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Room 1010, 10/F, Star House,
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25 September 2024

The Board of Directors
ITC Properties Group Limited
30/F., Bank of America Tower,
No. 12 Harcourt Road,
Central, Hong Kong

Dear Sirs/Madam,

INSTRUCTIONS

In accordance with the instructions of **ITC Properties Group Limited** (the "**Client**" or the "**Company**"), we RHL Appraisal Limited ("**RHL**") have undertaken a valuation to determine the market value of the 50% equity interests (the "**Interest**") in **Bayshore Ventures JV Ltd.** (the "**Target Company**"). As instructed, the valuation date is 30 June 2024 (the "**Valuation Date**").

We confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing our opinion on the Interest of the Target Company. This valuation is complied with the International Valuation Standards ("**IVS**") published by the International Valuation Standards Council.

INTRODUCTION

This valuation was conducted to determine the market value of 50% equity interests in the Target Company as of the Valuation Date by employing the adjusted net assets method under the asset approach, which involved adjusting, among others, the market value of the property owned by the Target Company as reflected on its balance sheet as of the Valuation Date.

This report outlines our latest findings and valuation conclusion.

The Target Company

Bayshore Ventures JV Ltd. was incorporated in the British Virgin Islands on 22 June 2015 pursuant to the BVI Business Corporation Act, 2004. On 3 November 2015, the Target Company, through its wholly owned subsidiaries, acquired 100% interests in the **Westin Bayshore Resort and Marine Hotel** (the "**Property**") located at 1601 Bayshore Drive, Vancouver, British Columbia, Canada.

On 26 August 2024, **Rank Ace Investments Limited** (the "**Vendor**"), an indirectly wholly-owned subsidiary of the Company, and **Caufield Investments Limited** (the "**Purchaser**"), an existing shareholder of the Target Company, entered into an agreement whereby the Vendor agreed to sell and the Purchaser agreed to purchase 50% of the entire issued share capital of the Target Company, for an aggregate consideration of CAD 18.5 million.

PURPOSE OF VALUATION

The purpose of this valuation is to express an independent opinion on the market value of the Interest as at the Valuation Date. This valuation is prepared solely for reference and publication in a circular and on the website of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") for public use by the Client.

BASIS OF VALUE

Our valuation was carried out on a market value basis. Market value is defined as intended to mean "the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion".

BASIS OF OPINION

The valuation procedure includes review of the financial and economic condition of the Target Company, an assessment of key assumptions, estimates, and representations made by the management of the Target Company (the "**Management**"). All matters essential to the proper understanding of the valuation are disclosed in this valuation report.

The following factors also form a considerable part of our basis of opinion:

- The current status of the Target Company; and
- The financial condition of the Target Company.

In arriving at our opinion, we have assumed and relied extensively upon the accuracy and completeness of the information provided to us by the Management such as financial statements, documents and oral conversation through correspondences and interviews.

We did not conduct any research to verify the financial information provided to us by the Management and we have no reason to doubt the accuracy of the data and information.

Our opinion is based upon financial and other conditions as they exist and can be evaluated on the date of this report and we assume no responsibility to update or revise our opinion based on events or circumstances occurring after the date of this report. In reaching our opinion, we have made assumptions with respect to such financial and other conditions and other matters, many of which are highly uncertain and beyond our control or the control of any party involved in this valuation exercise.

