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## **CANVEST ENVIRONMENTAL PROTECTION GROUP COMPANY LIMITED**

**粵豐環保電力有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1381)**

### **SUPPLEMENTAL ANNOUNCEMENT FURTHER INFORMATION IN RELATION TO THE CONNECTED TRANSACTIONS AND SPECIAL DEALS IN RELATION TO THE LAND DISPOSAL, CARPARK DISPOSAL AND OFFICE BUILDING DISPOSAL**

References are made to (i) the joint announcement of GRANDBLUE INVESTMENT HONGKONG LIMITED (the “**Offeror**”) and Canvest Environmental Protection Group Company Limited (the “**Company**”) dated 22 July 2024 (the “**Joint Announcement**”); (ii) the announcement by the Company in relation to the connected transactions and special deals on the Land Disposal, the Smart Parking Disposal and the Office Building Disposal dated 22 July 2024 (the “**Announcement**”); and (iii) the supplemental announcement to the Announcement dated 7 August 2024 (the “**Supplemental Announcement**”, together with the Joint Announcement and the Announcement, collectively the “**Announcements**”). Unless otherwise stated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Company would like to provide further information in relation to the Announcements.

As disclosed in the Joint Announcement, the Land Disposal, the Smart Parking Disposal and the Office Building Disposal constitute (i) connected transactions of the Company (the “**Connected Transactions**”); and (ii) special deals requiring the consent of the Executive under Note 4 to Rule 25 of the Takeovers Code as they are not capable of being extended to all Shareholders. Details of the Connected Transactions were set out in the Announcement.

In compliance with the relevant mandatory disclosure requirements relating to connected transactions under Chapter 14A of the Listing Rules, the Announcement had disclosed the basis for determining the consideration for each of the Land Disposal, the Smart Parking Disposal and the Office Building Disposal, which was determined after arm's length negotiations with reference to the appraised value of the respective underlying assets based on the valuation reports prepared by the respective independent valuers (the “**Valuations**”). The Supplemental Announcement provided additional information in relation to the Valuations and also included additional information on the financial effects of the Disposals. Comprehensive details of the Valuations, including but not limited to the valuation reports in respect of the Valuations and relevant assumptions, had not been included in the Announcement nor the Supplemental Announcement as the Company was aware that such information shall be updated and included in the Scheme Document to be despatched to Shareholders, which is expected to be despatched to a date within seven days after the satisfaction of all Pre-Conditions or 24 July 2025, (whichever is earlier) subject to the satisfaction of the Pre-Conditions.

However, it came to the Board's attention that by making reference to the Valuations in the Announcement and the Supplemental Announcement, there was an inadvertent non-compliance with Rule 11.1 of the Takeovers Code as it did not include details of the Valuations and the opinion of the independent valuers in the Announcement and the Supplemental Announcement. Shareholder and potential investors should note that updated extracts of the valuation report of the Valuations pursuant to Rule 11 of the Takeovers Code will be disclosed in full in the Scheme Document to be despatched to Shareholders by the Company, subject to satisfaction of the Pre-Conditions.

The Board noted that the Announcement and the Supplemental Announcement should be filed with the Executive in accordance with Rule 12.1 of the Takeovers Code for comment prior to its publication and sincerely apologizes for the unintentional technical non-compliance with Rule 12.1. The Company acknowledges the importance of complying with the Takeovers Code and will diligently observe and comply with the Takeovers Code going forward to maintain transparency and uphold the highest standards of corporate governance.

The following documents are set out in the appendices to this announcement for information purposes only:

- Appendix IA — English translation of the valuation report prepared by Shanghai Kedong Real Estate Appraisal Co., Ltd., an independent valuer, in respect of the Land Disposal
- Appendix IB — Chinese original of the valuation report prepared by Shanghai Kedong Real Estate Appraisal Co., Ltd., an independent valuer, in respect of the Land Disposal
- Appendix II — Valuation report prepared by Masterpiece Valuation Advisory Limited, an independent valuer, in respect of the Smart Parking Disposal
- Appendix III — Valuation report prepared by Masterpiece Valuation Advisory Limited, an independent valuer, in respect of the Office Building Disposal

Appendix IV — Report prepared by ABCI Capital Limited pursuant to Rule 11.1(b) of the Takeovers Code in relation to the valuation report on the Land Disposal

Appendix V — Report prepared by ABCI Capital Limited pursuant to Rule 11.1(b) of the Takeovers Code in relation to the valuation report on the Smart Parking Disposal

## **WARNING**

**Shareholders and potential investors of the Company should be aware that there is no assurance that the Possible Privatisation will eventually be materialised and the Potential Purchaser and the Company are not obliged to effect the Possible Privatisation. The Possible Privatisation, if materializes, could lead to the delisting of the Company from the Main Board of the Stock Exchange. Shareholders of the Company and potential investors are therefore advised to exercise caution when dealing in the shares and/or other securities of the Company.**

By Order of the Board  
**Canvest Environmental Protection Group Company Limited**  
**Lee Wing Yee Loretta**  
*Chairlady*

Hong Kong, 20 August 2024

*As at the date of this announcement, the Board comprises Ms. Lee Wing Yee Loretta, Mr. Lai Kin Man, Mr. Yuan Guozhen and Mr. Lai Chun Tung, as executive Directors; Mr. Feng Jun, as non-executive Director; Professor Sha Zhenquan, Mr. Chan Kam Kwan Jason, Mr. Chung Kwok Nam and Mr. Lee Tsung Wah Jonathan, as independent non-executive Directors.*

*All the directors of the Company jointly and severally accept full responsibility for the accuracy of information contained in this announcement, the Announcement and the Supplemental Announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement, the Announcement and the Supplemental Announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the Announcement and the Supplemental Announcement the omission of which would make any statement in this announcement, the Announcement and the Supplemental Announcement misleading.*

## APPENDIX IA — PROPERTY VALUATION REPORT — LAND DISPOSAL

*The following is an English translation of the texts of letters, summaries of valuation and valuation certificates, prepared for the purpose of incorporation in this announcement, received from Shanghai Kedong Real Estate Appraisal Co., Ltd. (“Shanghai Kedong”), the independent professional valuer, in connection with their valuations as at 10 July 2024 of the property interests held by the Group. Please refer to Appendix IB for the Chinese original text. The Chinese version shall prevail in case of inconsistencies.*

### **Valuation report from Shanghai Kedong Real Estate Appraisal Co., Ltd. for properties located in the PRC**

Shanghai Kedong Real Estate Appraisal Co., Ltd  
A–D, 26/F,  
No. 379 Pudong South Road (Jin Sui Mansion),  
Pudong New District, Shanghai  
021–50317037



15 July 2024

The Directors  
**Canvest Environmental Protection Group Company Limited**  
28th Floor,  
No. 9 Des Voeux Road West,  
Sheung Wan,  
Hong Kong

### **Re: Valuation of the Property Located in Baoshan District, Shanghai, The People’s Republic of China (the “Property”)**

Dear Sirs,

### **INSTRUCTIONS, PURPOSES AND VALUATION DATE**

In accordance with the instructions for us to value the Property in which the Canvest Kewei Environmental Investment (Guangdong) Company Limited, a subsidiary of the Company, has interests in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for providing you with our opinion of the Market Value of the Property in their existing states, as at 10 July 2024 (the “**Valuation Date**”).

### **BASIS OF VALUATION**

Our valuation has been made on the basis of market value which we would define 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”.

