

Valuation Report

prepared for

Yan Tat Group Holdings Limited

Valuation of Land and Buildings of an Industrial Plant
Located at PT 5755-2, Jalan Sungai Chua, Kawasan
Perusahaan Bukit Angkat, 43000 Kajang, Selangor,
Malaysia

The Board of Directors

Yan Tat Group Holdings Limited
Room 809-810
Kwong Sang Hong Centre
151-153 Hoi Bun Road
Kwun Tong, Kowloon
Hong Kong

25 April 2025

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the property interests located in Malaysia to be acquired by Yan Tat Group Holdings Limited (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Value of the property interests as at 31 January 2025 (the “Valuation Date”).

VALUATION STANDARDS

The valuation has been prepared in accordance with the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2025; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value. 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”.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

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

As the property interests are held under freehold interest, we have assumed that the owner has free and uninterrupted rights to use the property interests.

VALUATION METHODOLOGY

When valuing the property interests to be acquired by the Group, we have adopted Market Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

LAND TENURE AND TITLE INVESTIGATION

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinised the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advice given by Malaysia legal adviser of the Group, Skrine, regarding the titles of the property interests in Malaysia. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation certificate are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation certificate.

INFORMATION SOURCES

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the titles of the property interests in Malaysia. We have also accepted advice given to us on matters such as identification of the property, particulars of occupancy, areas 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 Group that no material factors or information have been omitted or withheld from information supplied and 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 and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

INSPECTION AND INVESTIGATIONS

The property was inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the property. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the property and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the property and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

We have not carried out any on-site measurements to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Malaysian Ringgit (“RM”).

The valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Vincorn Consulting and Appraisal Limited



Vincent Cheung
BSc(Hons) MBA FHKIS FRICS R.P.S.(GP)
MCIREA MHKSI MISCM MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent PRC
Managing Director

Note:

Vincent Cheung is a fellow of The Hong Kong Institute of Surveyors, a fellow of the Royal Institution of Chartered Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People's Republic of China. He founded Vincorn Consulting and Appraisal Limited in 2019 and has been the managing director since then. He is suitably qualified to carry out the valuation and has over 27 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

VALUATION CERTIFICATE

Property Interests to be Acquired by the Group for Occupation in Malaysia

Property	Description and Tenure	Occupancy Particulars	Market Value in the Existing State as at 31 January 2025										
An Industrial Plant Located at PT5755-2, Jalan Sungai Chua, Kawasan Perusahaan Bukit Angkat, 43000 Kajang, Selangor, Malaysia	<p>The property comprises a land parcel and buildings erected thereon which include a one-storey factory, two two-storey factories, a two-storey office building and various ancillary facilities.</p> <p>As per title document (Hakmilik Sementara), the property has a site area of approximately 19,823.00 square metres (“sq.m.”). As per approved building plans, the total gross floor area (“GFA”) of the property is approximately 8,958.70 sq.m. The detailed area breakdown listed as below:</p> <table><tr><th>Portion</th><th>GFA (sq.m.)</th></tr><tr><td>Factory</td><td>6,788.96</td></tr><tr><td>Office</td><td>767.22</td></tr><tr><td>Ancillary Facilities</td><td>1,402.52</td></tr><tr><td>Total</td><td>8,958.70</td></tr></table> <p>As per three building occupation permits (Perakuan Kelayakan Menduduki Bangunan), it was completed by phases in about 1996, 1998 and 2007.</p> <p>The property is held under freehold interest.</p>	Portion	GFA (sq.m.)	Factory	6,788.96	Office	767.22	Ancillary Facilities	1,402.52	Total	8,958.70	<p>As per our on-site inspection and information provided by the Group, the property is currently leased to Denshi Maruwa Industries (M.) Sdn. Phd. with a monthly rent of RM170,000 for a term of three years expiring on 2 August 2025 with a renewal term of three years at a monthly rent of RM187,000 and another renewal term of further three years at a monthly rent of RM205,700.</p>	<p>RM45,000,000 (MALAYSIAN RINGGIT FORTY FIVE MILLION)</p> <p>100% Interest Attributable to the Group After Acquisition:</p> <p>RM45,000,000 (MALAYSIAN RINGGIT FORTY FIVE MILLION)</p>
Portion	GFA (sq.m.)												
Factory	6,788.96												
Office	767.22												
Ancillary Facilities	1,402.52												
Total	8,958.70												

Notes:

- The property was inspected by Iverson Chan BSc(Hons) MHKIS MRICS R.P.S.(GP) RICS Registered Valuer CAIA on 13 January 2025.
- The valuation and this certificate were prepared by Vincent Cheung BSc(Hons) MBA FHKIS FRICS R.P.S.(GP) MCIREA MHKSI MISCM MHIREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC, Kit Cheung BSc(Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC and Iverson Chan BSc(Hons) MHKIS MRICS R.P.S.(GP) RICS Registered Valuer CAIA.