ECONOMIC AND INDUSTRY OVERVIEW

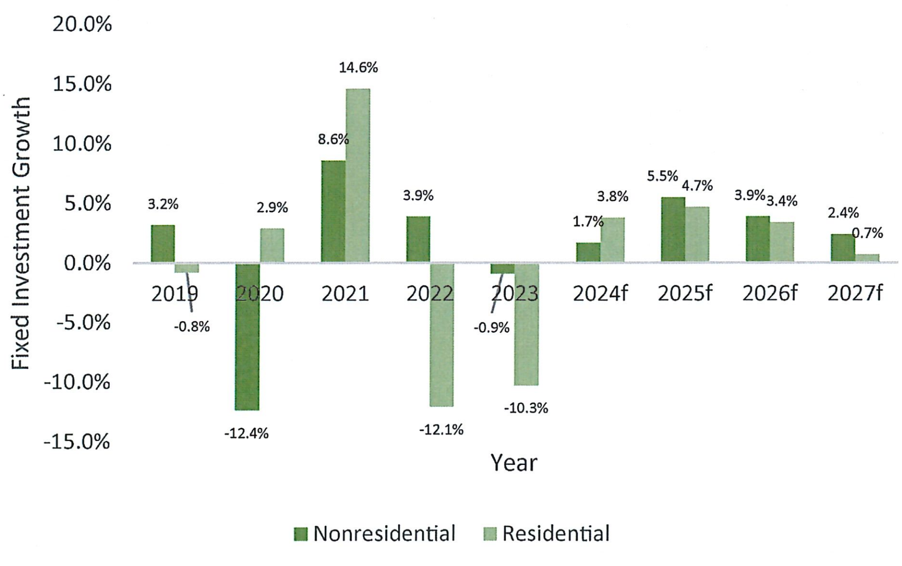
Economic Overview of Canada[1]

The economic outlook for Canada in the third quarter of 2024 reflects a moderate recovery following a period of sluggish growth. S&P Global Ratings anticipates real GDP growth of 1.1% for 2024, with projections increasing to 1.7% in 2025 and 2.1% in 2026. This rebound is largely attributed to anticipated interest rate cuts, which are expected to stimulate both residential and non-residential fixed investment. Domestic demand is forecasted to rise by 1.05% this year after a slight contraction of 0.07% in 2023, bolstered by improved consumer confidence and increased retail sales in recent months.

Figure 1: Real GDP Growth of Canada

Source: S&P Global Ratings

Figure 2: Fixed Investment Growth of Canada

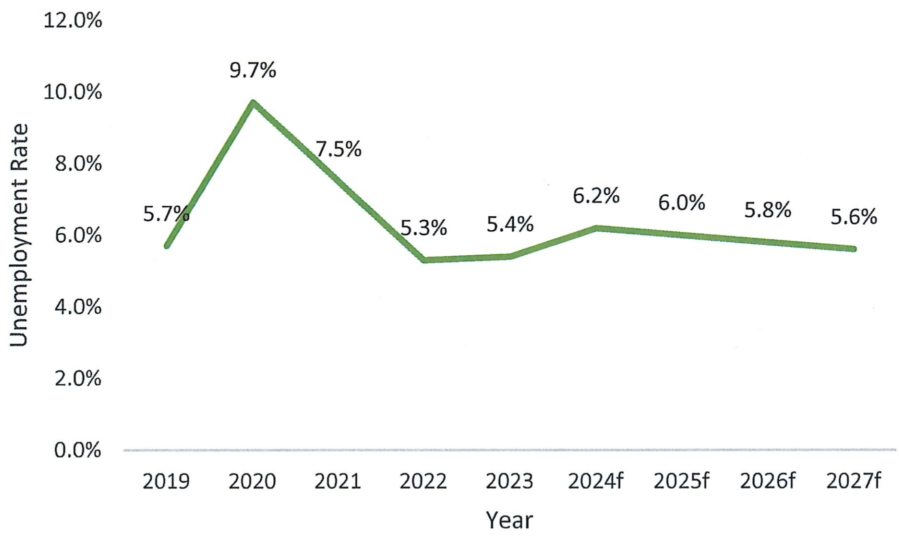


Source: S&P Global Ratings

[1] Economic Research: Economic Outlook Canada Q3 2024: Turning the Corner by S&P Global Ratings, 24 June 2024

Despite these positive indicators, the labor market remains under pressure. The unemployment rate is expected to average 6.4% in the latter half of 2024, influenced by sluggish demand and a labor force growth driven by immigration. The Bank of Canada has initiated a monetary easing cycle, reducing its policy rate to 4.75% and signaling potential further cuts. This easing is anticipated to alleviate some financial burdens on consumers. However, the overall growth trajectory is projected to remain below potential, with fixed investment serving as the primary growth driver rather than consumer spending, as higher borrowing costs continue to affect household finances.