Market Value is defined 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.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

## **VALUATION STANDARDS**

The valuation has been carried out in accordance with the Urban Real Estate Administration Law of the PRC, the Code for Real Estate Appraisal (GB/T50291–2015) and relevant laws, regulations and technical standards, following the principles of independence, objectivity, impartiality, and legality, and in accordance with rigorous valuation procedures for professional analysis, measurement, and judgment.

## **VALUATION METHODOLOGY**

We have adopted the cost approach to assess the market value of the Property. Cost approach is an approach measuring the replacement cost or reconstruction cost and depreciation of the valuation object at the time of valuation, and subtracting depreciation from the replacement cost or reconstruction cost. According to the independent valuer, there are only a few comparables in the same district as the Land that also include a building under construction. Due to these factors, the independent valuer is of the view that using the comparative approach, income approach, or hypothetical development approach would be inappropriate for the valuation. Instead, the independent valuer has determined that the cost approach is the most suitable method, taking into consideration the availability of information regarding land acquisition costs and early development expenses in the district, as well as the transparency of construction costs. Therefore, the cost approach provides a more accurate valuation of the Land and the property. The formula for calculating the appraised value of construction is as follows: Appraised value = replacement cost – depreciation.

The replacement cost of the relevant properties under valuation comprises the acquisition costs of the Land, the construction costs, the management fees, and the sales costs, investment interests, sales related tax and profits in respect of the Land and the relevant structures on the Land. Typically, the depreciation of buildings includes material depreciation, functional depreciation and economic depreciation. Firstly, the design functions of the buildings related to this valuation can meet the needs of normal use, and there is no adverse impact on the properties, so its functional depreciation is considered not appropriate in this valuation. Secondly, the real estate market situation of the domestic waste integrated treatment plant at the time of this valuation is stable; the market supply and demand relationship is basically balanced; and the factors other than market environment, policies and other buildings have not adversely affected this kind of real estate, therefore the economic depreciation is not taken into account in this valuation. Due to aging, wear and damage caused by the use and natural forces of the buildings under this valuation, material depreciation shall be taken into account in the depreciation of the structures on the Land in this valuation. The material depreciation refers to the aging, wear and damage of buildings caused by use and natural forces.

## **SOURCE OF INFORMATION**

We have relied to a considerable extent on the information provided by the Company on such matters as tenure, floor areas, and building plans 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 Company that no material factors or information have been omitted or withheld from the information supplied and we 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.

## **TITLE INVESTIGATIONS**

We have been provided with copies of extracts of title documents relating to the Property.

We have made enquiries and relevant searches on the transfer of state-owned land use rights in Shanghai.

## **SITE MEASUREMENT**

We have not carried out detailed site measurements to verify the correctness of the site/floor areas in respect of the Property but have assumed that the site/floor areas shown on the documents and official site/floor plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

## **SITE INSPECTION**

We have inspected the exterior and, where possible, the interior of the Property on 10 July 2024.

We have not carried out investigations to determine the suitability of the ground conditions and the services for any future development of the Property we have inspected. Our valuations have been prepared on the assumption that these aspects are satisfactory. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

## **ASSUMPTIONS AND CAVEATS**

Our valuation has been made on the assumption that the seller disposes of the Property on the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Property.

No allowance has been made for any charges, mortgages or amounts owing on the Property or for any expenses or taxations which may be incurred in effecting a sale.

In valuing the property interests held, we have made the following assumptions:

- We have assumed that all information, estimates and opinions furnished to us and contained in this report including all information provided by the Group, are true and correct, fit for valuation purposes, and from reliable sources.
- We have assumed that the Property is free from any contamination and environmental problems or hazards.

## **THE VALUER**

This valuation has been prepared by Li Jiatuan and Ding Shuying, the PRC Registered Real Estate Appraisers, who have sufficient experience to carry out valuations of this size and nature.

Neither the valuers nor Shanghai Kedong Real Estate Appraisal Co., Ltd. are aware of any pecuniary interest or other conflict of interest that could affect their ability to give an unbiased and objective opinion of the value of the Property.

## **CURRENCY**

Unless otherwise stated, all sums stated in our valuations are in Renminbi (RMB) for the property.

Our valuations of the Property set out in the valuation particulars attached hereto, together with this covering letter, form our valuation report.

Yours faithfully,  
For and on behalf of  
**Shanghai Kedong Real Estate Appraisal Co., Ltd.**

**Wang Wei**  
*Legal representative*

*Note:* Mr. Wang Wei is the Vice President of Shanghai Real Estate Appraisers Association and the Deputy Director of the Industry Development Committee of Shanghai Real Estate Appraisers Association. Mr. Wang Wei possesses the qualifications of PRC Registered Real Estate Appraiser, PRC Land Appraiser and has over 10 years of experience in real estate appraisal.

## VALUATION PARTICULARS

### Property held by the Group in Shanghai:

Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 10 July 2024
<p>A domestic waste comprehensive treatment plant under construction at 1/5 of Land in the 3rd Neighbourhood of Yuepu Town in Baoshan District, Shanghai</p>	<p>The construction works of the commercial building (office building) and garbage sorting workshop (main workshop) have been completed; the main structure of the chemical water workshop (gasification workshop), the circulating pump room (gasification workshop), washing water pump room, consolidation pump room, and conveyor room has been topped off; the main structure of the combustible utilization workshop (gasification workshop) is completed; the main frame of the dormitory building (complex) is completed; most of the auxiliary rooms of the sewage treatment station, the weighbridge and the guards have been demolished; organic material utilization workshop, residue utilization workshop, plastic workshop, unloading hall, substation, biogas generation workshop are not constructed.</p> <p>The entire area of land use right is 71,180.8 square meters.</p>	<p>The property has a construction land use right, the nature of land right is transfer, the land use is public infrastructure land, and the use period is from 24 October 2008 to 23 October 2058.</p>	<p>RMB135,350,000</p>



## APPENDIX IB — PROPERTY VALUATION REPORT — LAND DISPOSAL

以下為獨立專業估值師上海科東房地產土地估價有限公司(「科東」)就本集團持有之物業權益於二零二四年七月十日之估值發出之函件、估值概要及估值證書，乃為載入本公告而編製。

### 上海科東房地產土地估價有限公司有關位於中國的物業之估值報告

上海科東房地產土地估價有限公司  
上海  
浦東新區浦東南路379號  
金穗大廈26樓A-D室  
021-50317037



上海科東房地產土地估價有限公司

### 關於：位於中華人民共和國上海市寶山區(「該物業」)的估值

敬啟者：

#### 指示、目的及估值日

吾等謹遵照指示，就位於中華人民共和國(「中國」)，貴公司之附屬公司粵豐科維環保投資(廣東)有限公司於其中擁有權益的該物業進行估值。吾等確認，吾等曾進行視察、作出有關查詢及查冊，並取得吾等認為必要之進一步資料，以提供吾等對該等物業於二零二四年七月十日(「估值日」)在現況下之市值之意見。

#### 估值基準

吾等之估值乃根據市值基準進行，吾等擬將市值基準定義為：「在進行適當市場推廣後，自願買方及自願賣方雙方按公平原則並在知情、審慎及非強逼之情況下於估值日進行交易之估計資產或負債交易款額」。

