

14 April 2021

The Board of Directors
China Ecotourism Group Limited
(formerly known as China LotSynergy Holdings Limited)
Unit 3308, 33/F,
Office Tower Convention Plaza,
1 Harbour Road,
Wan Chai, Hong Kong

Dear Sirs,

Valuation in respect of the Unit Nos. 7, 8 and 9 and the lavatories adjoining thereto on 33rd Floor, Office Tower Convention Plaza, No 1 Harbour Road, Wan Chai, Hong Kong (the “Property”).

INSTRUCTIONS

In accordance with the instructions for us to value the Property held by a wholly-owned subsidiary of China Ecotourism Group Limited, which formerly known as China LotSynergy Holdings Limited (hereinafter referred to as the “Company”, together with its subsidiaries, hereinafter together referred to as the “Group”). We confirm that we have carried out inspection, made relevant enquiries and carried out 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 in existing state as at 28 February 2021 (the “Valuation Date”) for accounting purposes. Our valuation is undertaken by qualified valuer with relevant experiences as an independent valuer. Our valuation is prepared in unbiased and professional manner.

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation. Our valuation is based on 100% of the leasehold interest of the Property.

BASIS OF VALUATION

In arriving at our opinion of the market value, we followed “The HKIS Valuation Standards 2020” issued by The Hong Kong Institute of Surveyors (“HKIS”) and “The RICS Valuation — Global Standards 2020” issued by the Royal Institution of Chartered Surveyors (“RICS”). Under the said standards, Market Value is defined as:

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

“the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.”

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in “The HKIS Valuation Standards 2020” issued by HKIS and “RICS Valuation — Global Standards 2020” issued by RICS.

In valuing the Property, we have complied with the requirements set out in Rule 11 of the Codes on Takeovers and Mergers and Share Buy-backs (the “Takeovers Code”) published by the Securities and Futures Commission. Details of the property-related potential tax liability to the Company in relation to the property interests are set in the notes of each valuation report.

VALUATION METHODOLOGY

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. In our valuation, we have adopted Market Approach by made reference to the recent market sales evidence which is available in the open market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property and the comparable properties such as location, time, size, building age, layout, ancillary facilities and quality in arriving at our opinion on the market value.

VALUATION ASSUMPTIONS AND CONDITIONS

Our valuation is subject to the following assumptions and conditions.

TITLE DOCUMENTS AND ENCUMBRANCES

In our valuation, we have assumed a good and marketable title and that all documentation is satisfactorily drawn. We have also assumed that the Property is not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoing.

DISPOSAL COSTS AND LIABILITIES

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

SOURCES OF INFORMATION

We have relied to a very considerable extent on information given by the Company. We have accepted advice given to us on such matters as statutory notice, easement, land tenure, occupancy status, floor areas and all other relevant matters. We have not verified the correctness of any information, including their translation supplied to us concerning this Property, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property or contained on the register of title. We assume that this information is complete and correct.

INSPECTION

We have inspected the Property on 16 March 2021 by Mr. Cyrus Fong, MRICS MHKIS MCIREA RPS(GP) RICS Registered Valuer. Nevertheless, we have assumed in our valuations that the Property was in satisfactory exterior and interior decorative order without any unauthorized extension or structural alterations or illegal uses as at the Valuation Date, unless otherwise stated.

IDENTITY OF THE PROPERTY TO BE VALUED

We have exercised reasonable care and skill to ensure that the Property, identified by the Property address in your instructions, is the Property inspected by us and contained within our valuation report. If there is ambiguity as to the Property address, or the extent of the Property to be valued, this should be drawn to our attention in your instruction or immediately upon receipt of our report.

PROPERTY INSURANCE

We have valued the Property on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

AREAS AND AGE

In our valuations, we have relied upon areas provided to us. We have also assumed that the measurements and dimensions shown on the documents handed to us are correct and in approximations only. We have scaled off the floor areas from the approved building plans in accordance with the Code of Measuring Practice by the Hong Kong Institute of Surveyors.

STRUCTURAL AND SERVICES CONDITION

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Property is free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the assumption that the Property was in satisfactory repair and condition and contains no deleterious materials and it is sound order and free from structural faults, rot, infestation or other defects, and that the services are in satisfactory condition.

GROUND CONDITION

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

ENVIRONMENTAL ISSUES

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property is unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

COMPLIANCE WITH RELEVANT ORDINANCES AND REGULATIONS

We have assumed the Property was constructed, occupied and used in full compliance with, and without contravention of any ordinance, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, consents, approvals and authorisation have been obtained, expected only where otherwise stated.

VALUATION ASSUMPTION

We have assumed that the owner of the Property is free and uninterrupted rights to use and assign the Property during the whole of the unexpired land-lease term granted subject to the payment of usual Government Rent.

REMARKS

Unless otherwise stated, all money amounts stated in our valuations are in Hong Kong Dollars (HK\$).

AREA CONVERSION

The area conversion factors in this report are taken as follows:

1 sq m = 10.764 sq ft

We enclose herewith our valuation report.