Figure 3: Unemployment Rate in Canada



Source: S&P Global Ratings

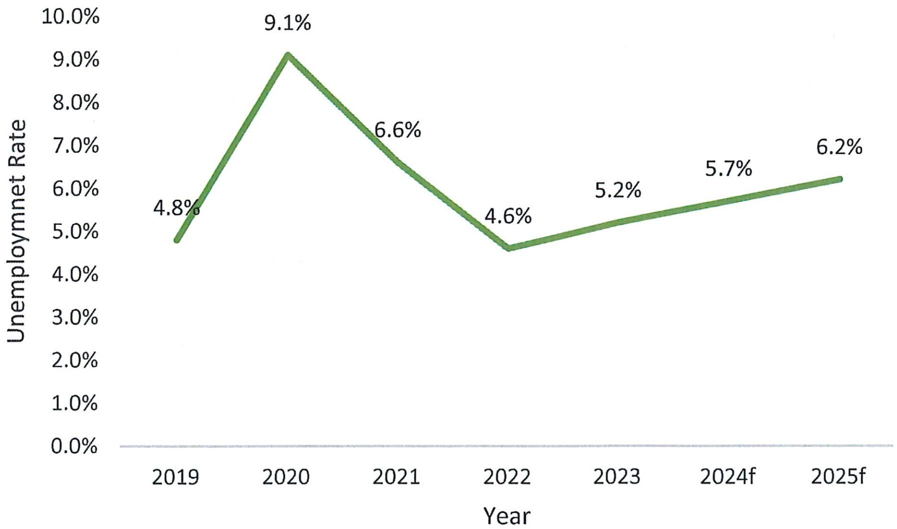
Economic Overview of British Columbia[2]

British Columbia's economy demonstrated better-than-expected growth in 2023, with a GDP increase of 1.6%, ranking just behind Prince Edward Island and on par with Ontario and Saskatchewan. This growth was largely driven by the services sector, particularly in public services, real estate, and professional services. While the GDP growth projection for 2024 has been slightly increased, the economy faces challenges, including a subdued household sector, weak retail sales, and lackluster investment prospects. Nonetheless, employment growth remains robust at nearly 3.0%, which supports consumer spending.

Figure 4: Real GDP Growth of British Columbia Province

Source: Statistics Canada, TD Economics

Figure 5: Unemployment Rate of British Columbia Province



Source: Statistics Canada, TD Economics

[2] Provincial Economic Forecast – Provincial Growth Looking Up as Interest Rate Come Down by TD Economics, 19 June 2024

Looking ahead, the construction sector is preparing for a slowdown as major projects, such as LNG Canada and the Site C Clean Energy Project, reach completion. However, significant infrastructure investments of nearly CAD 550 million from the Canada Infrastructure Bank may offer some relief. The export sector, which heavily relies on energy and forestry–accounting for over 50% of total outbound shipments–continues to face difficulties. Nevertheless, a recent uptick in natural gas prices provides a glimmer of hope. By 2025, British Columbia's export performance is expected to improve, driven by higher commodity prices, the commencement of LNG Canada, and increased U.S. homebuilding activity.

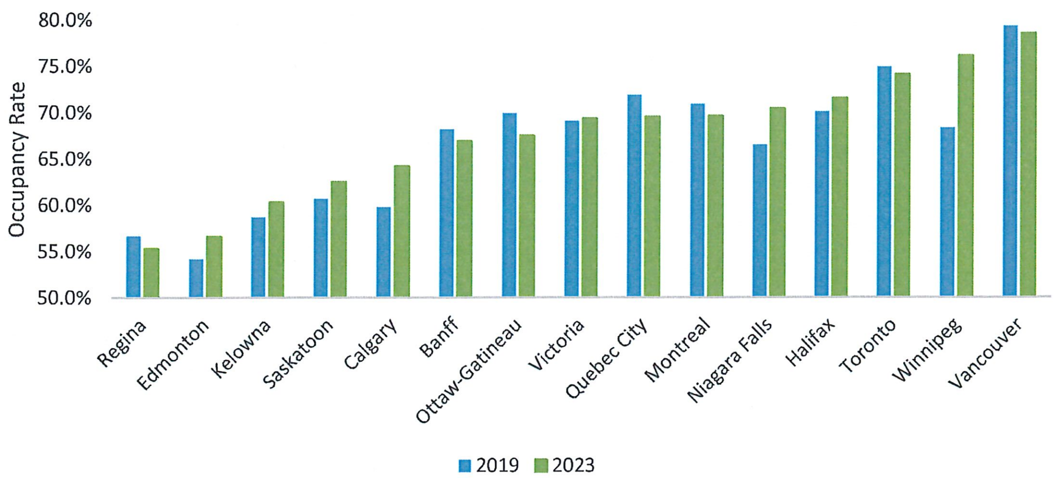
Despite a recent credit rating downgrade, the provincial government maintains a low debt burden, enabling continued investment in economic initiatives that could enhance growth. The government's commitment to addressing housing supply and affordability challenges is also noteworthy, as it seeks to create a more sustainable economic environment for residents and newcomers alike.