市值定義為在不考慮銷售或購買(或交易)成本，及並無抵銷任何相關稅項或潛在稅項下，所估計的資產或負債價值。

此估計特別將特別考慮因素或與銷售相關的任何人士授出的優惠而提高或調低的估計價值，或特別價值的任何元素剔除。

### 估值準則

估值乃遵照《中華人民共和國城市房地產管理法》、《房地產估價規範》(GB/T50291-2015)等有關法律法規和技術標準，遵循獨立、客觀、公正、合法等原則，依照嚴謹的估價程式，進行了專業分析、測算和判斷。

### 估值方法

吾等採用成本法評估該物業的市值。成本法為計量估值對象於估價時的重置成本或重建成本及折舊，再減去重置成本或重建成本的折舊之方法。據獨立估價師所示，與該土地(包括在建建築物)位處同一地區的可比較物件較少。由於該等因素，獨立估價師認為使用比較法、收入法或假設開發法對估值並不適合。相反，考慮到該地區的土地收購成本及早期開發成本的資料可供使用，以及建築成本亦屬透明，獨立估價師釐定成本法為最適合的估價方法。因此，成本法為土地及建築物提供更為準確的估價。計算工程評估價值的公式如下：評估價值 = 重置全價 — 折舊。

相關物業的重置成本包括該土地的收購成本、建築成本、管理費、銷售成本、投資利息、該土地及相關地上建築物的銷售相關稅項及溢利。一般而言，樓宇折舊包括物料折舊、功能折舊及經濟折舊。首先，本次計值所涉樓宇的設計功能可滿足一般用途所需，且對物業並無不利影響，因此功能折舊於本次估值中被認為不適合。其次，於本次估值時，國內廢物綜合處理廠的房地產市場情況穩定；市場供需關係基本平衡；而除市場環境、政策及其他樓宇外，並無其他因素對此類房地產構成不利影響，因此本次估值並無計及經濟折舊。本次估值所涉樓宇因使用及自然因素而出現老化、磨損和損壞，於本次估值中計算該土地上建築物的折舊時，須計及物料折舊。物料折舊指樓宇因使用及自然因素而出現的老化、磨損和損壞。

## 資料來源

吾等很大程度上倚賴 貴公司提供有關年期、樓面面積及建築圖則以及所有其他相關事宜之資料。估值所包括的尺寸、測量及面積乃以向吾等提供的檔所載的資料為基準，因此僅為概約數字。

貴公司告知吾等所提供的資料中並無重大因素或資料遭遺漏或隱瞞。吾等認為，吾等已獲提供充足資料以達致知情見解，且吾等相信編製吾等估值所用的假設屬合理。

## 業權調查

吾等已獲提供有關該等物業業權文件摘要之副本。

吾等已就上海市國有土地使用權出讓作出查詢及有關查冊。

## 實地量度

吾等並無進行詳細實地量度以核實該物業地盤／樓面面積是否正確，但假設交予吾等之檔及官方地盤／樓面圖則所示之地盤／樓面面積均屬正確。所有檔及合約均僅用作參考，所有尺寸、量度及面積均為約數。

## 實地視察

吾等已於二零二四年七月十日視察該物業的外部，並在可能情況下視察有關物業的內部。

吾等並無進行調查，以釐定所視察的該物業的土地狀況及設施是否適合作任何日後發展。編製吾等的估值時，吾等假設該等部分狀況令人滿意，然而，吾等未能報告該物業是否沒有腐朽、蟲蛀或任何其他結構損壞。吾等並無對任何設施進行測試。

## 假設及警告

吾等之估值乃假定賣方可在公開市場上出售物業，而無任何遞延條款合約、售後租回、合營企業、管理協議或任何類似安排等影響其價值。

並無對物業之任何抵押、按揭或欠款，或出售時可能產生之任何開支或稅項作出撥備。

為持有的物業權益估值時，吾等已作出以下假設：

- 吾等已假設所有提供予吾等並載入本報告的資料、估計及意見(包括 貴集團提供的所有資料)均屬真實正確、適合作估值用途，並源自可靠來源。
- 吾等已假設該等物業並無任何污染及環境問題或災害。

## 估值師

本次估值由註冊房地產估值師李嘉團及丁淑英編製，他們對此規模及性質的估值擁有充足經驗。

估值師或上海科東房地產土地估價有限公司均無察覺有任何金錢上的利益或其他利益衝突情況，而可能影響彼等對該等物業價值提供公正客觀意見的能力。

## 貨幣

除另有說明外，於吾等的估值內，以人民幣(人民幣元)呈列物業的所有貨幣數值。

於隨附之估值詳情所載吾等對該等物業的估值，連同本封面函，構成吾等的估值報告。

此 致

香港  
上環德輔道西9號28樓  
粵豐環保電力有限公司  
董事 台照

代表  
上海科東房地產土地估價有限公司

法定代表人  
王偉  
謹啟

二零二四年七月十五日

附註： 王偉先生為現任上海市房地產估價師協會副會長、上海市房地產估價師協會行業發展委員會副主任，擁有中國註冊房地產估價師、中國土地估價師資格，及超過10年房地產估價經驗。

## 估值詳情

### 貴集團於上海持有之物業：

物業	概況及年期	估用詳情	於二零二四年 七月十日 現況下之市值
一個位於上海市寶山區月浦鎮3街坊1/5丘的在建生活廢物綜合處理廠	<p>商務大樓(辦公大樓)、垃圾分選車間(主廠房)建築工程已完工；化水車間(氣化車間)、迴圈泵房(氣化車間)、沖洗水泵房、綜合水泵房、傳達室建築主體結構已封頂；可燃物利用車間(氣化車間)建築主體結構完成；宿舍樓(綜合樓)建築主體框架完成；污水處理站輔房、地磅房及門衛大部分已拆除；有機物利用車間、殘渣利用車間、塑膠車間、卸料大廳、變電站、沼氣發電車間未見建造。</p> <p>整個土地使用權面積71,180.8平方米。</p>	<p>該物業有建設用地使用權，土地權利性質為出讓，土地用途為公共基礎設施用地，使用期限為2008年10月24日至2058年10月23日。</p>	人民幣 135,350,000元

## APPENDIX II — VALUATION REPORT — SMART PARKING DISPOSAL

*The following is the text of a letter, a summary of values and valuation certificates prepared for the purpose of incorporation in this announcement received from Masterpiece Valuation Advisory Limited, an independent valuer, in connection with its opinion of value of the equity interest as at 30 June 2024.*

22 July 2024

The Board of Directors  
**Canvest Environmental Protection Group Company Limited**  
28th Floor,  
No. 9 Des Voeux Road West,  
Sheung Wan,  
Hong Kong

Dear Sirs/Madams,

### **VALUATION OF EQUITY INTEREST OF CANVEST TECHNOLOGY COMPANY LIMITED**

#### **INSTRUCTIONS**

In accordance with the instructions of Canvest Environmental Protection Group Company Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out the valuation of the equity interest of Canvest Technology Company Limited. We confirm that we have made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Fair Value of the equity interest as at 30 June 2024 (the “**Valuation Date**”).

#### **VALUATION STANDARDS**

In valuing the equity interests, we have complied with all the requirements set out in the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the International Valuation Standards published and revised from time to time by the International Valuation Standards Council.

#### **BASIS OF VALUATION**

Our valuation is carried out on a Fair Value basis, which is defined as “*the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date*”.

#### **COMPANY BACKGROUND**

The Target Company is principally engaged in smart car parking in the People’s Republic of China (the “**PRC**”).

We understand that the Company intends to dispose equity interest of the Target Company. As such, the Company would like to assess the fair value of the 100% equity interest of the Target Company as of the Valuation Date.

