



Valtech Valuation Advisory Limited

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28 June 2024

The Board of Directors

Renze Harvest International Limited

Room 2308, 23/F.,

China Resources Building,

26 Harbour Road,

Wanchai,

Hong Kong

Dear Sirs/Madams,

1. INSTRUCTIONS

In accordance with the instructions of Renze Harvest International Limited (the “**Company**”) to value the property interest (the “**Disposal Properties**”) held by Company located in the People’s Republic of China (the “**PRC**”), we confirm that we have conducted site inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Disposal Properties as at 31 March 2024 (the “**Valuation Date**”).

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

2. BASIS OF VALUATION

The valuation is our opinion of the market value (“**Market Value**”) which we would define as intended to mean 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 wherein the parties had each acted knowledgeably prudently and without compulsion.

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase and without offset for any associated taxes or potential taxes.

The market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market 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, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

3. VALUATION METHODOLOGY

Direct comparison method is adopted based on the principle of substitution, where comparison is made based on prices realized on actual sales and/or asking prices of comparable properties. Comparable properties of similar size, scale, nature, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of market value.

4. VALUATION CONSIDERATIONS

In valuing the property interest, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the International Valuation Standards 2022.

5. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Disposal Properties would be sold in the open market in their existing state, with the benefit of vacant possession, without the benefit of deferred term contract, leaseback, joint venture, management agreement or any similar arrangements which could affect the value of the Disposal Properties.

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

All dimensions, measurements and areas are approximations. No on-site measurement has been conducted. Appropriate adjustments are made in comparing the relevant costs. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive at an informed view, and have no reason to suspect that any material information has been withheld.

We have also assumed that the Disposal Properties have been constructed, occupied and used in full compliance with, and without contravention of all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Disposal Properties upon which this report is based, all required licenses, permit, certificates, and authorisations have been obtained.

6. TITLE INVESTIGATION

We have been shown copies of various documents relating to the Disposal Properties. However, we have not examined the original documents to verify the existing titles to the Disposal Properties or any amendment which does not appear on the copies handed to us. We have relied considerably on the information given by the Company's PRC legal advisers, All Bright Law Office, concerning the validity of the titles to the Disposal Properties.

7. LIMITING CONDITIONS

We have conducted on-site inspections to the Disposal Properties on May 2024 by Mr Fan Chuanpeng (qualified in quantity surveying) with over 10 year experience in property valuation in PRC.

We have not carried out detailed on-site measurement to verify the correctness of the areas in respect of the property but have assumed that the areas shown on the documents handed to us are correct. All dimensions, measurements and areas are approximate.

Should it be discovered that contamination, subsidence or other latent defects exists in the Disposal Properties or on adjoining or neighboring land or that the Disposal Properties had been or are being put to contaminated use, we reserve right to revise our opinion of value.

We have relied to a very considerable extent on the information provided by the Group and have accepted advices given to us on such matters, in particular, but not limited to tenure, planning approvals, statutory notices, easements, particulars of occupancy, size and floor areas and all other relevant matters in the identification of the Disposal Properties.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Company that no material fact has 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.

We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of the legal advisers of the Company, nor have we verified the correctness of any information supplied to us concerning the Disposal Properties.

We hereby confirm that Valtech Valuation Advisory Limited and the undersigned have no pecuniary or other interest that could conflict with the property valuation of the Disposal Properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

8. REMARKS

We have valued the property interest in Renminbi (“RMB”).

We enclose herewith the “Valuation Particulars”.

Yours faithfully,

For and on behalf of

Valtech Valuation Advisory Limited

A handwritten signature in dark ink, appearing to read 'Peggy Y. Y. Lai', is written in a cursive style.

Peggy Y. Y. Lai

MHKIS, MRICS, RPS(GP), BSC

Director

Ms. Peggy Y.Y. Lai, the senior associate director of Valtech Valuation Advisory Limited, has joined Valtech Valuation Advisory Limited since 2018, is a Registered Professional Surveyor (GP) with over 25 years' experience in valuation of properties in HKSAR, Macau SAR, United Kingdom, Canada, mainland China and the Asia Pacific Region. Ms. Lai is a Professional Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors as well as a Member of China Institute of Real Estate Appraisers and Agents in the PRC.

Encl.

VALUATION PARTICULARS

Property	Description and tenure	Particulars of occupancy	Market Value as at 31 March 2024 <i>RMB</i>
<p>Hotel at 2nd to 4th, 6th – 16th floor; function room on 3rd floor of Block 11、12、13、15、16、17 and various basement car parking spaces of east zone of Century city, No.10 Gang Jiang Yuan Road, Zhang Gong District, Ganzhou City, Jiangxi Province, the PRC (“Disposal Properties”)</p>	<p>Disposal Properties comprise a hotel, a function room and various car parking spaces within a composite development known as Century city completed at around 2017.</p>	<p>The property is held for investment. The property is all tenanted and subject to various tenancies expiring on 30 November 2041 for a total monthly rental of HKD677,000.</p>	<p>184,000,000 (RENMINBI ONE HUNDRED EIGHTY FOUR MILLION ONLY)</p>
	<p>Disposal Properties have a total gross floor area of approximately 29,659.00 sq.m.</p>	<p>The land use rights of the Disposal Properties have been granted for terms expiring on 23 July 2052 for commercial use, 23 July 2082 for residential use, and 23 July 2062 for kindergarten use.</p>	

