

**VALUATION OF THE PROPERTIES HELD
BY SHANXI GRACE VINEYARD CO.,
LIMITED AND NINGXIA GRACE
VINEYARD CO., LIMITED (THE “TARGET
COMPANIES”) IN THE PEOPLE’S
REPUBLIC OF CHINA (THE “PRC”) (THE
“PROPERTIES”)**



APAC Asset Valuation and Consulting Limited

Unit 309, 3/F, Wing On Plaza, 62 Mody Road, Kowloon, Hong Kong

Tel: (852) 2357 0085

Fax: (852) 2951 0799

The Directors

Grace Wine Holdings Limited

Unit 2304, 23/F

Westlands Centre

20 Westlands Road

Quarry Bay

Hong Kong

3 February 2026

Our Ref.: P/HK/2026/VAL/0005

Dear Sirs/ Madams,

**RE: VALUATION OF THE PROPERTIES HELD BY SHANXI GRACE VINEYARD CO., LIMITED AND
NINGXIA GRACE VINEYARD CO., LIMITED (THE “TARGET COMPANIES”) IN THE PEOPLE’S
REPUBLIC OF CHINA (THE “PRC”) (THE “PROPERTIES”)**

In accordance with the instructions from Grace Wine Holdings Limited (the “**Company**”) for us to provide our opinion of the market values of the Properties of the Target Companies situated in the PRC, we confirm that we have made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market price of the Properties as at 31 December 2025 (the “**Valuation Date**”) for the purposes of incorporation into the Composite Document jointly issued by Hill Valley Investment Co., Ltd. and the Company. It is inappropriate to use our valuation report for purpose other than its intended use or by third parties. These third parties should conduct their own investigation and independent assessment of the Properties.

BASIS OF VALUATION

Our valuation of each of the properties is our opinion of its 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 and where the parties had each acted knowledgeably, prudently and without compulsion”.

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 deferred term contract, atypical financing, sale and leaseback arrangements, joint venture, management agreement or any similar arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of a property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.



We are independent of the Company and our valuations are prepared in accordance with the “International Valuation Standards” published by International Valuation Standards Council and the “HKIS Valuation Standards 2024” published by the Hong Kong Institute of Surveyors. We have also complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Rule 11 of the Code on Takeovers and Mergers published by the Securities and Futures Commission in Hong Kong (the “**Takeovers Code**”).

As advised by the Company, the potential tax liabilities which would arise on the direct disposal of the property interests held by the Company at the amounts valued by us mainly comprise the following:

- Enterprise income tax at a rate of 25% on any gains realized;
- Land appreciation tax at progressive rates ranging from 30% to 60% on the appreciation in property value;
- Withholding tax at 10% if the net proceeds (minus taxes and statutory contributions) are repatriated outside the PRC as dividends (reduced to 5% if the Hong Kong-PRC double tax arrangement applies);
- Stamp duty at a rate of 0.05% on the transaction amount; and
- Other surcharges at approximately 12% of the value-added tax payable.

As confirmed by the Company, as at the valuation date, it has no intention to dispose of the properties, which are held for operational use, and accordingly no such tax liabilities are expected to crystallize in the foreseeable future. The above potential tax liabilities are therefore disclosed for information purposes only.

According to our established practice, in the course of our valuations, we have neither verified nor taken into account such tax liabilities

VALUATION METHODOLOGY

In valuing the Properties, which comprise buildings and structures held by the Company for occupation in the PRC, we have considered that, due to the specialised nature and specific purposes for which these properties were constructed, there are no readily available market comparables. Accordingly, the Properties are not suitable to be valued by the direct comparison approach. The Properties have therefore been valued by the Depreciated Replacement Cost (“**DRC Method**”). Under this method, the value of the Properties is assessed by reference to the current replacement cost of constructing modern equivalents of the subject buildings and structures as at the valuation date, from which deductions are made to allow for physical deterioration, functional obsolescence and, where applicable, economic obsolescence. In adopting the DRC Method, it has been assumed that the subject buildings and structures are able to continue to be lawfully and sustainably used for their existing purposes on the underlying land throughout the relevant period.



VALUATION ASSUMPTIONS

In valuing the properties in the PRC, unless otherwise stated, we have relied on the legal opinion issued by the Company's PRC legal adviser and prepared our valuation on the basis that transferable land use rights in respect of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. The Company's PRC legal adviser, Shan Xi Jia He Cheng Law Firm (山西佳合誠律師事務所), has also concluded that the Company's project companies have obtained the land use right and building ownership rights for the portions which have been covered by title documents and no limitations for selling or leasing out those portions have been found. Therefore, unless otherwise stated, we have also prepared our valuation on the basis that the owners of the properties have good legal titles and have free and uninterrupted rights to occupy, use, transfer, lease or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our report for any charge, mortgage or amount owing on the Properties nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

TITLE AND ASSUMPTIONS

We have been provided with copies of the title documents relating to the Properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we have relied on the information and advice given by the Company and the legal opinion dated 22 January 2026 issued by the Company's PRC legal adviser, Shan Xi Jia He Cheng Law Firm (山西佳合誠律師事務所), regarding the titles and other legal matters to the Properties.