## **INDUSTRY OVERVIEW**

### **PRC Economy**

In 2023, China's economy showed steady improvement, with market demand gradually recovering, production and supply continuously increasing, overall stability in employment and prices, stable growth in residents' income, and active progress in transformation and upgrading. The national economy had a good start in the first quarter of 2024.

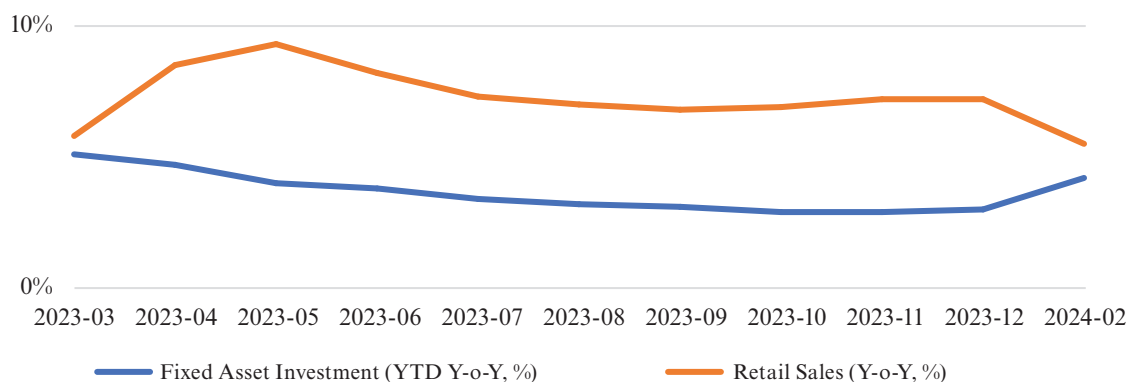
According to preliminary calculations, the gross domestic product (GDP) in the first quarter of 2024 was 29.63 trillion yuan, a year-on-year increase of 5.3% at constant prices, and a quarter-on-quarter increase of 1.6% compared to the fourth quarter of last year. By industry, the value added of the primary industry was 1.15 trillion yuan, a year-on-year increase of 3.3%; the value added of the secondary industry was 10.98 trillion yuan, an increase of 6.0%; and the value added of the tertiary industry was 17.49 trillion yuan, an increase of 5.0%.

In the first quarter, national fixed asset investment (excluding rural households) was 10.00 trillion yuan, a year-on-year increase of 4.5%, accelerating by 1.5 percentage points from the previous year; excluding real estate development investment, national fixed asset investment grew by 9.3%. By sector, infrastructure investment increased by 6.5%, manufacturing investment increased by 9.9%, and real estate development investment decreased by 9.5%. The sales area of newly built commercial housing nationwide was 226.68 million square meters, a year-on-year decrease of 19.4%; the sales volume of newly built commercial housing was 2.14 trillion yuan, a decrease of 27.6%. By industry, investment in the primary industry increased by 1.0%, investment in the secondary industry increased by 13.4%, and investment in the tertiary industry increased by 0.8%.

In the first quarter, the national consumer price index (CPI) was flat year-on-year. By category, food, tobacco, and alcohol prices decreased by 1.7%, clothing prices increased by 1.6%, housing prices increased by 0.2%, prices of household goods and services increased by 0.8%, transportation and communication prices decreased by 1.4%, prices of education, culture, and entertainment increased by 2.3%, medical care prices increased by 1.4%, and prices of other goods and services increased by 2.9%. Among food, tobacco, and alcohol prices, fresh fruit prices decreased by 7.3%, pork prices decreased by 7.0%, fresh vegetable prices decreased by 3.9%, and grain prices increased by 0.4%. The core CPI, excluding food and energy prices, increased by 0.7% year-on-year. In March, the national consumer price index increased by 0.1% year-on-year and decreased by 1.0% month-on-month.

Overall, the national economy had a good start in the first quarter, with more positive factors accumulating, laying a good foundation for achieving the annual goals and tasks. However, it should also be noted that the complexity, severity, and uncertainty of the external environment are rising, and the foundation for the steady improvement of the economy is not yet solid.

**China's Growth Rate of Fixed Asset Investment and Total Retail Sales of Consumer Goods from March 2023 to February 2024**



China is currently implementing a prudent monetary policy, with a stable yet moderately accommodative monetary environment. At the beginning of 2024, lending costs in China showed a stable to declining trend. According to the People’s Bank of China (PBOC) announcement, the one-year loan prime rate (LPR) has remained at 3.45% since January, while the five-year LPR decreased from 4.2% in January 2024 to 3.95% in February and remained at the same rate through March. By the end of March, the broad money (M2) balance was 304.8 trillion yuan, an 8.3% year-on-year increase. The narrow money (M1) balance was 68.58 trillion yuan, a 1.1% year-on-year increase. The currency in circulation (M0) balance was 11.72 trillion yuan, an 11% year-on-year increase, with a net cash injection of 376.6 billion yuan in the first quarter.

Preliminary statistics show that the aggregate financing to the real economy in the first quarter of 2024 totaled 12.93 trillion yuan, 1.61 trillion yuan less than the same period last year. Among this, RMB loans to the real economy increased by 9.11 trillion yuan, 1.59 trillion yuan less than the same period last year; foreign currency loans to the real economy, converted into RMB, increased by 152.3 billion yuan, 91.7 billion yuan more year-on-year; entrusted loans decreased by 99.5 billion yuan, a year-on-year decrease of 167.6 billion yuan; trust loans increased by 198.3 billion yuan, a year-on-year increase of 202.4 billion yuan; undiscounted bank acceptances increased by 550 billion yuan, a year-on-year increase of 81.4 billion yuan; net corporate bond financing was 1.12 trillion yuan, 255.1 billion yuan more year-on-year; net government bond financing was 1.36 trillion yuan, 470.8 billion yuan less year-on-year; and domestic equity financing of non-financial enterprises was 76.3 billion yuan, 138.6 billion yuan less year-on-year.

The People’s Bank of China held the 2024 Financial Stability Work Conference, where it was noted that the overall stability of China’s financial system has been maintained, with financial risks generally converging. In 2023, key operational and regulatory indicators of banking, insurance, and securities financial institutions were within reasonable ranges. With the continued recovery and improvement of China’s macroeconomy, the stable operation of the financial system has a stronger foundation and support.

*Source: National Bureau of Statistics of China, People’s Bank of China, Xinhua News Agency*



## Smart Park Industry

Automobile consumption is a significant part of retail consumption in China. With the continuous development of China's economy and the improvement of people's living standards, the number of automobiles has been increasing, which will inevitably lead to greater development of the smart parking market.

Parking issues are a critical component of urban transportation, affecting urban development and attracting widespread social attention. Currently, urban parking difficulties have become one of the main livelihood issues in cities. In recent years, the country has continuously introduced several guiding policies to support the development of the smart transportation industry. Currently, the domestic smart parking operation model is gradually maturing, and the industry is in a stage of high-quality development.

