

Valuation Report

prepared for

Litu Holdings Limited

Valuation of Shops B, C & E on G/F, 2–7/F, 8/F & Flat Roof, 9–10/F, 11/F & Flat Roof, 12–13/F, 14/F & Flat Roof, 15/F & Flat Roof, 16/F, 17/F (Also Known as Penthouse), Flat Roof on Portion of 17/F & Upper Flat Roof Above 17/F & Western Exterior Wall, Kam Chung Building, Nos. 52–58 Jaffee Road, Nos. 17–21 Fenwick Street, Wan Chai, Hong Kong

The Board of Directors

Litu Holdings Limited
3/F,
No. 38 On Lok Mun Street,
Fanling, New Territories,
Hong Kong

26 May 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 Hong Kong to be acquired by Litu 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 1 May 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 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 long term leasehold interests, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the leasehold 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 made enquires and relevant searches at the Hong Kong Land Registry. However, we have not searched the original documents nor have we verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

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 the information provided by the Group. 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 Hong Kong Dollars ("HKD").

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 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 Investment in Hong Kong

Property	Description and Tenure	Occupancy Particulars	Market Value in the Existing State as at 1 May 2025
Shops B, C & E on G/F, 2-7/F, 8/F & Flat Roof, 9-10/F, 11/F & Flat Roof, 12-13/F, 14/F & Flat Roof, 15/F & Flat Roof, 16/F, 17/F (Also Known as Penthouse), Flat Roof on Portion of 17/F & Upper Flat Roof Above 17/F & Western Exterior Wall, Kam Chung Building, Nos. 52-58 Jaffee Road, Nos. 17-21 Fenwick Street, Wan Chai, Hong Kong (86.67% interest or 117/135 shares of and in the subject lot)	<p>The property comprises a 17-storey office building built over a retail podium on G/F (except two shop units and the entrance hall on G/F and an office unit on 1/F), namely Kam Chung Building located in Wan Chai.</p> <p>As per information provided by the Group, the property has a gross floor area of approximately 71,700.00 square feet ("sq.ft."). As per our scale-off measurement on the assignment plans, the property has saleable area of approximately 49,567.60 sq.ft.. As per the Occupation Permit No. H57/67, it was completed in about 1967.</p> <p>The subject lot, The Remaining Portion of Section C of Inland Lot No. 2821, is held under Government Lease for a term of 99 years and renewable for 99 years commencing from 25 May 1929.</p>	As per our on-site inspection and information provided by the Group, the majority of property is currently vacant, while Unit No. 6 on 8/F, Unit Nos. 1-2 on 12/F and Unit Nos. 2-4 on 14/F are tenanted at a total monthly rent of HKD90,500 on rolling basis.	HKD472,000,000 (HONG KONG DOLLARS FOUR HUNDRED AND SEVENTY TWO MILLION)

Notes:

1. The property was inspected by Esther Lam BSc (Hons) on 1 April 2025.
2. 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 and Kit Cheung BSc (Hons) FHKIS MRICS R.P.S.(GP) MCIREA MHIREA RICS Registered Valuer Registered Real Estate Appraiser PRC.