Notes:

- i. Pursuant to a State-owned Land Use Certificate (國有土地使用證), Gan Shi Zhang Gao Yong (2013) Di No. 0179 issued by the People’s Government of Ganzhou City (贛州市人民政府) dated 5 December 2013, the land use rights of the Land Lot Nos. H25 with a site area of 42,605.60 sq.m was held by Baoneng Taisheng for terms expiring on expiring on 23 July 2052 for commercial use and 23 July 2082 for residential use. Baoneng Taisheng has changed the name to Laihua TaiSheng Limited (萊華泰盛有限公司) (“**Laihua Taisheng**”).

- ii. Pursuant to a Real Estate Certificate (不動產權證書), Gan (2016) Gan Zhou Shi Bu Dong Chan Quan Di No. 0054531 issued by the Real Estate Registration Bureau of Ganzhou City (贛州市不動產登記局) dated 28 September 2016, the land use rights of the Land Lot No. H26 with site area of 85,855.6 square metres of the Property is held by the Laihua Taisheng for term expiring on 23 July 2052 for other commercial use, 23 July 2082 for residential use, and 23 July 2062 for educational use.

In undertaking our valuation of the Property, we have made reference to various market comparable. All comparable are have the same usage with the respective portion of the property (i.e. serviced apartment, retail, or car parking space) and situated in close proximity or similar location to the Property, with offering dates closely aligned to the Valuation.

Details of selected land comparable are listed below:

Serviced apartment:

	Binjiang International Apartment (濱江國際公寓)	Hongdian Apartment (紅點公寓)	Feicui Apartment (翡翠公寓)
Gross Floor Area (sq.m.):	43.00	38.88	43.00
Usage:	Apartment	Apartment	Apartment
Date of offering:	2024 Q1	2024 Q1	2024 Q1
Amount (RMB):	370,000	300,000	330,000
Unit Rate (RMB):	8,605	7,716	7,674

Retail:

	Shop at Shui You City (水游城)	Shop at Dengfeng Avenue (登峰大道)	Shop at Meiguan Avenue (梅關大道)
Gross Floor Area (sq.m.):	185.00	580.00	2,000.00
Usage:	Retail	Retail	Retail
Date of offering:	2024 Q1	2024 Q1	2024 Q1
Amount (RMB):	1,370,000	3,880,000	16,000,000
Unit Rate (RMB):	7,405	6,690	8,000

Car parking space:

	Hai Liang Tian Cheng (海亮天城)	Huayi City (華誼城)	Lan Wan Li (藍灣里)
Usage:	CPS	CPS	CPS
Date of offering:	2024 Q1	2024 Q1	2024 Q1
Unit Rate (RMB):	80,000	70,000	60,000

We have compared the factors and made adjustments on asking discount, size, floor and condition. Downward adjustment on price as asking discount is made to reflect to negotiation. A downward adjustment on unit rate is made for increase in size to reflect the marketability and affordability of the total amount, and vice versa. Floor adjustment is applied for retail considering the accessibilities and shop exposure. Further discount on the condition is made to reflect the difference between subject property and the comparable.

After making the above due adjustments, the adjusted unit rates for respective portions are: RMB5,000 per sq.m. for function room, RMB6,600 per sq.m. for hotel rooms and RMB57,000 per number for car parking space.

- iii. Pursuant to a Real Estate Certificate (不動產權證書), the registered owner of a restaurant located at 3rd floor of Block No.11,12,13,15,16,17, East Zone, Century City, No.9 of An Yuan Road is Vendor. The property has a total gross floor area of approximately 5327.68 sq.m.
- iv. Pursuant to 13 sets of Real Estate Certificate (不動產權證書), the registered owner of a hotel, located at levels 2 to 4, 6-16 of No.10 Gang Jiang Yuan Avenue is Vendor. The property has a total gross floor area of approximately 22,202.13 sq.m.
- v. Pursuant to 170 sets of Real Estate Certificate (不動產權證書), the registered owner of 170 car parking spaces located at basement levels 2-3 is Vendor. The property has a total gross floor area of approximately 2,129.19 sq.m.
- vi. We have been provided with a legal opinion by the Group's PRC legal adviser, regarding the legal title of the property, which contains, inter alia, the followings:
 - i. the property is legally held by Laihua Taisheng;
 - ii. Laihua Taisheng is entitled to transfer, lease, mortgage or dispose of the property freely in the market;
 - iii. the function room is subject to a mortgage in favor of Shenzhen branch of Ping'an Bank Co., Ltd with the maximum permitted debt amount up to RMB100,000,000. According to the legal opinion, during the mortgage period, the mortgagor can sell the property and the mortgage right will not be affected. If the mortgagor sells the pledged property, the mortgagee should be informed. The mortgagee has the right to request the mortgagor to pay off the debt in advance when the property has been sold. We have not taken into account such mortgage in our valuation; and
 - iv. except for the function room, other portions of the property are free from any mortgages or third parties' encumbrances.