Industry Overview

Canadian hotels demonstrated a strong recovery in 2023, achieving occupancy rates of 66%, which returned to pre-pandemic levels. The average daily rate (ADR) rose to US$200, reflecting a notable increase of US$35 (21%) compared to 2019. Revenue per available room (RevPAR) reached US$131, surpassing figures from both 2018 and 2019. This resurgence followed a gradual rise in demand as health and travel restrictions were lifted post-2020, although there was a slight decline in occupancy of 1.0% in early 2024 compared to the same period in 2023. Importantly, ADR continued to increase, indicating the industry's effective adaptation to evolving market conditions[3].

In 2023, key Canadian cities experienced varying occupancy rates compared to 2019. Vancouver and Toronto saw only minor declines, while Montréal and Québec City recorded slight decreases of 1.3 and 2.4 percentage points, respectively, resulting in occupancy rates of 69.6% and 69.5%. Conversely, several western Canadian cities, including Edmonton, Kelowna, Saskatoon, Calgary, and Victoria, reported increases in occupancy ranging from 0.2 to 4.4 percentage points. Notably, Niagara Falls experienced a significant rise of 3.9 percentage points, reaching 70.4%, and Winnipeg distinguished itself with a remarkable growth of 7.8 percentage points, achieving an occupancy rate of 76.1%[3].

Figure 6: Occupancy Rate 2019 vs 2023 by Cities

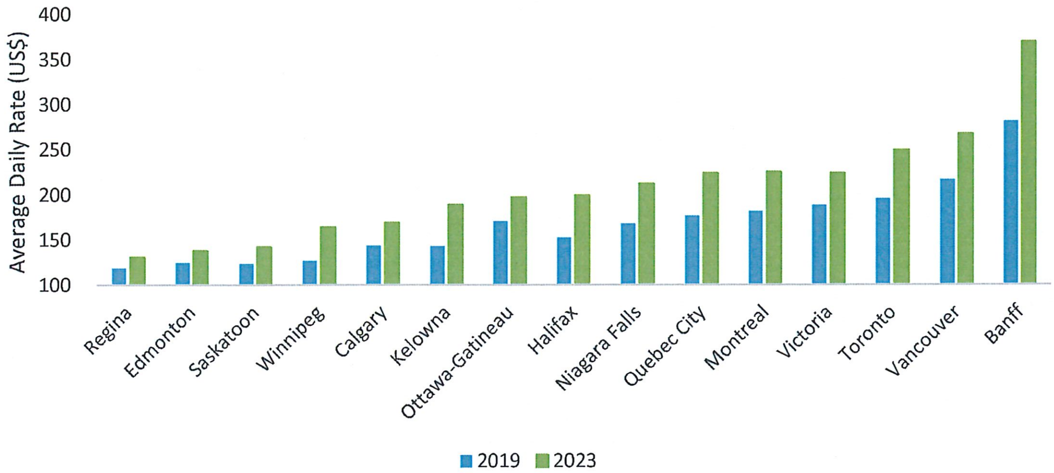


Source: Canada Hotel & Chains Report 2024 by Horwath HTL

[3] Canada Hotel & Chains Report 2024 by Horwath HTL, April 2024

The ADR across various Canadian cities also saw substantial increases compared to 2019. The largest dollar increases were noted in Banff, Victoria, Toronto, Vancouver, and Québec City. Over the four-year span from 2019 to 2023, Kelowna, Banff, Halifax, Winnipeg, and Victoria exhibited the strongest year-over-year growth. Among the 15 markets analyzed, the average ADR increase varied from US$12 in Regina to US$87 in Banff[3].