3. The details of the land search records of the property dated 31 March 2025 are summarised below:-

Item	Details			
Registered Owner:	Unit	Registered Owner	Date of Assignment	Memorial No.
	Shop B on G/F	Winland Centre Limited	20 March 2018	18041202530099
	12/F	Winland Culture Limited	20 March 2018	18041202530069
	Shops C & E on G/F, 2-7/F, 8-9/F & Flat Roof, 10/F, 11/F & Flat Roof, 13/F, 14/F & Flat Roof, 15/F & Flat Roof, 16/F, 17/F (Also Known as Penthouse), Flat Roof on Portion of 17/F & Upper Flat Roof Above 17/F & Western Exterior Wall	Winland Property Holdings Limited	Shops C & E on G/F, 2-7/F, 8/F & Flat Roof, 10/F, 11/F & Flat Roof, 13/F, 14/F & Flat Roof, 15/F & Flat Roof, 16/F, 17/F (Also Known as Penthouse), Flat Roof on Portion of 17/F & Upper Flat Roof Above 17/F & Western Exterior Wall	Shops C & E on G/F, 2-7/F, 8/F & Flat Roof, 10/F, 11/F & Flat Roof, 13/F, 14/F & Flat Roof, 15/F & Flat Roof, 16/F, 17/F (Also Known as Penthouse), Flat Roof on Portion of 17/F & Upper Flat Roof Above 17/F & Western Exterior Wall
			4 March 2005	05040201500279
			9/F	9/F
			20 March 2018	18041202530036
Government Rent:	HKD72 per annum (Section C of Inland Lot No. 2821)			
Major Encumbrances:	<ul style="list-style-type: none"> Deed of Mutual Covenant with Plan dated 28 August 1967, registered vide Memorial No. UB597969; A Sealed Copy of the Notice of Application to Lands Tribunal for an order for sale in favour of Winland Property Holding Limited (1st Applicant), Winland Centre Limited (2nd Applicant), Winland Culture Limited (3rd Applicant), Chang Sai Ho formerly known as Law Wai Kun (1st Respondent), Volant Rich Limited (2nd Respondent) and Kanco Development Limited (3rd Respondent) (remarks: under Land (compulsory sale for redevelopment) Ordinance of Application No. LDSCS 7000 of 2022) dated 10 May 2022, registered vide Memorial No. 22051201900010; Notice No. "UMB/MB031205-007/0001" by the Building Authority under S. 30B(3) of the Buildings Ordinance (remarks: re: common part(s) only dated 22 August 2014, registered vide Memorial No. 23112200970148; Order No. "C/TB/003726/23/HK" by the Building Authority under S. 24(1) of the Buildings Ordinance (remarks: re: common part(s) only) dated 25 October 2023, registered vide Memorial No. 23121502080338; Sealed Copy of Judgement with Plan in favour of Chan Wing Tong (Plaintiff), The Incorporated Owners of Kam Chung Building (Jaffe Road) (1st Defendant), Winland Property Holding Limited (2nd Defendant), Winland Centre Limited (3th Defendant) and Winland Culture Limited (4th Defendant) (remarks: re the relevant part as coloured brown in plan attached as Annexure I under H.C. Action No. 1581 of 2017 the action for recovery of land by the owner was extinguished) dated 15 February 2024, registered vide Memorial No. 			

24030601470029; and

- ▶ Sealed Copy Judgement in favour of Winland Property Holding Limited (1st Applicant), Winland Centre Limited (2nd Applicant), Winland Culture Limited (3rd Applicant), Chang Sai Ho formerly known as Law Wai Kun (1st Respondent), Volant Rich Limited (2nd Respondent) and Kanco Development Limited (3rd Respondent) (remarks: in the Lands Tribunal Land Compulsory Sale Main Application No. LDCS 7000 of 2022) dated 28 March 2024, registered vide Memorial No. 24050200870019.

Shop B on G/F

- ▶ Mortgage in favour of Bank of China (Hong Kong) Limited for all moneys dated 21 March 2018, registered vide Memorial No. 18041202530109; and
- ▶ Assignment of Rentals in favour of Bank of China (Hong Kong) Limited dated 21 March 2018, registered vide Memorial No. 18041602200069.

9/F

- ▶ Mortgage in favour of Bank of China (Hong Kong) Limited for all moneys dated 21 March 2018, registered vide Memorial No. 18041202530045; and
- ▶ Assignment of Rentals in favour of Bank of China (Hong Kong) Limited dated 21 March 2018, registered vide Memorial No. 18041602200050.

12/F

- ▶ Mortgage in favour of Bank of China (Hong Kong) Limited for all moneys dated 21 March 2018, registered vide Memorial No. 18041202530075; and
- ▶ Assignment of Rentals in favour of Bank of China (Hong Kong) Limited dated 21 March 2018, registered vide Memorial No. 18041602200040.

Shops C & E on G/F, 2-7/F, 8/F & Flat Roof, 10/F, 11/F & Flat Roof, 13/F, 14/F & Flat Roof, 15/F & Flat Roof, 16/F, 17/F (Also Known as Penthouse), Flat Roof on Portion 17F & Upper Flat Roof Above 17F & Western Exterior wall

- ▶ Mortgage in favour of Bank of China (Hong Kong) Limited for all moneys (pt.) dated 30 June 2005, registered vide Memorial No. 05072202420018; and
 - ▶ Assignment of Rentals in favour of Bank of China (Hong Kong) Limited dated 30 June 2005, registered vide Memorial No. 05072600750252.
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4. Under Section 5.3.15 of VS 5 — Bases of Value of the HKIS Valuation Standards 2024 published by The Hong Kong Institute of Surveyors effective from 31 December 2024, when assessing the Market Value of a property, any encumbrances such as mortgage, debenture or other charges against it should be disregarded. In the course of our valuation of the property on the basis of Market Value in accordance with the aforesaid standard, it is assumed that the property is free from any encumbrances, which could affect the Market Value of the property, and thus no allowance has been made for any charges arising from the notices and orders issued by the relevant government authorities in relation to the subject building.

