

**VALUATION OF PROPERTY INTERESTS
AS AT 31 JULY 2025**

**CONSTRUCTION IN PROGRESS
OF FACTORY COMPLEX
LOCATED IN NINGBO CITY,
ZHEJIANG PROVINCE,
THE PEOPLE'S REPUBLIC OF CHINA**

**FOR THE USE BY
SHANSHAN BRAND MANAGEMENT CO., LTD.**

DATE OF REPORT: 12 SEPTEMBER 2025



**ROYSON VALUATION ADVISORY LIMITED
UNIT 1503, 15/F, THE L. PLAZA
367-375 QUEEN'S ROAD CENTRAL
HONG KONG**

12 September 2025

The Board of Directors
Shanshan Brand Management Co., Ltd.
No. 238 Yunlin Middle Road,
Wangchun Industrial Park,
Ningbo City, Zhejiang Province,
The People's Republic of China

Dear Sirs and Madams,

Re: Valuation of a construction in progress of a factory complex (Lot No. WCH-06-e1) located at the junction of the eastern side of Fengcheng Road and the northern side of Kemao Road, Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, the People's Republic of China 中國浙江省寧波市海曙區望春工業園區科茂路以北，豐成路以東(地塊編號WCH-06-e1)之在建工業廠房 (the "**Property**")

INSTRUCTIONS

We refer to your instruction for us to value the property interests held by Shanshan Brand Management Co., Ltd. (the "**Company**") or its subsidiaries (together referred as the "**Group**") located in the People's Republic of China (the "**PRC**"). We confirm that we have carried out 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 Property in existing state as at 31 July 2025 (the "**Valuation Date**") for the purpose of incorporation into the composite document (the "**Document**") issued by the Company on the date hereof.

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

BASIS OF VALUATION

The valuation is our opinion of the market value ("**Market Value**") which is defined by the Hong Kong Institute of Surveyors 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 METHODOLOGY(IES)

In valuing the Property, we have adopted a combination of the market approach and the cost approach in assessing the land portion of the Property and the buildings and structures standing on the land respectively. Hence, the sum of the two results represents the market value of the Property as a whole. In valuing the land portion of the Property, Market approach provides an indication of value by comparing the asset with identical or similar assets for which price information is available. As the nature of the industrial buildings and structures cannot be valued by market approach, they have therefore been valued by cost approach. Cost approach is an approach that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase or construction.

VALUATION STANDARDS

Our valuation has been prepared in accordance with Rule 11 of the Code on Takeovers and Mergers issued by The Securities and Futures Commission, the HKIS Valuation Standards (2024 Edition) published by the Hong Kong Institute of Surveyors (HKIS), the RICS Valuation – Global Standards (Effective on 31 January 2025) published by the Royal Institution of Chartered Surveyors and the International Valuation Standards (Effective on 31 January 2025) published by the International Valuation Standards Council (IVSC).

VALUATION ASSUMPTION

In valuing the property interests, we have assumed that the owner has free and uninterrupted rights to use the property interest for the whole of the unexpired term as granted and is entitled to transfer the property interest with the residual term without payment of any further premium to the government authorities or any third parties.

Our valuation has been made on the assumption that the owner sells the property interests of the Property on the open market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of the property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no forced sale situation in any manner is assumed in our valuation.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation 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 their values.

All consents, approvals and license from relevant government authorities for the property interests have been granted without any onerous conditions or undue time delay which might affect their values. All the required licenses, consents, or other legislative or administrative authority from any local, provincial, or national government, private entity or organization either have been or can be obtained or renewed for any use which the valuation report covers.

All applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. However, we have assumed that the utilization of the property interest and improvements are within the boundaries of the property interest described and that no encroachment or trespass exists, unless noted in the valuation report.

TITLE INVESTIGATION

We have been shown copies of various title documents and other documents relating to the property interests and have made relevant enquiries. However, we have not examined the original documents to verify the existing title to the property interest or to ascertain any amendment which does not appear on the copies handed to us. We have assumed that the copies of the documents obtained are consistent with their originals. All documents have been used for reference only. We have relied considerably on the information given by the Group's PRC legal advisers, Guangdong Sundial Law Firm (廣東信達律師事務所), concerning the validity of the title to the property interest located in the PRC.

LIMITING CONDITIONS

We have inspected the exteriors and where possible, the interiors of the Property. In the course of our inspections, we did not note any serious structural defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free from rot infestation or any other defects. No tests were carried out on any of the services.