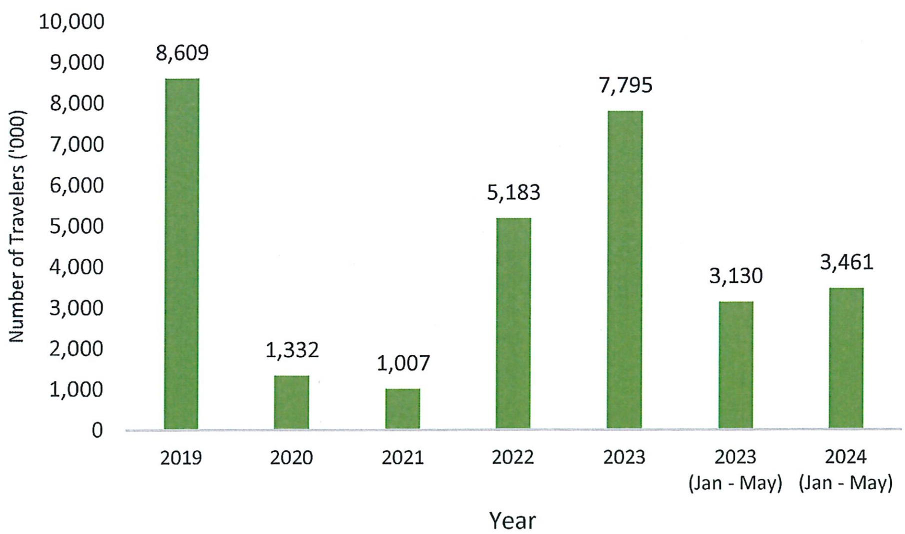
Figure 7: Average Daily Rate 2019 vs 2023 by Cities



Source: Canada Hotel & Chains Report 2024 by Horwath HTL

Traveler entries into Canada via British Columbia continued their robust recovery, growing by 50.4% to approximately 7.8 million in 2023, which represents a return to about 90% of the pre-pandemic levels seen in 2019. According to BC Stats, the accommodation and food services sector contributed around 3.0% to the province's GDP, amounting to CAD 9 billion in 2023. Hotels in the municipality of Vancouver and the Coast and Mountains region accounted for approximately 63% of room revenue, totaling CAD 2.8 billion in British Columbia for the same year.

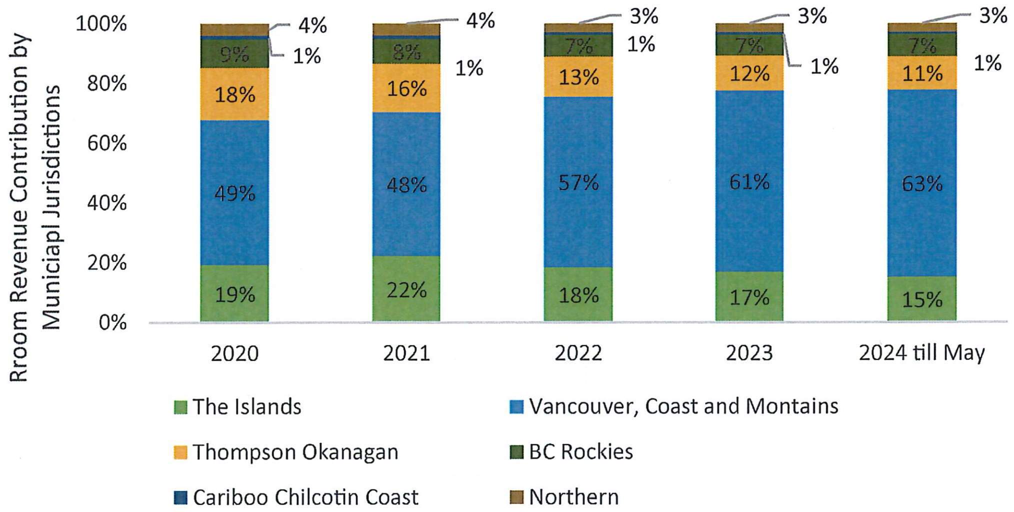
Figure 8: Traveler Entries to Canada via British Columbia



Source: BC Stats

[3] Canada Hotel & Chains Report 2024 by Horwath HTL, April 2024

Figure 9: Room Revenues Contribution by Municipal Jurisdictions Subject to MRDT in British Columbia



Source: BC Stats

SOURCES OF INFORMATION

In conducting the valuation, we have considered, reviewed and relied upon the following key information provided by the Management.