As per information provided by the Group, the aforesaid government notices and orders leads to the rectification works of various common parts including external wall, cantilevered hood and fireman's lift of the subject building, which are anticipated to attract an aggregate reinstatement cost of approximately HKD5,000,000 to the property as per our estimation. The reference value of the property upon consideration of such reinstatement cost is assessed at circa HKD467,000,000.

5. The details of the existing tenancies of the property provided by the Group are summarized as follows:

Property	Lease Start Date	Lease Term	Monthly Rent
Unit 6 on 8/F	2 December 2013	On Rolling Basis	HKD16,500
Unit 1–2 on 12/F	20 March 2018	On Rolling Basis	HKD27,000
Unit 2–3 on 14/F	1 September 2008	On Rolling Basis	HKD28,000
Unit 4 on 14/F	18 April 2019	On Rolling Basis	HKD19,000

6. The property is erected on The Remaining Portion of Section C of Inland Lot No. 2821, which are held under Government Lease. The salient conditions are summarised below:-

Item	Details
Lot Numbers:	Inland Lot No. 2821
Lease Term:	99 years and renewable for 99 years commencing from 25 May 1929
Site Area:	About 22,765 sq.ft.
Major Special Conditions:	The said Lessee or any other person or persons shall not nor will during the continuance of this demise use exercise or follow in or upon the said premises or any part thereof the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of Tallow, Oilman, Butcher, Distiller, Victualler or Tavern-keeper, Blacksmith, Nightman, Scavenger or any other noisy noisome or offensive trade or business whatever without the previous licence of His said Majesty signified in writing by the Governor or other person duly authorised in that behalf.

7. The property falls within an area zoned "Commercial" under Hong Kong Planning Area No. 5 – Approved Wan Chai Outline Zoning Plan No. S/H5/31 approved on 2 May 2023.
8. The general description and market information of the Property are summarized below:-

Location	: The property is located at Nos. 52-58 Jaffe Road & Nos. 17-21 Fenwick Street, Wan Chai, Hong Kong.
Transportation	: Hong Kong International Airport and Wan Chai MTR Station are located approximately 38.3 kilometres and 350 metres away from the property respectively.
Nature of Surrounding Area	: The area is predominately a commercial area in Wan Chai.

9. In the course of our valuation of the property, we have considered and analysed the retail and office sale comparables.

The retail sale comparables collected on an exhaustive basis are considered relevant to the property in terms of property type, location, building age, size and transaction date. A total of four retail sale comparables located in Wan Chai, with a building age within 22 years from the completion year of the property, transacted within 14 months on or before the valuation date and with a saleable area of not greater than 1,500 sq.ft. have been identified and analysed. The unit rates of the adopted retail sale comparables range from HKD20,833 to HKD31,933 per sq.ft. on the basis of effective saleable area. The following table shows the details of retail sale comparables with the adopted adjustments:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Development	Lee Loy Building	Jet Foil Mansion	259 Queen's Road East	Yue On Commercial Building
Address	Nos. 208-214 Jaffe Road	Nos. 415-421 Jaffe Road	No. 259 Queen's Road East	Nos. 385-387 Lockhart Road
District	Wan Chai	Wan Chai	Wan Chai	Wan Chai
Year of Completion	1977	1976	1959	1989
Property Type	Retail	Retail	Retail	Retail
Floor	G/F	G/F	G/F	G/F
Actual Floor	G/F	G/F	G/F	G/F
Unit	4-5	B-C	-	A
Effective Saleable Area (sq.ft.)	304.38	1,440.00	595.00	525.00
Frontage onto	Jaffe Road	Jaffe Road	Queen's Road East	Lockhart Road
Nature	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Provisional Agreement for Sale & Purchase
Date of Instrument	24 February 2025	19 August 2024	15 April 2024	31 January 2024
Consideration (HKD)	7,800,000	30,000,000	19,000,000	13,500,000
Effective Saleable Unit Rate (HKD/sq.ft.)	25,626	20,833	31,933	25,714
Adjustment				
Time	Nil	(6.7%)	(14.3%)	(17.8%)
Location	Nil	5.0%	Nil	(5.0%)
Building Age	(1.0%)	(0.9%)	0.8%	(2.2%)
Floor Level	Nil	Nil	Nil	Nil
Size	(2.2%)	2.3%	(1.0%)	(1.3%)
Total Adjustment	(3.2%)	0.6%	(14.5%)	(24.6%)
Adjusted Effective Saleable Unit Rate (HKD/sq.ft.)	24,809	20,706	27,309	19,384