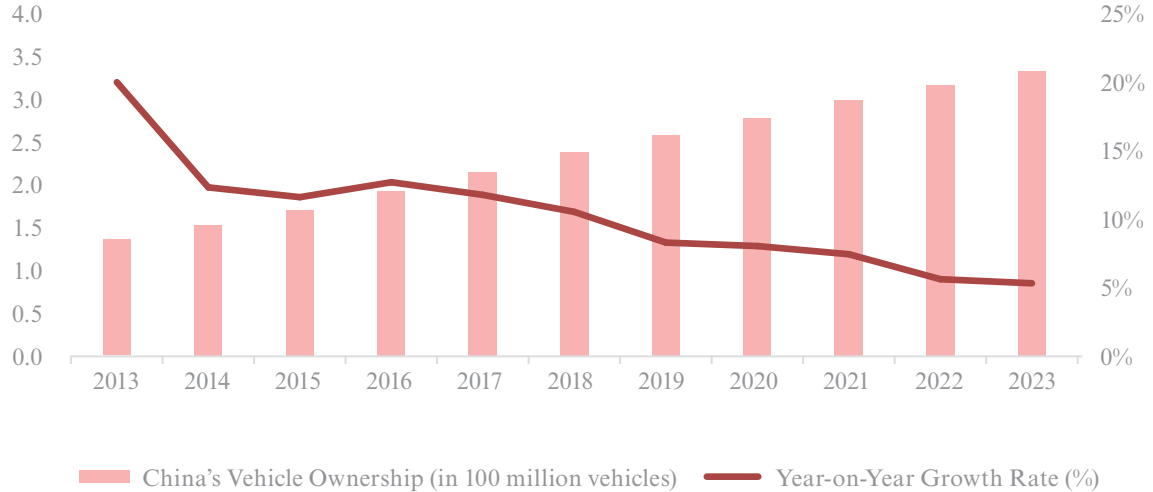
The development of the smart parking industry in China has gone through three stages: manual parking management, semi-intelligent parking management, and intelligent parking management.

In 2023, the parking industry continued to maintain a rapid development trend. Smart parking construction is being carried out in various forms, such as filling gaps, expanding scale, and optimizing upgrades across different regions. At the same time, local management departments are continuously improving management levels, making positive contributions to achieving high-quality urban transportation development.

According to statistics from the China Parking Network Market Research Center, as of November 2023, intelligent parking management has covered 236 prefecture-level cities and 679 counties (cities) nationwide, with 3.59 million smart parking spaces. In the past five years, the average annual growth rate of smart parking spaces was 35%, and the average annual growth rate of projects was 50%.

As of November 2023, intelligent parking management has covered 236 prefecture-level cities and 679 counties (cities) nationwide, spanning all 31 provinces except Hong Kong, Macau, and Taiwan. Among them, the top three in terms of the number of projects are Guangdong, Zhejiang, and Yunnan, with 137, 112, and 105 projects, respectively; the top three in terms of the number of smart parking spaces are Guangdong, Sichuan, and Zhejiang, with 410,000, 300,000, and 290,000 spaces, respectively.

### China's Vehicle Ownership and Growth from 2013 to 2023



Source: 中國停車網，智慧城市網

## VALUATION ASSUMPTIONS

In arriving at our opinion of value, we have considered the following principal factors:

- the economic outlook for the region operated by the Target Company and specific competitive environments affecting the industry;
- the business risks of the Target Company;
- the experience of the management team of the Target Company and support from its shareholders; and
- the legal and regulatory issues of the industry in general.

A number of general assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company; and
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

Our appraisal included discussions with the management of the Target Company in relation to the history and nature of the business; a study of its financial statements; a review of the information provided by the management in connection with the strategy of and the plan of action to be taken to implement the business plan. We have assumed that such information, opinions and representation provided to us are true and accurate. Before arrived at our opinion of value, we have considered the following major factors:

- i. the nature and prospects of the business underlying the Target Company;
- ii. the assets held by the Target Company;
- iii. the specific economic and competitive elements affecting the Target Company, the industry and the market which it is operating;
- iv. the business risk of the Target Company; and
- v. the financial position of the Target Company as revealed from its financial statements.

In view of the general environment and the particular situation in which the Target Company is operating, the following assumptions have been adopted in our appraisal in order to sufficiently support our concluded value of the Target Company:

- i. there will be no major change in the existing political, legal and economic conditions in the regions in which the Target Company is operated;
- ii. there will be no major change in the current taxation law in those regions, that the rates of tax payable by the Target Company remain unchanged and that all applicable laws and regulations will be complied with by it;
- iii. the interest rates and exchange rates will not differ materially from those presently prevailing;
- iv. all operating facilities as set out in the fixed asset registry provided to us can perform efficiently according to the purposes for which they have been designed and built and are in a physical condition commensurate with its post installation/out-factory age; and
- v. save for those liabilities as reported in the financial statement of the Target Company, it is free and clear of any lien, charge, option, pre-emption rights, damages, compensation, trade payables, mortgage and charge.

## **VALUATION METHODOLOGY**

### **General Valuation Approaches**

There are three generally accepted approaches to appraise the fair value of the equity value of the Target Company, namely Income Approach, Cost Approach and Market Approach. All three of them have been considered regarding the valuation of the Target Company:

#### ***Income Approach***

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The fundamental method for income approach is the discounted cash flow (“**DCF**”) method. Under the DCF method, the value depends on the present value of future economic benefits to be derived from ownership of the enterprise. Thus, an indication of the equity value is calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The future cash flow is discounted at the market-derived rate of return appropriate for the risks and hazards of investing in a similar business.

#### ***Cost Approach***

The cost approach (asset-based approach) refers to the general term for various valuation techniques that determine the value of the valuation target on the basis of a reasonable evaluation of the value of the assets and liabilities of the enterprise. The valuation scope includes current assets, fixed assets, projects under construction, intangible assets, deferred income tax assets and current liabilities.

#### ***Market Approach***

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the comparable company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

### **Selected Valuation Approach**

In determining the appraised value of the Target Company, the asset-based approach is adopted to assess the value of identifiable assets and liabilities as listed in the unaudited consolidated balance sheet as of 30 June 2024. This included, among others, the value of plant and equipment, intangible assets, and other payables. The valuation was conducted using the replacement cost model.

Among the three generally accepted valuation approaches — income approach, cost approach, and market approach — the income approach was deemed inappropriate due to the Target Company’s history of net losses and its plans for downsizing operations. Similarly, the market approach could not be reliably applied because comparable market multiples were not available for the same reasons.

Given the circumstances, the asset-based approach was considered the most suitable methodology to determine the fair value of the Target Company. This approach focuses on the fair value of identifiable assets and liabilities, irrespective of the enterprise’s profitability. Since the Target Company was experiencing losses and downsizing, the asset-based approach was considered suitable.

Under the asset-based approach, the recorded assets held by the Target Company were examined and adjusted to their fair value. Assets such as bank balances, prepayments, inventories, and other receivables were assumed to reasonably represent their fair values as book values. The plant and equipment, along with intangible assets, were valued based on the cost approach, which determines fair value by referencing replacement costs.

Plant and equipment and intangible assets involved assets used in the Target Company’s normal business operations. Cost approach determining fair value by reference to replacement costs.

After taking into account all stated liabilities, an aggregate fair value of RMB26.1 million was derived for 100% equity interest of the Target Company.

<b>Assets</b>	<b>Fair Value as at 30 June 2024 (RMB million)</b>
Plant and Equipment, fixed assets and Intangible assets ( <i>Note 1</i> )	8.9
Account Receivables and Prepayment ( <i>Note 2</i> )	4.3
Other receivables	15
Others assets ( <i>Note 2</i> )	5
Bank balances and cash ( <i>Note 2</i> )	22.1
Total Assets	55.3
 Liabilities ( <i>Note 3</i> )	
Trade and other payables and accruals	(27.1)
Loan	(2.4)
Total Liabilities	(29.5)
 Net Assets/(Liabilities)	 26.1
<b>100% Equity Value</b>	<b>26.1</b>

The aggregate appraised value of the entire issued share capital of the Target Company as at the Valuation Date is RMB26.1 million.