Moreover, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Nor did we undertake archaeological, ecological or environmental surveys for the Property. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no extraordinary expense or delay will be incurred during the construction period. Should it be discovered that contamination, subsidence or other latent defects exists in the Property or on adjoining or neighbouring land or that the Property had been or are being put to contaminated use, we reserve right to revise our opinion of value.

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 documents have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

Our valuation has been made on the basis that there is no substantial change in the physical conditions of the Property between the Valuation Date and the date of our inspection.

We have relied to a considerable extent on information provided by the Group and 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 Property.

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 Group 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.

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.

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and as advised by the Company, the potential tax liabilities which may arise from the sale of the Property in the PRC include: (i) PRC value added tax (equivalent to 9% (Ningbo City) of sales revenue), (ii) other surcharges (equivalent to 12% of value added tax paid), (iii) PRC land appreciation tax (equivalent to 30%-60% of the net appreciation amount), (iv) stamp duty (equivalent to 0.05% on the transaction amount), and (v) PRC corporate income tax of 25%.

As advised by the Company, it is unlikely that such tax liability will be crystallised in the recent future as the Group has no intention to dispose of or transfer the relevant property interests. In arriving at the Market Value, we have not taken into account such tax liability.

REMARKS

Unless otherwise stated, all money amounts stated are in Renminbi (RMB).

We enclose herewith the valuation report.

Yours faithfully,
For and on behalf of
Royson Valuation Advisory Limited

A handwritten signature in black ink, appearing to be 'LAWRENCE CHAN'.

Sr Lawrence Chan Ka Wah
MRICS, MHKIS, R.P.S. (GP), MCIREA, RICS Registered Valuer
Director

Sr Lawrence Chan Ka Wah is a member of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, Registered Professional Surveyors in the General Practice Section, a RICS Registered Valuer and a member of the China Institute of Real Estate Appraisers and Agents, who has over 20 years' experience in the valuation of properties in Hong Kong, Macau, the PRC and the Asia-Pacific Rim.

VALUATION REPORT

Property interests held by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 July 2025 RMB
<p>A construction in progress of a factory complex (Lot No. WCH-06-e1) located at the junction of the eastern side of Fengcheng Road and the northern side of Kemao Road, Wangchun Industrial Park, Haishu District, Ningbo City, Zhejiang Province, the People's Republic of China</p> <p>中國浙江省寧波市海曙區望春工業園區科茂路以北，豐成路以東（地塊編號WCH-06-e1）之在建工業廠房</p>	<p>The Property comprises a parcel of land with a site area of approximately 28,656 sq.m.</p> <p>The Property will be developed into an industrial complex, including a 4-storey (with basement) workshop and a single storey workshop and other ancillaries with an estimated total gross floor area of approximately 72,339.82 sq.m after completion.</p> <p>The Property is expected to be completed by the end of 2025.</p> <p>The land use rights of the Property were granted for a term expiring on 7 January 2074 for industrial use.</p>	<p>The Property was under construction as at the Valuation Date.</p>	155,000,000

Notes:

- Pursuant to a State-Owned Land Use Rights Grant Contract entered into between Ningbo Bureau of Natural Resources and Planning and 杉杉品牌運營股份有限公司 (Shanshan Brand Management Co., Ltd.) dated 22 December 2023, the land use rights of the Property with a site area of 28,656 sq.m. were granted to 杉杉品牌運營股份有限公司 (Shanshan Brand Management Co., Ltd.) for terms of 50 years for industrial use. The salient terms related to the development conditions of the Property are as below:

Permitted uses	:	Industrial use
Plot Ratio	:	Not less and equal than 2.3 and not more and equal than 2.6
Building Height	:	Not lower and equal than 12 meter and not higher and equal than 45 meter
- Pursuant to a Real Estate Ownership Certificate (Document No.: Zhe Jiang (2024) Ning Bo Shi Hai Shu Bu Dong Chan Quan Di No. 0052615 (浙江(2024)寧波市海曙不動產權第0052615號) dated 6 March 2024, the land use rights of the Property with a site area of approximately 28,656 sq.m. were granted to 杉杉品牌運營股份有限公司 (Shanshan Brand Management Company Limited) for a term expiring on 7 January 2074 for industrial use.
- Pursuant to a Construction Land Planning Permit (Document No.: Di Zi Di 3302032024 YG0016411) (地字第3302032024 YG0016411號) dated 24 January 2024, the Property held by 杉杉品牌運營股份有限公司 (Shanshan Brand Management Company Limited), with a total site area and gross floor area of 28,656 sq.m. and 74,505.6 sq.m. respectively, were approved for industrial use.