The office sale comparables collected on an exhaustive basis are considered relevant to the property in terms of property type, location, building age, size and transaction date. A total of four office sale comparables located in Wan Chai, with a building age within 13 years from the completion year of the property, transacted within 6 months on or before the valuation date and with a saleable area of not greater than 2,700 sq.ft. have been identified and analysed. The unit rates of the adopted residential sale comparables range from HKD8,696 to HKD11,500 per sq.ft. on the basis of effective saleable area. The following table shows the details of office sale comparables with the adopted adjustments:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Development	Amber Commercial Building	Aubin House	Island Building	Eastern Commercial Centre
Address	Nos. 70-74 Morrison Hill Road	Nos. 171-172 Gloucester Road	Nos. 439-445 Hennessy Road	Nos. 395-399 Hennessy Road
District	Wan Chai	Wan Chai	Wan Chai	Wan Chai
Year of Completion	1980	1979	1964	1975
Property Type	Office	Office	Office	Office
Floor	14/F	11/F	2/F	18/F
Actual Floor	14/F	11/F	2/F	18/F
Unit	A-C	A & B	B	E
Effective Saleable Area (sq.ft.)	2,619.00	800.00	1,334.00	800.00
View	Open View	Seaview	Building View	Building View
Nature	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Agreement for Sale & Purchase	Agreement for Sale & Purchase
Date of Instrument	23 January 2025	13 January 2025	28 November 2024	10 October 2024
Consideration (HKD)	23,582,000	9,200,000	11,600,000	7,320,000
Effective Saleable Unit Rate (HKD/sq.ft.)	9,004	11,500	8,696	9,150
Adjustment				
Time	Nil	Nil	(2.3%)	(4.5%)
Location	5.0%	5.0%	(5.0%)	5.0%
Building Age	(3.9%)	(3.6%)	0.9%	(2.4%)
Floor Level	(1.2%)	(0.3%)	2.4%	(2.4%)
Size	(0.5%)	(1.7%)	(1.3%)	(1.7%)
View	(5.0%)	(10.0%)	Nil	Nil
Total Adjustment	(5.7%)	(10.7%)	(5.4%)	(6.1%)
Adjusted Effective Saleable Unit Rate (HKD/sq.ft.)	8,488	10,269	8,228	8,591

Adjustments in terms of different aspects, including time, location, building age, floor level, size, view, frontage and building quality 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 retail and office sale comparables range from HKD19,384 to HKD27,309 per sq.ft. and HKD8,228 to HKD10,269 per sq.ft. on the basis of effective saleable area respectively. The four adjusted unit rates of retail sale comparables and the four office sale comparables are assigned with the same weight and represent a weighted average of HKD23,100 per sq.ft. and HKD8,894 per sq.ft. on the basis of effective saleable area for the benchmark unit respectively.

Further adjustments in terms of floor, size and frontage have been made to the adopted unit rates of each unit of the property, based on the benchmark unit rate of HKD23,100 per sq.ft. and HKD8,894 per sq.ft. of retail and office portions. After due adjustments in terms of the aforesaid aspects, the adjusted unit rates of each unit of the retail and office portion of the property range from HKD23,100 to HKD26,792 per sq.ft. and HKD8,663 to HKD9,234 per sq.ft. on the basis of effective saleable area respectively, which represents averaged unit rate of HKD24,450 per sq.ft. and HKD8,863 per sq.ft. on the basis of effective saleable area respectively. The Market Value of the property with a total effective saleable area of 49,944.43 sq.ft., of which the effective saleable area of the retail and office portions are 1,883.78 sq.ft. and 48,060.65 sq.ft. respectively, is hence circa HKD472,000,000.