- Announcement published on the website of the Stock Exchanges by the Company, "Major Transaction in Relation to the Disposal of 50% Equity Interests in Bayshore Ventures JV Ltd.", dated 26 August 2024;

- Management Accounts of the Target Company prepared in compliance with IFRS Accounting Standards as at the Valuation Date provided by the Management;

- Copies of audited reports of the Target Company for the financial years ended 31 December 2022 and 31 December 2023 provided by the Management;

- Copy of the valuation report on the Property prepared by RHL dated 25 September 2024 (in Appendix III to this circular) (the "**Property Report**");

- Discussions with and representations made by the Management;

- The Target Company's information provided by the Management;

- The Stout Restricted Stock Study – 2022 Edition.

We assume that the data obtained in the course of the valuation, along with the opinions and representations provided to us by the Management were prepared in reasonably care. We have had no reason to doubt the truth and accuracy of the information provided to us by the Management.

We have also sought confirmation from the Management that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

APPROACH AND METHODOLOGY

The market value of the Interest is conducted by one or more of the three generally accepted valuation approaches: asset approach, market approach and income approach.

Asset Approach

A means of estimating the value of a business and/or equity interest using methods based on the market value of individual business assets less liabilities. It is founded on the principle of substitution, i.e. an asset is worth no more than it would cost to replace all of its constituent parts.

Market Approach

Market Approach considers prices recently paid for similar related to the subject company's major business industry, with adjustments made to the indicated market prices to reflect condition and utility of the appraised business relative to the market comparatives.

In general there are two methods under the market approach, namely the guideline merged and acquired company methods and the guideline publicly traded company method. Guideline merged and acquired company method is based on acquisitions and sales of entire companies, divisions or certain equity interests of either publicly traded or private companies. Guideline publicly traded company method is based on the adoption of multiples that are drawn from companies traded in major stock exchanges to the fundamental data of the subject company. Depending on the nature of the underlying business and other company specific conditions, various multiples may be used to evaluate the business ownership interests.

Income Approach

This approach focuses on the economic benefits generated by the income producing capability of an enterprise. The underlying theory of this approach is that the value of an enterprise can be measured by the present worth of the economic benefits to be received over the useful life of the business entity. Based on this valuation principle, Income Approach estimates the future economic benefits and discounts these benefits to its present value using a discount rate appropriate for the risks associated with realizing those benefits.

Determination of the Valuation Approach

Among the three approaches, we consider that adjusted net assets method under asset approach by adjusting, among others, the market value of the Property is the most suitable approach for valuing the Interest, given that the Target Company is a property holding company by nature. By adjusting the book values of assets and liabilities to reflect their current market values, this approach provides a more accurate representation of the Target Company, especially in capital-intensive sectors like real estate.

We do not consider the income approach to be adequate for this valuation, as it relies on numerous assumptions and estimates, many of which cannot be easily quantified or reliably measured. Additionally, we find the market approach inapplicable due to the lack of sufficient relevant comparable companies that own and manage single hotel properties listed on Canadian stock exchanges.

ASSUMPTIONS AND NOTES TO VALUATION

Assumptions considered having significant sensitivity effects in this valuation have been evaluated in arriving at our assessed value.

General Assumptions

1. The transaction assumption assumes that all assets and liabilities to be valued are in the process of being transacted and the valuation assessed is based on a simulated market which involves the transaction conditions of the assets to be valued.

2. The open market assumption assumes that the parties to the assets transaction or the proposed asset transaction in the market have equal bargaining power and have the opportunities and time to obtain sufficient market information in order to market a rational judgement on the assets, including their functions, uses and transaction prices. The basis of open market assumption is that the assets can be traded openly in the market.

3. The asset going-concern assumption means the valuation method, parameters and basis shall be determined on the premise that the valued assets will be continuously used in consistence with their current functions and methods, scale, frequency and environment of application, or used on the basis of certain changes thereof.

4. The corporate going-concern assumption assumes that businesses of the valued entities will continuously operate and maintain the same operation method as it currently operates.