3. Pursuant to a sale and purchase agreement dated 7 February 2022 and entered into between Denshi Maruwa Industries (M) Sdn. Bhd. and A.D. Trends Sdn. Bhd., the property was sold to A.D. Trends Sdn. Bhd. at a consideration of RM32,000,000.
4. Pursuant to a title document (Hakmilik Sementara), Titlt No. H.S.(D) 44123, dated 27 July 2022, the registered owner of the freehold interest of the property is A.D. Trends Sdn. Bhd. and the property is permitted for industrial uses.
5. Pursuant to three building occupation permits (Perakuan Kelayakan Menduduki Bangunan), Nos. 0632, 0015 and 1820 dated 23 December 1996, 29 August 1998 and 27 August 2007 respectively, the completion of the construction of Phases 1, 2 and 3 of the property was certified.
6. Pursuant to the local plan of Kajang Municipal Council (Rancangan Tempatan Majlis Perbandaran Kajang Selangor 2035 (Pengubahan I)), the property is zoned for industrial uses.
7. The general description and market information of the property are summarised below:

Location	: The property is located at PT5755-2, Jalan Sungai Chua, Kawasan Perusahaan Bukit Angkat, 43000 Kajang, Selangor, Malaysia.
Transportation	: Kuala Lumpur International Airport, Kuala Lumpur Sentral Station and Kajang Railway Station are located approximately 44.0 kilometres, 25.3 kilometres and 4.4 kilometres away from the property respectively.
Nature of Surrounding Area	: The area is predominately an industrial area in Kajang.
8. We have been provided with a legal opinion regarding the property by Skrine, which contains, inter alia, the following:
 - (a) A.D. Trends Sdn. Bhd. is the current legal owner of the property;
 - (b) Subject to any such restriction and prohibition to selling the property contained in the charge documents, security documents and the underlying facility agreement and the tenancy agreement, A.D. Trends Sdn. Bhd. can occupy, use, let, transfer, mortgage or by other means handle the property; and
 - (c) The freehold interest of the property is subject to a charge created and registered in favour of Alliance Bank Malaysia Berhad vide presentation no. 001SC77497/2022 dated 27 July 2022. Based on an official land title search on the property conducted on 14 January 2025 at the Selangor Land Registry, the freehold interest of the property is not subject to any dispute or seizure.
9. In the course of our valuation, we have considered and analysed industrial sale transactions on an exhaustive basis. The transactions are selected and adopted as comparables only if they share a similar property type (i.e. industrial use), land tenure (i.e. freehold interest), location (i.e. located in Greater Kuala Lumpur), size (i.e. with a GFA of not less than 3,000 sq.m.) and transaction date (i.e. within 2 years from the valuation date) as these are the typical factors affecting property price.

Five industrial sale transactions meet the above selection criteria and have been adopted as comparables. No transactions meet the selection criteria but are excluded. The five sale comparables are all freehold industrial properties with a GFA of not less than 3,000 sq.m. located in Greater Kuala Lumpur and were transacted within 2 years from the valuation date. The unit rates of the adopted industrial sale comparables range from RM4,352 to RM6,168 per sq.m. on the basis of GFA. The following table shows the details of industrial sale comparables with the adopted adjustments:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Address	Lot 16, Jalan Astaka U8/88	Lot 1, Jalan Waja	Lot 16, Jalan CJ 3	Lots 5-7, Jalan Jurunilai U1/20	Lot 7, Jalan Tpk 2-4
City	Petaling Jaya	Klang	Cheras	Petaling Jaya	Petaling Jaya
State	Selangor	Selangor	Selangor	Selangor	Selangor
Tenure	Freehold	Freehold	Freehold	Freehold	Freehold
Property Type	Industrial	Industrial	Industrial	Industrial	Industrial
GFA (sq.m.)	30,672.14	11,260.32	3,699.91	7,873.74	3,080.26
Transaction Date	August 2024	May 2024	December 2023	August 2023	March 2023
Consideration (RM)	146,000,000	49,000,000	16,200,000	39,690,000	19,000,000
Gross Unit Rate (RM/sq.m.)	4,760	4,352	4,378	5,041	6,168
Adjustment					
Nature	Nil	Nil	Nil	Nil	Nil
Time	Nil	Nil	Nil	Nil	Nil
Location	Nil	3.0%	Nil	Nil	(3.0%)
Size	21.7%	2.3%	(5.3%)	(1.1%)	(5.9%)
Land Use	Nil	Nil	Nil	Nil	Nil
Total Adjustment	21.7%	5.4%	(5.3%)	(1.1%)	(8.7%)
Adjusted Gross Unit Rate (RM/sq.m.)	5,794	4,585	4,148	4,986	5,632

Adjustments in terms of different aspects, including nature, time, location, size and land use etc., have been made to the unit rates of the adopted comparables. After due adjustments in terms of the aforesaid aspects, the adjusted unit rates of the adopted industrial sale comparables range from RM4,148 to RM5,794 per sq.m. on the basis of GFA. The five adjusted unit rates of industrial sale comparables are assigned with the same weight and represent a weighted average of RM5,030 per sq.m. on the basis of GFA. The Market Value of the property with a total GFA of 8,958.70 sq.m. is hence circa RM45,000,000.

