**Valor Appraisal & Advisory Limited**

Unit C, 4/F, China Insurance Building,
48 Cameron Road, Tsim Sha Tsui, Kowloon,
Hong Kong
Tel: +852 3468 8488 Fax: +852 3971 0998

滙來評估及顧問有限公司

香港九龍尖沙咀金馬倫道48號
中國保險大廈4樓C室
電話: +852 3468 8488 傳真: +852 3971 0998

Date: 23 September 2024

The Board of Directors
Jiahua Stores Holdings Limited
Suite 715, 7/F, Ocean Centre
5 Canton Road, Tsimshatsui
Kowloon, Hong Kong

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to provide our opinion of the market rent of a property (the “**Property**”) in the People’s Republic of China (the “**PRC**”) leased/to be leased to Jiahua Stores Holdings Limited (the “**Company**”) or its subsidiaries (hereinafter together referred to as the “**Group**”), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market rent of the Property as at 30 June 2024.

This letter which forms part of our valuation report explains the basis and methodologies of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

BASIS OF VALUATION

Our valuation is carried out on a market rent basis. Market rent is defined as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

VALUATION METHODOLOGY

In valuing the market rent of the Property, we have adopted market comparison method which is universally considered the most acceptable method for assessing the rent of most forms of real estate. This involves the analysis of recent market rental evidences of similar properties to compare with the Property under assessment. Each comparable is analysed on the basis of its unit rent; each attribute of the comparable is then compared with the Property and where there is a difference, the unit rent is adjusted in order to arrive at the appropriate unit rent for the Property.

VALUATION CONSIDERATIONS

In valuing the market rent of the Property, we have complied with all the requirements contained 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 RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

VALUATION ASSUMPTIONS

Our valuations have been made on the assumption that the seller sells the Property on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values and market rents of the Property.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owner of the property has enforceable title to the property and have free and uninterrupted rights to use, occupy or assign the property for the whole of the respective unexpired terms as granted.

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

TITLE INVESTIGATION

We have been, in some instances, shown copies of various title documents and other documents relating to the Property and have made relevant enquiries. We have not examined the original documents to verify the existing title to the Property and any material encumbrances that might be attached to the property interests or any lease amendments. However, we have relied considerably on the information given by the Company's PRC legal adviser, Guangdong Pinfang Law Firm (廣東品方律師事務所), concerning the validity of the title of Shenzhen Wohua Technology Co., Ltd. (深圳市沃華技術有限公司) (the "**Landlord**") to the Property located in the PRC.

All legal documents provided by the Company have been used for reference only. No responsibility regarding legal title to the Property is assumed in this valuation report.

LIMITING CONDITIONS

We have inspected the exterior, and wherever possible, the interior of the property but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of documents handed to us are correct.

The site inspection of the Property was carried out on 13 July 2024 by Mr. Mr. Haydn Y.C. Lee, who is a professional member of Royal Institution of Chartered Surveyors, Chartered Financial Analyst charterholder and member of CPA Australia. He has over 10 years' experience in valuation of properties in HKSAR and mainland China.

We have relied to a considerable extent on information provided by the Company and the Landlord, and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the Property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company and the Landlord. We have also been advised by the Company and the Landlord 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.

Liability in connection with this valuation is limited to the client to whom this valuation is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

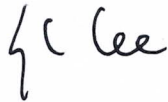
This valuation is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our valuation report in whole or in part, in any document you prepare and/or distribute to third parties may be made without written consent.

EXCHANGE RATE

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

"Property Particulars and Opinion of Value" are herewith attached.

Yours faithfully,
For and on behalf of
Valor Appraisal & Advisory Limited



Haydn Y. C. Lee

MRICS CFA CPA (Aust.)

Director

Mr. Haydn Y.C. Lee is a professional member of Royal Institution of Chartered Surveyors, Chartered Financial Analyst charterholder and member of CPA Australia. He has over 10 years' experience in valuation of properties in HKSAR and mainland China.

PROPERTY PARTICULARS AND OPINION OF VALUE

Property interests to be leased for owner occupation by the Group in the PRC

Property	Description and Tenure	Particular of Occupancy	Market Rent in Existing State as at 30 June 2024
Shop No. B1-28/B1-29/B1-30, B1/F, Jiangnan Times Square, No. 4033, Banxuegang Avenue, Bantian Street, Longgang District, Shenzhen, Guangdong Province, the PRC (深圳市龍崗區坂雪崗大道4033號江南時代廣場B1層B1-28/B1-29/B1-30號舖位)	The property comprises 3 units on Level B1 of a 4-storey (including a basement) shopping mall completed in 2016. The total gross floor area of the property is approximately 4,157 sq.m. The property is located at Banxuegang Avenue, Bantian Street, Longgang District. Developments in the vicinity are mainly residential and commercial developments of various ages. The property is directly accessible to Gangtou station of Shenzhen Metro.	As at the Valuation Date, the property was vacant.	RMB166,000 (Renminbi One Hundred Sixty Six Thousand) per month

Notes:

- (1) Pursuant to an Immovable Property Right Certificate – Yue (2020) Shenzhen Shi Bu Dong Chan Di 0048378 Hao (粵(2020)深圳市不動產第0048378號) registered on 1 April 2020, the land use rights and the building ownership rights of Jiangnan Times Square with a total gross floor area of approximately 19,988.63 sq.m. were granted to Shenzhen Wohua Technology Co., Ltd. for a term expiring on 17 December 2042 for industrial use.
- (2) We have been provided with a legal opinion regarding the property interests by the Company's PRC legal adviser, which contains, inter alia, the following:
 - (i) Shenzhen Wohua Technology Co., Ltd. legally owns the property and is entitled to lease out the property; and
 - (ii) The property is subject to a mortgage in favour of Bank of Communications – Shenzhen Branch which has given a consent letter to Shenzhen Wohua Technology Co., Ltd. to lease out the property.