For the purpose of our valuation, we have assumed that the above matters as confirmed in the legal opinion are true, correct, and enforceable, and that the Properties are freely transferable on the market at no extra land grant premium or onerous charges payable.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a considerable extent on the information given by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, development proposals, total and outstanding construction costs, estimated completion dates, site and floor areas and all other relevant matters. Dimensions, measurements and areas included in the valuation report are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We are also advised by the Company that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.



SITE INSPECTION

We have carried out site inspection and no tests have been carried out on any of the services. Neither have we carried out site investigation to determine the suitability of the ground conditions or the services for any property development thereon. No structural survey has been carried out and it was not possible to inspect the wood work and other parts of the structures which were covered, unexposed or inaccessible. We are therefore, unable to report that the Properties are free of rot, infestation or any structural defects. No tests have been carried out on any of the building services. The valuation has been prepared on the assumption that these aspects are satisfactory.

Site inspection of the Properties was carried out from 19 to 21 January 2026 by Mr. Joe Z.H. Zhang.

LIMITATION OF LIABILITIES

This valuation report is issued on the understanding that we have been provided with all material information known to the Company as at the valuation date which may affect the valuation of the Properties. While the valuation has been prepared with due care based on the information available to us as at the valuation date, we accept no responsibility to update this valuation for any events or circumstances occurring after that date unless we are separately instructed to do so.

In respect of title and legal matters concerning the Properties in the PRC, we have relied solely on the legal opinion dated 22 January 2026 issued by the Company's PRC legal adviser, Shan Xi Jia He Cheng Law Firm (山西佳合誠律師事務所). We have not conducted any independent title searches or investigations with the relevant government authorities, nor have we verified the original title documents. We therefore accept no liability for any matters relating to ownership, encumbrances, or legal restrictions on the Properties, all of which fall within the professional expertise and responsibility of the Company's PRC legal adviser.

Our valuation is based on the assumption that the matters set out in the said legal opinion are true, correct, and enforceable as at the valuation date. Any change in those matters may have a material impact on the value reported herein.

MANAGEMENT CONFIRMATION OF FACTS

A draft of this valuation report and our calculations have been provided to the Company for review. The Company has reviewed the draft and provided us with written confirmation that, to the best of its knowledge and belief, the factual information contained in this valuation report is accurate and complete in all material respects and that there are no material omissions relevant to our engagement which have not been disclosed to us.



REMARKS

Neither the whole or any part of this valuation report nor any reference thereto may be included in any documents, circular or statement without our written approval of the form and context in which it will appear.

In accordance with our standard practice, we must state that this report and valuation is for the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

CURRENCY

Unless otherwise stated, all monetary amounts in our valuations are in Renminbi (RMB).

Our valuation report is attached.

Yours faithfully,

For and on behalf of

APAC Asset Valuation and Consulting Limited



Sam K.S. Lo
MRICS, CPA, CFA, FRM
Director



Joe Z.H. Zhang
MRICS, Chartered Valuation Surveyor, CPA (Aust.), FRM
Associate Director

Note:

Mr. Sam, K.S. Lo is a member of the Royal Institution of Chartered Surveyors (MRICS). He is also a CPA, CFA and FRM member/charterholder. He has 19 years of extensive and diversified valuation experience on properties, companies, and financial instruments over Asia Pacific.

Mr. Joe Z.H. Zhang is a Chartered Valuation Surveyor (RICS), MRICS, CPA and FRM, with over 14 years of comprehensive valuation, advisory, and real estate consultancy experience across Hong Kong, Mainland China, and Southeast Asia.



SUMMARY OF VALUES

<u>No.</u>	<u>Property</u>	Market value in existing state as at 31 December 2025
1.	Buildings and structures erected on the Shanxi Grace Vineyard, Taigu County, Shanxi Province, the PRC	RMB16,000,000
2.	Buildings and structures erected on the Ningxia Grace Vineyard, Daba Town, Ningxia Hui Autonomous Region, the PRC	RMB20,200,000
Total:		<u>RMB36,200,000</u>



VALUATION REPORT

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	Market Value in existing state as at 31 December 2025
1.	Buildings and structures erected on the Shanxi Grace Vineyard, Taigu County, Shanxi Province, the PRC	<p>Grace Vineyard is an industrial development (the “Development”) located in Taigu County, 40 km south of the provincial capital Taiyuan City of Shanxi province.</p> <p>As advised by the Company, the earliest phase of the properties was completed in 2002.</p> <p>In the valuation, the subject properties comprise various buildings and structures within the development, which are classified as property held for occupation.</p> <p>The land use rights of the property have been granted for terms due to expire on 17 November 2048 and 1 September 2059 for winery and industrial use.</p>	<p>As advised by the Company, as at the valuation date, the property was occupied by the Company for winery production use.</p>	RMB16,000,000