5. There will be no major changes in the current taxation law in the areas in which the Target Company conducting its operation, including the rate of tax payable and all applicable laws and regulations remains unchanged.

6. The inflation, interest rate and currency exchange rate will not differ materially from those presently prevailing.

7. There will be no major business disruptions through international crisis, diseases or severe weather condition that will affect this existing business.

8. The Target Company will remain free from claims and litigation against the business that will have a material impact on value.

9. The Target Company is not subject to any unusual or onerous restrictions or encumbrances.

10. We assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions which might adversely affect the economy in general and the business.

11. In arriving at our opinion, we have assumed and relied extensively upon the accuracy and completeness of the information provided to us by the Management such as financial statements, documents and oral conversation through correspondences and interviews. The financial statements of the Target Company were prepared in accordance to the applicable accounting standard. We did not independently investigate or otherwise verify the data provided and do not express an opinion or offer any form of assurance regarding its accuracy and completeness.

The Target Company

1. As advised by the Management, the carrying amounts of items on the balance sheet of the Target Company other than the Property in the non-current assets approximate their market values as at the Valuation Date. The market value of the Property as at the Valuation Date is CAD 259,000,000, according to the Property Report prepared by RHL.

2. The Management is of the opinion that the carrying amounts of the furniture, fixtures and equipment as at the Valuation Date approximate their market values.

3. Prepaid expenses and deposits are payment made in advance for goods and services to other third party. The Management is of the opinion that the carrying amount of this item as at the Valuation Date approximates their market value.

4. Accounts receivable is the amount of income to be received from its customers and/or other third party, such as travel agents and credit card companies. The Management is of the opinion that the collection of this item is expected to be within one year, the carrying amount of this item as at the Valuation Date approximates their market value.

5. Inventory is the goods and materials held by the Target Company for the purpose of sales or use in providing its service, which includes supplies in guest rooms, ingredients and products used in food and beverage, and retail good sold in the Property. The Management is of the opinion that the carrying amount of this item as at the Valuation Date approximates their market value.

6. Cash and cash equivalents consists of cash and cash held for capital improvements that are set aside by the Target Company to be used as capital expenditures incurred or paid directly to the service providers. The Management is of the opinion that the carrying amount of this item as at the Valuation Date approximates their market value.

7. Accounts payable and accrued liabilities are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers and creditors. The Management is of the opinion that the payment of this item is within one year or less, the carrying amount of this item as the Valuation Date approximates their market value.

8. Deferred revenue is advanced payments received by the Target Company for its services or goods to be provided. The Management is of the opinion that the carrying amount of this item as at the Valuation Date approximates their market value.

9. Debt on property is the loan secured by a first priority mortgage on the Property and guaranteed by the Target Company's wholly owned subsidiaries, as well as its shareholders. The Management is of the opinion that the carrying amount of this item as at the Valuation Date approximates their market value.

10. As confirmed by the Management, except for the assets and liabilities presented in the balance sheet of the Target Company as at 30 June 2024, no other assets or liabilities of the Target Company was noted by the Management as at the Valuation Date.

11. Discount for lack of marketability is normally applied to valuation of non-publicly traded company. Marketability discount reflects the ability of converting shares into immediate cash. Compared to publicly listed companies, private companies do not have a known market price and there exist no public market for trading of shares. Therefore, a privately held company is theoretically worth less than a public company with the same business, given other things being the same. Taking account of the above, a discount for lack of marketability of 20.5% was applied in the valuation of the Interest represents the average of the discounts of all 772 restricted stock transactions in the 2022 Edition Stout Restricted Stock Study Companion Guide.

The summary of the book values and market values of the net asset as at the Valuation Date are shown as below:

Bayshore Ventures JV Ltd.

