon completion of construction. If any material changes from the information provided should occur, a change in value would be anticipated.</p>
Net Areas	<p>We have been provided with saleable areas for the retail and office components of the proposed project from the client. Based on the information provided, the saleable retail area is 17,798 sf based on the Form V: Schedule of Unit Entitlement provided by the client. The saleable office area is 20,352 sf based on the Form V: Schedule of Unit Entitlement for Air Space Parcel 3 provided by the client.</p> <p>We have also been provided with updated net residential unit areas which have been sourced from the “Landmark Area Schedule 2022Q4” provided by the client. The noted schedule indicates a total net residential area of 116,337 sf for the East Tower and 105,057 sf for the West Tower.</p> <p>It is an Extraordinary Assumption that the areas provided are correct and complete. If the areas should change materially from what has been provided, a change in value would be anticipated.</p>

## **Property Type (Description of Properties Appraised)**

1400 Robson Street is a recently completed multi family residential (with a commercial component) and is classified as a completed property held for sale. The registered owner of 1400 Robson Street is 1488 Robson Landmark Holdings Limited. The Company has the indirect ownership of 100% of the interests held by 1488 Robson Landmark Holdings Limited, and 3rd party sale closings are taking place from time to time, which closings commenced August 8, 2024.

1394 Robson is a property for future development. There are no immediate development plans as the form of development is still under consideration. The registered owner of 1394 Robson Street is 1388 Robson Nominee Ltd. The Company has the indirect ownership of 100% over 1388 Robson Nominee Limited.

## **Method of Valuation**

In valuing 1400 Robson Street, which comprises a recently completed Strata Condominium Development, we have adopted the Direct Comparison Approach. Deductions have been made for any outstanding Costs to Complete the project.

In valuing 1394 Robson Street, which comprises vacant Development Land, we have adopted the Direct Comparison Approach.

The Direct Comparison Approach recognizes the principle of substitution, according to which a buyer will not pay more for one property than for another that is equally desirable. By this approach, an opinion of value is developed by applying a comparative analysis of properties that are similar to the subject property that have recently sold, are listed for sale or are under contract, by focusing on the similarities and differences that affect value.

## **Potential Tax Liabilities**

As advised by the Group, the potential tax liabilities which would arise on the direct disposal of the property interests held by the Group at the amounts valued by us mainly comprise the following:

- ▼ Corporate income tax at 26% on gain
- ▼ Withholding tax at 10% if the net proceeds (minus taxes and statutory contributions) are repatriated outside Canada as dividends under the Hong Kong-Canada tax arrangement

In respect of the properties held by the Group for future development for investment and operation, the likelihood of the relevant tax liabilities being crystallised is remote as the Group have no plans for the disposal of such properties yet.

In respect of the completed properties held for sale, it is likely that the relevant tax liabilities will be crystallised upon sale.

## **Source of Information**

In the course of our valuation of the properties, we have relied on the information provided to us by the client.

We have relied on information provided to us from the Group on such matters as planning approvals, easements, tenure, identification of land and buildings, completion date of buildings, number of car parking spaces, particulars of occupancy, pre-sale details, rental incomes and revenue, joint venture agreements, development or redevelopment schemes, development time schedules, construction costs, site and floor areas, property interest, and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

## **Currency**

Unless otherwise stated, all sums stated in our valuations are in Canada Dollar (“CAD”).

The exchange rate adopted in our valuations are approximately 1 CAD (Canadian Dollar) = 5.7123 HKD (Hong Kong Dollars), which were approximately the prevailing exchange rates as at the date of valuation.

## **Appraisal Institute of Canada**

The AIC is a professional organisation established in 1938 which represents real estate appraisers in Canada. It is responsible for setting the standards for the real estate appraisal profession in Canada and is widely recognized by official authorities across Canada, including but not limited to (i) the Canada Revenue Agency, the federal department of the Canadian government responsible for administering tax laws and programs, for tax-related property appraisal, (ii) Public Services and Procurement Canada, the federal department of the Canadian government with responsible including central purchasing and management of government real property holdings, for federal property valuations, and (iii) other provincial government departments and agencies for matters such as property assessments, land expropriations, and estate settlements. Further, AIC is a member of various international appraisal organisations, which include The International Valuation Standards Council (“IVSC”), an international organisation responsible for developing and setting the international technical and ethical standards for valuation. Both The Royal Institution of Chartered Surveyors (RICS) and The Hong Kong Institute of Surveyors (HKIS), which we understand are commonly accepted by the Securities and Futures Commission, are member organisations of the IVSC.

AIC and RICS have in place mutual recognition arrangements which allow for (i) persons with AACI designation from AIC to gain direct entry as MRICS and (ii) persons who is a Fellow of the RICS (“FRICS”) or MRICS to gain the AACI designation with AIC through completing a designated procedure.



**Summary of Valuation (as at May 31, 2024)**

<b>1400 Robson Street</b>	<b>\$564,800,000 (CAD)</b> <b>(or equivalent to approximately HKD \$3,226,307,040)</b>
<b>1394 Robson Street</b>	<b>\$25,000,000 (CAD)</b> <b>(or equivalent to approximately HKD \$142,807,500)</b>
<b>Total</b>	<b>\$589,800,000 (CAD)</b> <b>(or equivalent to approximately HKD \$3,369,114,540)</b>

Yours very truly,

David Eger, B.Comm, RI, AACI, MRICS  
**Altus Group Limited**