*Notes:*

1. Plant and Equipment, fixed assets and Intangible assets involved plant and equipment, software patents used by the Target Company for carrying out their normal course of business. They comprise plant and equipment (with a carrying value of RMB3.0 million); Intangible assets (with a carrying value of RMB2.9 million) and long-term deferred expense (with a carrying value of RMB3.0 million) have been valued by cost approach at a fair value. The fair value will be the carrying value. The fair value of the plant and equipment, intangible assets and fixed assets was RMB8.9 million.
2. For Bank balances, other assets and cash and other receivables, as confirmed with the Management and analyzing their natures, we assume that the net book values of the above assets should reasonably represent their fair values as of the Valuation Date.
3. All items of liabilities are cited from the financial statement as of 30 June 2024. As confirmed with the management, all liabilities stated in the financial statement have fully reflected the indebtedness of the Target Company. Therefore, the entire amount of liabilities has been adopted in the valuation.

## **SOURCE OF INFORMATION**

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to us or relied upon by us in the Report especially for the financial information of the Target Company provided by the management of the Company, whether written or verbal, and no representation or warrant, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

Moreover, our valuation has also relied upon other information obtained from public sources which we believe to be reliable. We accept no responsibility for accuracy and reliability of any information obtained from public sources.

## **CURRENCY**

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

## **REMARKS**

This report and the conclusion of value arrived at herein are for the exclusive use of Canvest Environmental Protection Group Company Limited or the sole and specific purposes as noted and we accept no responsibility or liability to any party whatsoever in respect of the contents of this report.

## **CONCLUSION OF VALUE**

Based on our analysis outlined in this report, it is our independent opinion that the fair value of the equity interest of the Target Company as at 30 June 2024 was **RMB26,100,000 (RENMINBI TWENTY SIX MILLION AND ONE HUNDRED THOUSAND ONLY)**.

Yours faithfully,  
For and on behalf of  
**Masterpiece Valuation Advisory Limited**

**Sr Oswald W Y Au**  
MHKIS (GP), AAPI, MSc (RE), ICPA  
Registered Professional Surveyor (GP)  
*Managing Director*

*Note:* Mr. Oswald W Y Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and Asia Pacific region.

## APPENDIX III — PROPERTY VALUATION REPORT — OFFICE BUILDING DISPOSAL

*The following is the text of a letter, a summary of values and valuation certificates prepared for the purpose of incorporation in this announcement received from Masterpiece Valuation Advisory Limited, an independent valuer, in connection with its opinion of value of the property interests as at 30 June 2024.*

22 July 2024

The Board of Directors  
**Canvest Environmental Protection Group Company Limited**  
28th Floor,  
No. 9 Des Voeux Road West,  
Sheung Wan,  
Hong Kong

Dear Sirs/Madams,

**VALUATION OF 28TH FLOOR, 29TH FLOOR, FLAT ROOF ABOVE 29TH FLOOR,  
CARPARK SPACE NO. P12 ON 2ND FLOOR, AND CARPARK SPACE NO. P22 ON  
2ND FLOOR, NO.9 DES VOEUX ROAD WEST, HONG KONG**

### INSTRUCTIONS

In accordance with the instructions of Canvest Environmental Protection Group Company Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out the valuation of the property interests located in Hong Kong held by the Group. We confirm that we have carried out inspection, made relevant enquiries and searches 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 interests as at 30 June 2024 (the “**Valuation Date**”).

### VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the HKIS Valuation Standards (2020 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published and revised from time to time by the International Valuation Standards Council.

### BASIS OF VALUATION

Our valuation is carried out on a Market Value basis, which 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 of the property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

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

For the properties which are held under long term land use rights, we have assumed that transferable land use rights in respect of the property interests at nominal land use fees has been granted and that any premium payable has already been fully settled. Unless stated as otherwise, we have assumed that the respective title owner of the properties have an enforceable title of the property interests and have free and uninterrupted rights to occupy, use, sell, lease, charge, mortgage or otherwise dispose of the properties without the need of seeking further approval from and paying additional premium to the Government for the unexpired land use term as granted.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the valuation date.

## VALUATION METHODOLOGY

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “**continued uses**”).

In valuing the property interests, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighborhood area of the property. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality and any other relevant factors when comparing such sales against the property. This approach is commonly used to value properties where reliable market evidence is available.

## **TITLE INVESTIGATION**

We have not been provided with copies of the title documents relating to the property interests in Hong Kong. However, we have caused searches to be made for the property at the Land Registry in Hong Kong. However, we have not scrutinised the original documents to verify ownership and encumbrances, or to ascertain any amendment which may or may not appear on the land search. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

## **SITE INVESTIGATION**

We have inspected the exteriors and, where possible, the interior of the Property. The site inspection was carried out on 26 July 2024 by Greivis Sze (Director of Masterpiece Valuation Advisory Limited). However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

## **SOURCE OF INFORMATION**

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have 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.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents and plans available to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

## **CURRENCY**

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollars (HK\$).

## **REMARKS**

This report and the conclusion of value arrived at herein are for the exclusive use of Canvest Environmental Protection Group Company Limited or the sole and specific purposes as noted and we accept no responsibility or liability to any party whatsoever in respect of the contents of this report.

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,  
For and on behalf of  
**Masterpiece Valuation Advisory Limited**

**Sr Oswald W Y Au**  
MHKIS (GP), AAPI, MSc (RE),  
Registered Professional Surveyor (GP)  
*Managing Director*

*Note:* Mr. Oswald W Y Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 20 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S., and Asia Pacific region.

## SUMMARY OF VALUES

### Property interests held by the Group for self-occupation in Hong Kong

No.	Property Interest	Market value in existing state as at 30 June 2024 <i>HKD</i>	Market value in existing state 100% interest attributable to the Group as at 30 June 2024 <i>HKD</i>
1.	28th Floor and Carpark Space No. P22 on 2nd Floor, No.9 Des Voeux Road West, Hong Kong	80,700,000	80,700,000
2.	29th Floor, Flat Roof above 29th Floor and Carpark Space No. P12 on 2nd Floor, No.9 Des Voeux Road West, Hong Kong	84,700,000	84,700,000
	<b>Sub-total:</b>	<b>165,400,000</b>	<b>165,400,000</b>

## VALUATION CERTIFICATE

No.	Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2024 <i>HKD</i>
1.	<p>28th Floor and Carpark Space No. P22 on 2nd Floor, No.9 Des Voeux Road West, Hong Kong</p> <p>An aggregate of 408/10,010 equal and undivided shares of and in Marine Lot No. 502, Marine Lot No. 503, Marine Lot No. 504, Section A and the Remaining Portion of Marine Lot No. 505, Marine Lot No. 506, Inland Lot No. 3183 and Inland Lot No. 3184.</p>	<p>The property interest comprises an office unit on the 28th floor and a car parking space on the 2nd floor of No. 9 Des Voeux Road West (the “<b>development</b>”), which is a 29-storey office building completed in 1995, as per Occupation Permit No. H37/95.</p> <p>The development is located on the northwestern side of Des Voeux Road West, near its junction with Queen Street in Sheung Wan, Hong Kong.</p> <p>The gross floor area and saleable area of the property interests, excluding the car parking space on the 2nd floor, are approximately 7,192 ft<sup>2</sup> (668.15 m<sup>2</sup>) and 5,025 ft<sup>2</sup> (466.83 m<sup>2</sup>), respectively.</p> <p>The development is zoned as “Commercial” under the approved Sai Ying Pun &amp; Sheung Wan Outline Zoning Plan No. S/H3/34, which was gazetted on 13 November 2020.</p> <p>The property interest is held under various government leases for a term of 999 years, with respective lease commencement dates and government rent payable, as stipulated in note ii below.</p>	<p>The Property was owner occupied as at the Valuation Date</p>	<p>80,700,000</p> <p>(100% interest attributable to the Group: 80,700,000)</p>