4. Pursuant to a Construction Project Planning Permit (Document No.: Jian Zi Di 3302032024 GG0024490) (建字第3302032024 GG0024490號) dated 29 April 2024, the property with a total gross floor area of approximately 72,339.82 sq.m. held by 杉杉品牌運營股份有限公司 (Shanshan Brand Management Company Limited) were approved to be constructed.
5. Pursuant to a Construction Works Commencement Permit (Document No.: Jian Zi Di 330203202405290101) (編號330203202405290101) dated 29 May 2024, the construction work of the property with a total gross floor area of approximately 72,339.82 sq.m. held by 杉杉品牌運營股份有限公司 (Shanshan Brand Management Co., Ltd.) were approved to be commenced. The details are as follows:

Portion of the Property	Approximate Gross Floor Area (sq.m.)	No. of Storey
Guard Room No. 3	50.32	1
Workshop No. 1	11,793.45	1
Workshop No. 2	60,152.70 (above ground) 343.35 (below ground)	4 (above ground) 1 (below ground)
Total:	72,339.82	

6. Pursuant to a Real Estate Registration Certificate (Document No.: Zhe Jiang (2025) Ning Bo Shi Hai Shu Bu Dong Chan Zheng Ming Di. No. 0018841) (浙江(2025)寧波市海曙不動產證明第0018841號) dated 6 March 2025, the Property is subject to a mortgage in favour of Shanghai Pudong Development Bank Co., Ltd. (Ningbo Branch) 上海浦東發展銀行股份有限公司寧波分行 and Bank of China Limited (Ningbo, Yinzhou Branch) 中國銀行股份有限公司寧波市鄞州分行 corresponding to loan amount of approximately RMB40,118,400 for a term commencing on 28 February 2025 and expiring on 8 July 2026.
7. According to information provided by the Company, the incurred construction cost and estimated total construction cost (exclusive of land cost) for the Property as at the Valuation Date are approximately RMB113,000,000 and RMB162,500,000 respectively.
8. The market value of the Property after completion of the development according to the development proposal provided by the Company as at the Valuation Date is approximately RMB214,200,000.
9. The Property is situated at the junction of Fengcheng Road and Kemao Road in Wangchun Industrial Park of Ningbo City, buildings in the locality are industrial complex. Ningbo Rail Transit Buzheng Station and Ningbo Lishe International Airport are about 12-minute and 16-minute driving distance from the Property respectively. Rail Transit, taxis and buses are accessible to the Property.
10. Our Sr Lawrence K.W. Chan (MRICS, MHKIS, R.P.S.(GP), MCIREA, RICS Registered Valuer) has inspected the Property on 18 August 2025, the external condition of the Property was reasonable.

11. We have been provided with a legal opinion on the Property prepared by the Company's PRC legal adviser, Guangdong Sundial Law Firm (廣東信達律師事務所), which contains, inter alia, the following information:
- a. the Company has obtained the relevant title for the land use right of the Property and, whether as a whole or on a strata-title basis, the title is freely transferable to any third party (both overseas and domestic) in the open market without payment of any land premiums or any incidental costs;
 - b. all land premiums and other costs of ancillary utility services have been settled in full;
 - c. the Property is subject to a mortgage in favour of Shanghai Pudong Development Bank Co., Ltd. (Ningbo Branch) (上海浦東發展銀行股份有限公司寧波分行) and Bank of China Limited (Ningbo, Yinzhou Branch) (中國銀行股份有限公司寧波市鄞州分行) corresponding to loan amount of approximately RMB40,118,000 for a term commencing on 8 February 2025 and expiring on 8 July 2026;
 - d. the Property is free from any seizure or other legal encumbrances other than note 11(c);
 - e. as the Property is under construction, the Property is entitled to be transferred, leased and disposal of the share of the holding company upon its completion whereas relevant legal documents obtained; and
 - f. the following legal documents have been obtained:

i.	State-Owned Land Use Rights Grant Contract	Yes
ii.	Real Estate Ownership Certificate (Land Portion only)	Yes
iii.	Construction Land Planning Permit	Yes
iv.	Construction Works Planning Permit	Yes
v.	Construction Works Commencement Permit	Yes