LIMITATIONS ON LIABILITY

This report is confidential to the addressee for the specific purpose to which it refers. It may be disclosed to other professional advisers assisting the addressee in respect of the purposes, but the addressee shall not disclose the report to any other person. Neither the whole, or any part of this report and valuation, nor any reference thereto may be included in any documents, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any web site) without our written approval of the form and context in which it will appear.

No claim arising out of or in connection with this valuation report may be brought against any member, employee, partner, director or consultant of Knight Frank. Those individuals will not have a personal duty of care to any party and any claim for losses must be brought against Knight Frank.

In accordance with our standard practice, we must state that this report and valuation is for the use of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report.

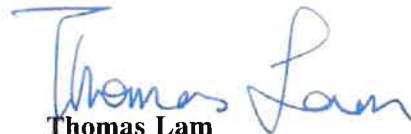
In our valuations, Knight Frank has prepared the valuation based on information and data available to us as at the Valuation Date. While current market is influenced by various policies and regulations, increased complexity in social movements and international trade tensions geopolitics, has also resulted in more fluctuations in real estate market. It must be recognised changes in policy direction, mortgage requirements, social and international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the valuation date may affect the value of the Property.

Yours faithfully,

For and on behalf of
Knight Frank Petty Limited



Cyrus Fong
MRICS MHKIS MCIREA RPS(GP) RICS
Registered Valuer
Senior Director, Valuation & Advisory



Thomas Lam
FRICS FHKIS MCIREA RPS(GP) RICS
Registered Valuer
Executive Director,
Head of Valuation & Advisory

Note: Mr. Thomas Lam is a qualified valuer who has over 21 years of extensive experiences in market research, valuation and consultancy in the PRC, Hong Kong, Macau and Asia Pacific region.

Mr. Cyrus Fong is a qualified valuer who has 15 years of extensive experiences in valuation of properties in the PRC, Hong Kong, Macau and Asia Pacific region.

VALUATION

Property	Description	Particulars of occupancy	Market Value of the Property as at 28 February 2021
Unit Nos. 7, 8 and 9 and the lavatories adjoining thereto on 33rd Floor, Office Tower Convention Plaza, No 1 Harbour Road, Wan Chai, Hong Kong (the "Property").	Convention Plaza is situated next to Hong Kong Convention & Exhibition Centre and on the northern side of Harbour Road bounded by Fleming Road to the east and Convention Avenue to the north in Wan Chai of Hong Kong Island. Office Tower is situation on the eastern side of the development adjacent to Renaissance Harbour View Hotel.	According to the information provided by the Company, the Property was owner occupied as at the Valuation Date.	HK\$346,000,000 (Hong Kong Dollars Three Hundred and Forty Six Million) in existing state.
Inland Lot No 8593 ("IL8593").	Office Tower of the Convention Plaza consist of a 40-storey service office block which was completed in 1990 according to Occupation Permit No H29/90 comprising three out of nine office units planned on the 33rd Floor. The total saleable area of the Property is about 5,860 sq ft (or 544.41 sq m)		
	The Property is held under Conditions of Grant No. UB11784 for a term of 75 years from 19 February 1985.		

Notes:

- (1) Pursuant to records obtained from the Land Registry and information provided by the Company, the registered owners of the Property as at the Valuation Date is a wholly-owned subsidiary of China Ecotourism Group Limited (formerly known as China LotSynergy Holdings Limited), namely, Goldwide Limited.
- (2) At the time of our recent search, the following encumbrances were registered against the Property:
 - (i) Occupation Permit (Permit no H29/90) vide memorial no UB4501042 dated 7 March 1990;
 - (ii) Letter of Compliance from Director of Buildings & Lands, District Lands Office, H.K. West to H.K. Trade Development Council vide memorial no UB4501043 dated 8 June 1990;
 - (iii) Certificate of Compliance from Registrar General's Department (Land Office) to Hong Kong Trade Development Council vide memorial no UB4568129 dated 29 June 1990;
 - (iv) Deed of Mutual Covenant vide memorial no UB4568130 dated 13 September 1990;
 - (v) Sub-Deed of Mutual Covenant vide memorial no UB6837649 dated 8 November 1996;
 - (vi) Mortgage in favour of Industrial Bank Co., Ltd., Hong Kong Branch for a consideration of all moneys vide memorial no 18091901730029 dated 6 September 2018; and
 - (vii) Supplemental Deed Relating to Mortgage dated 6 September 2018 in favour of Industrial Bank Co., Ltd., Hong Kong Branch for a consideration of all moneys vide memorial no 19100201640019 dated 25 September 2019.
- (3) Our notional apportionment of land and building element is as follows:

Property	Apportioned Value
Land Element	HK\$324,600,000
Building Element	<u>HK\$21,400,000</u>
Total:	<u><u>HK\$346,000,000</u></u>

We would emphasize that this is only a notional breakdown by assessing the net replacement cost of the improvements as of the Valuation Date and deducting this from the value conclusion of the Property and such apportionment should not be used other than financial reporting purpose. The apportioned values are not equal to the actual values of land and building separately.

- (4) The property-related potential tax liability which might arise on disposal of the Property Interests (as property transfer) as at the Valuation Date include Ad Valorem Stamp Duty at 8.5% or 15% and/or Buyer's Stamp Duty at 15%. The likelihood of such tax liability being crystallised to the Group is slim and is excluded from our valuation.