*Notes:*

- (i) Pursuant to the searches records obtained from the Land Registry, the registered owner of the property interests as at the Valuation Date was KK VII (BVI) Limited.
- (ii) Pursuant to the search records obtained from the Land Registry, the particulars of the lots under which the property interests are held under are as follows:
  - (a) The Marine Lot No. 502 is held under government lease for a term of 999 years, commencing on 28 May 1900, with an annual government rent payable of HK\$46.00.
  - (b) The Marine Lot No. 503 is held under government lease for a term of 999 years, commencing on 28 May 1900, with an annual government rent payable of HK\$44.00.

- (c) The Marine Lot No. 504 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
  - (d) The Section A of Marine Lot No. 505 is held under government lease for a term of 999 years, commencing on 8 January 1900, with an annual government rent payable of HK\$16.08.
  - (e) The remaining portion of Marine Lot No. 505 is held under government lease for a term of 999 years, commencing on 8 January 1900, with an annual government rent payable of HK\$17.92.
  - (f) The Marine Lot No. 506 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$12.00.
  - (g) The Inland Lot No. 3183 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
  - (h) The Inland Lot No. 3184 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
- (iii) The major encumbrance registered against the property interests are as follows:
- (a) Deed of Dedication with plan re part in favour of the Government of Hong Kong dated 17 March 1995 vide Memorial No. UB6257857;
  - (b) Modification Letter re ML 502 dated 26 April 1995 vide Memorial No. UB6279960;
  - (c) Occupation Permit (No. H37/95) dated 31 May 1995 vide Memorial No. UB6311690;
  - (d) Deed of Mutual Covenant and Management Agreement in favour of China Merchants & Kan Property Management Company Limited dated 21 June 1995 vide Memorial No. UB6344864;
  - (e) Sub-Deed of Mutual Covenant (Remarks: Supplemental to D.M.C. and Management Agreement M/N 6344864) dated 21 June 1995 vide Memorial No. UB6346483; and
  - (f) Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited for all moneys (pt.) dated 23 February 2022 vide Memorial No. 22030401660035.
- (iv) The property sales comparable are selected as they have characteristics comparable to the office portion of the property interests. The price range of the comparable from HKD15,000 to HKD17,100 per ft<sup>2</sup> on saleable area. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including time, size, location, view, floor, year of completion, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, we have adopted the average unit rate of the comparable of HKD15,810 per ft<sup>2</sup> on saleable area.
- (v) The selection criteria of the 3 office transaction comparable references are stated below:
- (a) The usage of the comparable references, which are office;
  - (b) The location of the comparable references, which are located in Sheung Wan, Hong Kong;
  - (c) The saleable area of the comparable references, which are larger than 1,500 ft<sup>2</sup>; and
  - (d) The transaction date of the comparable references has occurred within 3 years prior to the valuation date.

The comparable references are exhaustive based on the above selection criteria.

- (vi) The property sales comparable are selected as they have characteristics comparable to the car parking space portion of the property interests. The price range of the comparable from HKD1,500,000 to HKD2,000,000 per car parking space. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including time, location, floor, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, we have adopted the average unit rate of the comparable of HKD1,700,000 per car parking space.
- (vii) The selection criteria of the 3 car parking space transaction comparable references are stated below:
- (a) The usage of the comparable references, which are car parking space;
  - (b) The location of the comparable references, which are located in Sheung Wan, Hong Kong;
  - (c) The floor level of the comparable references, which are located on 2nd floor; and
  - (d) The transaction date of the comparable references has occurred within 3 years prior to the valuation date.

The comparable references are exhaustive based on the above selection criteria.

## VALUATION CERTIFICATE

No.	Property Interest	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 June 2024 <i>HKD</i>
2.	<p>29th Floor, Flat Roof above 29th Floor and Carpark Space No. P12 on 2nd Floor, No.9 Des Voeux Road West, Hong Kong</p> <p>An aggregate of 488/10,010 equal and undivided shares of and in Marine Lot No. 502, Marine Lot No. 503, Marine Lot No. 504, Section A and the Remaining Portion of Marine Lot No. 505, Marine Lot No. 506, Inland Lot No. 3183 and Inland Lot No. 3184.</p>	<p>The property interest comprises an office unit on the 29th floor, a flat roof above 29th floor and a car parking space on the 2nd floor of No. 9 Des Voeux Road West (the “<b>development</b>”), which is a 29-storey office building completed in 1995, as per Occupation Permit No. H37/95.</p> <p>The development is located on the northwestern side of Des Voeux Road West, near its junction with Queen Street in Sheung Wan, Hong Kong.</p> <p>The gross floor area and saleable area of the office portion of the property interests are approximately 7,192 ft<sup>2</sup> (668.15 m<sup>2</sup>) and 5,025 ft<sup>2</sup> (466.83 m<sup>2</sup>), respectively. The ancillary area of the flat roof portion of the property interest are approximately 2,137 ft<sup>2</sup> (198.53 m<sup>2</sup>).</p> <p>The development is zoned as “Commercial” under the approved Sai Ying Pun &amp; Sheung Wan Outline Zoning Plan No. S/H3/34, which was gazetted on 13 November 2020.</p> <p>The property interest is held under various government leases for a term of 999 years, with respective lease commencement dates and government rent payable, as stipulated in note ii below.</p>	<p>The Property was owner occupied as at the Valuation Date</p>	<p>84,700,000</p> <p>(100% interest attributable to the Group: 84,700,000)</p>

*Notes:*

- i. Pursuant to the searches records obtained from the Land Registry, the registered owner of the property interests as at the Valuation Date was KK VIII (BVI) Limited.
- ii. Pursuant to the search records obtained from the Land Registry, the particulars of the lots under which the property interests are held under are as follows:
  - a. The Marine Lot No. 502 is held under government lease for a term of 999 years, commencing on 28 May 1900, with an annual government rent payable of HK\$46.00.