Valuation Date: 30/06/2024
Currency: CAD

	Book Value	Adjustment	Market Value	
Assets				
Cash & cash equivalents	17,682,698	–	17,682,698	
Accounts receivable	3,769,616	–	3,769,616	
Inventory	550,751	–	550,751	
Prepaid expenses and deposits	2,054,413	–	2,054,413	
Land and building (the "Property")	255,941,866	3,058,134	259,000,000	
Furniture, fixtures and equipment	2,171,262	–	2,171,262	
	282,170,606	3,058,134	285,228,740	
Liabilities				
Accounts payable & accrued liabilities	21,748,735	–	21,748,735	
Debt on the Property	174,878,327	–	174,878,327	
Deferred revenue	641,667	–	641,667	
	197,268,729	–	197,268,729	
Net Asset Value	84,901,877	3,058,134	87,960,011	
100% Adjusted Net Asset Value before DLOM			87,960,011	(a)
Discount for Lack of Marketability ("DLOM")		20.50%	18,031,802	(b) = 20.50% × (a)
100% Adjusted Net Asset Value after DLOM			69,928,209	(c) = (a) - (b)
50% Adjusted Net Asset Value after DLOM			34,964,104	(d) = 50% × (c)
		Rounded to '000	34,964,000	

VALUATION COMMENTS

As part of our analysis, we have reviewed information, documentation and other pertinent data concerning the Target Company as has been made available to us. Such information has been provided by the Management. We have assumed the accuracy of, and have relied on, such information to a considerable extent in arriving at our opinion of value.

We confirm that we have made relevant enquiries and obtained such further information as is considered necessary for the purposes of this valuation exercise.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. The assumptions made in our valuation are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Client, the Target Company and RHL.

OPINION OF VALUE

Based on the results of our analysis outlined in this report, we are of the opinion that the market value of the Interest as at the Valuation Date, free from any encumbrances, is **CANADIAN DOLLAR THIRTY FOUR MILLION NINE HUNDRED SIXTY FOUR THOUSAND (CAD 34,964,000).**

We hereby certify that we have neither present nor prospective interests in the subject under valuation. Moreover, we have neither personal interests nor bias with respect to the parties involved. Our compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the Client.

This report is issued subject to our limiting conditions in Appendix 1.

Yours faithfully,
For and on behalf of
RHL Appraisal Limited

Alexander C. Y. Lau
Director

Vincent J. Y. Lee
CFA
Associate Director

Mr. Alexander Lau has extensive experience in conducting valuation for companies in different industries. Before joining the RHL, Mr. Lau worked at a law firm and a listed company, participating in feasibility studies, due diligence and transaction advisory services. Mr. Lau is now the Director at the RHL International Group. He is now responsible for the management of the Corporate Valuation and Advisory Department. He has supervised valuation advisory projects ranging from listed companies compliance, IPOs and M&A transactions, accounting and taxation reporting cases, probate, legal aid and litigation/mediation cases, and financial viability assessments for government regional/territorial development projects.

Mr. Vincent Lee is a Chartered Financial Analyst (CFA) with over 20 years of experience in the corporate finance sector. Prior to joining RHL, Mr. Lee has accumulated extensive experience in both private and listed companies, handling M&A, deal transactions and also as research analyst in equity research firms. Mr. Lee is now the Associate Director of RHL International Group, mainly providing Corporate Advisory and Business Valuation services. His experience s as a financial valuer extend from valuation of businesses and projects for disclosure on public circulars on the Stock Exchange of Hong Kong, financial instruments and intellectual properties valuation, to compliance and corporate advisory related financial assessments and projects.

APPENDIX 1 – LIMITING CONDITIONS

1. As part of our analysis, we have reviewed financial and business information from public sources together with such financial information, client representation, project documentation and other pertinent data concerning the adjusted net asset value made available to us during the course of our valuation. We have assumed the accuracy of, and have relied on the information and client representations provided in arriving at our opinion of value.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial statements have been prepared in accordance with the IFRS accounting standards.

3. We accept no responsibility for the realization and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this report. We assumed that financial and other information provided to us are accurate and complete.

4. We do not provide assurance on the achievability of any financial results estimated by the Target Company because events and circumstances frequently do not occur as expected; differences between actual and expected results may be material; and achievement of the forecast results is dependent on actions, plans, and assumptions of the Management.

5. RHL Appraisal Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this valuation and with reference to the project described herein unless prior arrangements have been made.

6. No opinion is intended to be expressed for matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers.

7. Our conclusions assume continuation of prudent client policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.

8. We assume that there are no hidden or unexpected conditions associated with the business valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the date of this report.

9. This valuation report has been prepared solely for the use of the designated party. The valuation report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any other party without our prior written consent