- (iii) On 27 June 2016, Shenzhen Wohua Technology Co., Ltd. submitted the 2016 Version of the Fire Safety Application Form for Change of Uses of Existing Buildings in Bantian Street (坂田街道既有建築功能改變消防申報意見表2016版) to Bantian Street Office (坂田街道辦事處辦公室), in which Shenzhen Wohua Technology Co., Ltd. applied to change the use of Jiangnan Times Square from industrial to commercial. The above application has been reviewed and approved by relevant government authorities.

On 28 July 2016, Bantian Street Office issued the Minutes of the Meeting on the Application for Fire Safety Approval Procedures by Shenzhen Bantian Industrial Group Co., Ltd. and Others (關於深圳市坂田實業集團股份有限公司等申辦消防審核手續現場會會議紀要). Article 2 of the above meeting minutes clearly agreed to the application of Shenzhen Wohua Technology Co., Ltd. for fire safety approval procedures to the relevant departments regarding the plan of changing the use of Jiangnan Times Plaza to a commercial complex.

Accordingly, after Shenzhen Baijiahua Department Stores Company Limited (深圳市百佳華百貨有限公司) has legally obtained the second renovation acceptance procedures and related approvals, the change of use of Jiangnan Times Plaza from industrial to commercial and the intended operation of supermarket by Shenzhen Baijiahua Department Stores Company Limited at the property is not in violation of the PRC laws and the property is legally permissible for operation of retail stores.

- (3) The rental valuation is conducted on the assumption that the property is let for a term of 15 years from 15 July 2024 with tenancy details as below:

Landlord: Shenzhen Wohua Technology Co., Ltd.

Tenant: Shenzhen Baijiahua Department Stores Company Limited

Lease Term: 15 years (15 July 2024 – 14 July 2039)

Rent Free Period: First 4 months

Monthly Rent for 1st Year: RMB145,495.00, inclusive of value-added tax

- (4) We have adopted market comparison method to select the relevant rent comparable. We have made reference to some rent comparable to the subject property and nearby development. Since comparable rental evidences of level B1 commercial premises in neighbouring area is not available, we have collected and considered three comparable rental evidences of level 1 commercial premises in neighbouring area based on the criteria that they are in similar commercial usage and located in the same district in the same city as the subject property.

Selection criteria of comparables are as follows:

1. Premises for which rental evidences are available;
2. Premises located in Bantian Sub-district within the Longgang District of Shenzhen;
3. Premises with commercial usage;
4. Level 1 premises; and
5. Premises with a gross floor area of more than 500 sq.m.

3 comparables were selected which are exhaustive based on the above-mentioned selection criteria. We noted that the unit monthly rental of commercial space in neighbouring area was in the range of RMB60 to RMB93 per sq.m. for level 1 commercial premises. Various factors such as floor level, size and location have been considered in comparing the comparables and the subject property. The general basis of adjustment is if the subject property is better than the comparable properties, an upward adjustment is made. Alternatively, if the subject property is inferior or less desirable than the comparable properties, a downward adjustment is made. We consider the factor of location between the comparables and the subject property is similar. We consider the size of the comparables is superior to the property, and hence downward adjustments of 5% to 15% are made. We consider the floor level of the comparables is superior to the property, and hence downward adjustment of 40% is made. A further 5% discount is applied to account for the quoted price nature of the comparables. The size and quoted price

adjustments are based on professional judgment. Regarding the floor level adjustment, we have made reference to floor level adjustment coefficients for commercial premises in the Appendix to the Shenzhen Land Price Calculation Rules (《深圳市地價計算規則》附表) (the “**Calculation Rules**”) issued by the Shenzhen Municipal Planning and Natural Resources Bureau (深圳市規劃與自然資源局) on 31 December 2020. Since level B1 floor level adjustment coefficient is not available in the Calculation Rules, we have made reference to the 40% discount for level 2 commercial premises to level 1 commercial premises. From our experience, level B1 commercial premises usually have larger discounts than level 2 commercial premises. However, considering the property has direct access to Gangtou station of Shenzhen Metro, we consider that a 40% discount is adequate and fair. The unit monthly rental adopted to arrive at the market rent of the subject property is RMB40 per sq.m which is the average adjusted unit monthly rental of comparables.

Details of the comparables are listed as follows:

			Comparable 1	Comparable 2	Comparable 3
Location			Level 1 Shop, Yangmei Road, Hecheng Jiaye Mingyuan, Longgang District, Shenzhen	Level 1 Shop, Jiazaoye Central Plaza Phase 1, Longgang District, Shenzhen	Shop Wuhe Boulevard, Dahe Supermarket, Longgang District, Shenzhen
			(深圳市龍崗區和成 嘉業名園楊美路1層 商舖)	(深圳市龍崗區佳兆 業中央廣場一期1層 商舖)	(深圳市龍崗區大 和超市五和大道 店)
Approximate	walk		3.1	0.8	4.9
distance from	the				
property (km)					
Usage			Commercial	Commercial	Commercial
Gross Floor Area			2,000	621	550
(sq.m.)					
Monthly Rental			120,000	58,000	50,000
(RMB)					
Unit Monthly Rental			60	93	91
(RMB/sq.m.)					
Quoted Price			-5%	-5%	-5%
Adjustment					
Size Adjustment			-5%	-15%	-15%
Adjusted monthly rental			54	75	73
for level 1 premises					
(RMB/sq.m.)					
Floor Level Adjustment			-40%	-40%	-40%
Adjusted monthly rental			32	45	44
for level B1 premises					
(RMB/sq.m.)					