- b. The Marine Lot No. 503 is held under government lease for a term of 999 years, commencing on 28 May 1900, with an annual government rent payable of HK\$44.00.
  - c. The Marine Lot No. 504 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
  - d. The Section A of Marine Lot No. 505 is held under government lease for a term of 999 years, commencing on 8 January 1900, with an annual government rent payable of HK\$16.08.
  - e. The remaining portion of Marine Lot No. 505 is held under government lease for a term of 999 years, commencing on 8 January 1900, with an annual government rent payable of HK\$17.92.
  - f. The Marine Lot No. 506 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$12.00.
  - g. The Inland Lot No. 3183 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
  - h. The Inland Lot No. 3184 is held under government lease for a term of 999 years, commencing on 28 November 1899, with an annual government rent payable of HK\$18.00.
- iii. The major encumbrance registered against the property interests are as follows:
- a. Deed of Dedication with plan re part in favour of the Government of Hong Kong dated 17 March 1995 vide Memorial No. UB6257857;
  - b. Modification Letter re ML 502 dated 26 April 1995 vide Memorial No. UB6279960;
  - c. Occupation Permit (No. H37/95) dated 31 May 1995 vide Memorial No. UB6311690;
  - d. Deed of Mutual Covenant and Management Agreement in favour of China Merchants & Kan Property Management Company Limited dated 21 June 1995 vide Memorial No. UB6344864;
  - e. Sub-Deed of Mutual Covenant (Remarks: Supplemental to D.M.C. and Management Agreement M/N 6344864) dated 21 June 1995 vide Memorial No. UB6346483; and
  - f. Mortgage in favour of The Hongkong and Shanghai Banking Corporation Limited for all moneys (pt.) dated 23 February 2022 vide Memorial No. 22030401660020.
- iv. The property sales comparable are selected as they have characteristics comparable to the office portion of the property interests. The price range of the comparable from HKD15,000 to HKD17,100 per ft<sup>2</sup> on saleable area. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including time, size, location, view, floor, year of completion, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, we have adopted the average unit rate of the comparable of HKD15,862 per ft<sup>2</sup> on saleable area.
- v. The selection criteria of the 3 office transaction comparable references are stated below:
- a. The usage of the comparable references, which are office;
  - b. The location of the comparable references, which are located in Sheung Wan, Hong Kong;
  - c. The saleable area of the comparable references, which are larger than 1,500 ft<sup>2</sup>; and
  - d. The transaction date of the comparable references has occurred within 3 years prior to the valuation date.

The comparable references are exhaustive based on the above selection criteria.

- vi. The property sales comparable are selected as they have characteristics comparable to the car parking space portion of the property interests. The price range of the comparable from HKD1,500,000 to HKD2,000,000 per car parking space. The unit rate adopted in the valuation is consistent with the unit rate of the relevant comparable after considered various adjustments including time, location, floor, and any other relevant factors when comparing such sales against the property interests. In the course of our valuation, we have adopted the average unit rate of the comparable of HKD1,700,000 per car parking space.
- vii. The selection criteria of the 3 car parking space transaction comparable references are stated below:
  - a. The usage of the comparable references, which are car parking space;
  - b. The location of the comparable references, which are located in Sheung Wan, Hong Kong;
  - c. The floor level of the comparable references, which are located on 2nd floor; and
  - d. The transaction date of the comparable references has occurred within 3 years prior to the valuation date.

The comparable references are exhaustive based on the above selection criteria.

## APPENDIX IV — REPORT FROM THE COMPANY’S FINANCIAL ADVISER ON THE VALUATION REPORT IN RESPECT OF THE LAND DISPOSAL

*The following is the full text of the report from ABCI to the Board in relation to the 1/5 of land and above-ground buildings in the 3rd neighbourhood of Yuepu Town, Baoshan District, Shanghai, the PRC valuation report, which has been prepared for the purpose of inclusion in this announcement.*



**ABCI CAPITAL LIMITED**  
11/F, Agricultural Bank of China Tower  
50 Connaught Road Central  
Hong Kong

9 August 2024

The Board of Directors  
**Canvest Environmental Protection Group Company Limited**  
28/F, No.9 Des Voeux Road West  
Sheung Wan  
Hong Kong

Dear Sirs and Madams,

We refer to the valuation report (the “**Valuation Report**”) with respect to 1/5 of land and above-ground buildings in the 3rd neighbourhood of Yuepu Town, Baoshan District, Shanghai, the PRC (中國上海市寶山區月浦鎮 3 街坊 1/5 丘土地及地上建築物) prepared by Shanghai Kedong Real Estate Appraisal Co., Ltd. (the “**Independent Valuer**”) as set out in Appendices IA and IB of this announcement. We are required to report on the Valuation Report under Rule 11.1(b) of the Takeovers Code. Capitalised terms used in this letter shall have the same meanings as defined in the announcement unless the context requires otherwise.

We have relied on the information and facts supplied, and the opinion expressed by Canvest Environmental Protection Group Company Limited and the Independent Valuer, and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects as at 9 August, 2024. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not carried out any independent verification of the information supplied to us.

Pursuant to the Corporate Finance Adviser Code of Conduct, with regard to the qualifications and experience of the Independent Valuer, based on the review work conducted by us, which includes reviewing the supporting documents on the qualifications, experience and expertise of the Independent Valuer and discussing the same with the Independent Valuer, we are satisfied that the Independent Valuer is suitably qualified and experienced with sufficient knowledge, skills and understanding necessary to prepare the Valuation competently.

On the basis of the foregoing, we are satisfied that the Independent Valuer possesses the qualifications and experience to compile the Valuation Report.

Yours faithfully,  
for and on behalf of  
**ABCI CAPITAL LIMITED**

**Kevin Ma**                      **Marco Wong**  
*Head of Investment Banking*      *Managing Director*

## APPENDIX V — REPORT FROM THE COMPANY’S FINANCIAL ADVISER ON THE VALUATION REPORT IN RESPECT OF THE SMART PARKING DISPOSAL

*The following is the full text of the report from ABCI to the Board in relation to the Canvest Technology Company Limited Valuation Report, which has been prepared for the purpose of inclusion in this announcement.*



**ABCI CAPITAL LIMITED**  
11/F, Agricultural Bank of China Tower  
50 Connaught Road Central  
Hong Kong

9 August 2024

The Board of Directors  
**Canvest Environmental Protection Group Company Limited**  
28/F, No.9 Des Voeux Road West  
Sheung Wan  
Hong Kong

Dear Sirs and Madams,

We refer to the valuation report (the “**Valuation Report**”) with respect to Canvest Technology Company Limited prepared by Masterpiece Valuation Advisory Limited (the “**Independent Valuer**”) as set out in Appendix II of this announcement. We are required to report on the Valuation Report under Rule 11.1(b) of the Takeovers Code. Capitalised terms used in this letter shall have the same meanings as defined in the announcement unless the context requires otherwise.

We have relied on the information and facts supplied, and the opinion expressed by Canvest Environmental Protection Group Company Limited and the Independent Valuer, and have assumed that the information and facts provided and opinions expressed to us are true, accurate and complete in all material aspects as at 9 August, 2024. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have, however, not carried out any independent verification of the information supplied to us.

Pursuant to the Corporate Finance Adviser Code of Conduct, we have reviewed the Valuation Report and the supporting documents relating to the valuation of the 100% equity interest in the Canvest Technology Company Limited (the “**Valuation**”), and discussed with the Independent Valuer regarding the Valuation, including, in particular, the valuation approach, as well as key bases and assumptions adopted in the Valuation. With regard to the qualifications and experience of the Independent Valuer, based on the review work conducted by us, which includes reviewing the supporting documents on the qualifications, experience and expertise of the Independent Valuer and discussing the same with the Independent Valuer, we are satisfied that the Independent Valuer is suitably qualified and experienced with sufficient knowledge, skills and understanding necessary to prepare the Valuation competently.

On the basis of the foregoing, we concur with the Independent Valuer that the valuation approach, as well as the bases and assumptions adopted in the Valuation have been made by the Independent Valuer with due care and objectivity, and on a reasonable basis. We are also satisfied that the Independent Valuer possesses the qualifications and experience to compile the Valuation Report.

Yours faithfully,  
for and on behalf of  
**ABCI CAPITAL LIMITED**

**Kevin Ma**                      **Marco Wong**  
*Head of Investment Banking*      *Managing Director*