Notes:

1. Pursuant to the Land Use Rights Certificates – Tai Guo Yong (1998) Zi Di No. 192, Tai Guo Yong (2009) Zi Di Nos. 057 and 058, the land use rights of three parcels of land of the Development with a total site area of approximately 29,064.27 sq.m. have been vested in Shanxi Grace Vineyard Co., Limited (山西怡園酒莊有限公司) for a term expiring on 17 November 2048 and 1 September 2059 for winery and industrial use.
2. Pursuant to the following Real Estate Ownership Certificates, together with its corresponding land use rights are vested in Shanxi Grace Vineyard Co., Limited:
 - i. Tai Fang Quan Zheng (2015) Zi Di No. 1511070, the building ownership rights of a building of the Development with a total gross floor area of approximately 1,950.45 sq.m.;
 - ii. Tai Fang Quan Zheng (2015) Zi Di No. 1511071, the building ownership rights of a building of the Development with a total gross floor area of approximately 1,737.69 sq.m.;
 - iii. Tai Fang Quan Zheng (2015) Zi Di No. 1512082, the building ownership rights of various buildings of the Development with a total gross floor area of approximately 12,171.43 sq.m.;
 - iv. Fang Quan Zheng Tai Quan Zheng Zi Di No. 16674, the building ownership rights of a building of the Development with a total gross floor area of approximately 2,341.57 sq.m.;
 - v. Fang Quan Zheng Tai Quan Zheng Zi Di No. 16688, the building ownership rights of a building of the Development with a total gross floor area of approximately 499.31 sq.m.; and
 - vi. Fang Quan Zheng Tai Quan Zheng Zi Di No. 18252, the building ownership rights of various buildings of the Development with a total gross floor area of approximately 293.08 sq.m.;
3. We have been provided with a legal opinion issued by the PRC legal adviser of the Company regarding the Properties, which confirms, inter alia, that: -
 - i. The property is not subject to any encumbrances and mortgages;
 - ii. Shanxi Grace Vineyard Co., Limited has legally obtained the land use rights and building ownership rights of the property as stated in the above-mentioned title documents; and
 - iii. There is no limitation for selling or transferring the property as shown in the above-mentioned title documents.

VALUATION REPORT

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	Market Value in existing state as at <u>31 December 2025</u>
2.	Buildings and structures erected on the Ningxia Grace Vineyard, Daba Town, Ningxia Hui Autonomous Region, the PRC	<p>Grace Vineyard is an industrial development (the “Development”) located at the west side of Binhe Avenue, Zhongzhuang Village, Daba Town, Qingtongxia City, Ningxia Hui Autonomous Region.</p> <p>As advised by the Company, the property was completed in 2017.</p> <p>In the valuation, the subject properties comprise various buildings and structures within the development, which are classified as property held for occupation.</p> <p>The land use rights of the property have been granted for terms due to expire on 20 March 2063 for industrial use.</p>	<p>As advised by the Company, as at the valuation date, the property was occupied by the Company for winery production use.</p>	RMB20,200,000



Notes:

1. Pursuant to the Land Use Rights Certificates – Qing Guo Yong (2013) Di No. 60082, the land use rights of a parcel of land of the Development with a total site area of approximately 72,800.00 sq.m. have been vested in Ningxia Grace Vineyard Co., Limited (寧夏怡園酒莊有限公司) for a term expiring on 20 March 2063 for industrial use.
2. Pursuant to the following Real Estate Ownership Certificates, together with its corresponding land use rights are vested in Ningxia Grace Vineyard Co., Limited:
 - i. Ning (2019) Qing Tong Xia Shi Bu Dong Chan Quan Di No. Q0001078, the building ownership rights of a building of the Development with a total gross floor area of approximately 948.64 sq.m.;
 - ii. Ning (2019) Qing Tong Xia Shi Bu Dong Chan Quan Di No. Q0001079, the building ownership rights of a building of the Development with a total gross floor area of approximately 405.04 sq.m.;
 - iii. Ning (2019) Qing Tong Xia Shi Bu Dong Chan Quan Di No. Q0001080, the building ownership rights of a building of the Development with a total gross floor area of approximately 481.50 sq.m.; and
 - iv. Ning (2019) Qing Tong Xia Shi Bu Dong Chan Quan Di No. Q0001090, the building ownership rights of a building of the Development with a total gross floor area of approximately 6,605.86 sq.m.
3. We have been provided with a legal opinion issued by the PRC legal adviser of the Company regarding the Properties, which confirms, inter alia, that: -
 - i. The property is not subject to any encumbrances and mortgages;
 - ii. Ningxia Grace Vineyard Co., Limited has legally obtained the land use rights and building ownership rights of the property as stated in the above-mentioned title documents; and
 - iii. There is no limitation for selling or transferring the property as shown in the above-mentioned title documents.

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