

VALUATION REPORT

Valuation Services in relation to

the Market Rent of the Property Interests of the shops located on the land at 101 Yingbin Road, Shangjiao Village, Luopu Street, Panyu District, Guangzhou City, the PRC (the "Property 1") (廣州市番禺區洛浦街上滘村迎賓路 101 號) and the land at 2 Shangjiao Street, Panyu District, Guangzhou City, the PRC (the "Property 2") (廣州市番禺區上滘大街 2 號物業 (上滘大街西側臨街商舖)) (collectively, the "Properties")

Prepared for:

Xinji Shaxi Group Co., Ltd

Valuation Date:

30 September 2025



17 November 2025

The Board of Directors
Xinji Shaxi Group Co., Ltd
1st Floor, Xinjicheng Club,
No. 250 Nanda Road, Panyu District,
Guangzhou City, Guangdong Province,
the PRC

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Xinji Shaxi Group Co., Ltd (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") for us to carry out the rental valuation of the property interests of the shops located on the land at 101 Yingbin Road, Shangjiao Village, Luopu Street, Panyu District, Guangzhou City, the PRC (the "**Property 1**") (廣州市番禺區洛浦街上滘村迎賓路101號) and the land at 2 Shangjiao Street, Panyu District, Guangzhou City, the PRC (the "**Property 2**") (廣州市番禺區上滘大街2號物業(上滘大街西側臨街商舖)) (collectively, the "**Properties**"). We confirm that we have carried out the inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Rent of the property interests of the Properties as of 30 September 2025 (the "**Valuation Date**").

VALUATION STANDARDS

In valuing the property interests, we have complied with all 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 (the "**Listing Rules**"), the HKIS Valuation Standards (2024 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

BASIS OF VALUATION

Our valuation is carried out on a Market Rent basis, which is defined as *"The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and willing lessee on appropriate lease terms 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 of the Properties excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the letting, or any element of special value or costs of letting or offset for any associated taxes.

No allowance has been made in our report for any deferred term contract, leaseback, joint venture, management agreement or any similar agreement, charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting the lease. Unless otherwise stated, it is assumed that the Properties are free from encumbrances, restrictions, and outgoings of an onerous nature, which could affect their market rent.

In the course of our valuation of the Properties in the PRC, we have assumed that transferable land use rights in respect of the Properties for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. We have relied on the advice given by the Group regarding the title to the Properties. For the purpose of our valuation, we have assumed that the grantee has an enforceable title to the Properties.

In valuing the Properties in the PRC, we have assumed that the grantees or the users of the Properties have free and uninterrupted rights to use or to assign the Properties for the whole of the unexpired term as granted.

Unless noted in the report, vacant possession is assumed for the Properties concerned.

Moreover, we have assumed that the design and construction of the Properties are/will be in compliance with the local planning regulations and requirements and had been/would have been duly examined and approved by the relevant authorities.

Continued uses assume the Properties will be used for the purposes for which the Properties are designed and built, or to which they are currently adapted. The valuation of the Properties in continued uses does not represent the amount that might be realised from piecemeal disposition of the Properties in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial, and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial, or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the Properties described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the Properties were not transferred or involved in any contentious or non-contentious dispute as of the valuation date. We have also assumed that there was not any material change in the Properties between the dates of our inspection and the Valuation Date.

VALUATION METHODOLOGY

In the course of our valuation, unless otherwise stated, we have valued the Properties in their designated uses with the understanding that the Properties will be used as such (hereafter referred to as “**continued uses**”).

In valuing the property interests, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighbourhood area of the Properties. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality, and any other relevant factors when comparing such leases against the Properties. This approach is commonly used to value properties where reliable market evidence is available.

The market approach was selected as the most appropriate and reliable method. This is because there is an abundance of recent, reliable, and comparable sales evidence available. This approach most directly reflects the actions of buyers and sellers in the current market, providing the best indication of the subject property’s market value. While income and cost approaches are not suitable for assessing market rent due to their inherent methodological limitations for this purpose.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the property interests in the PRC. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. We are unable to ascertain the title of the Properties in the PRC and we have therefore relied on the advice given by the Group and the Company’s PRC legal adviser — Guangdong Lianyue Law Firm regarding the interests of the Group in the Properties in the PRC.

In valuing the Properties, we have assumed that the owner of the Properties has an enforceable title to the Properties and has free and uninterrupted rights to use, occupy, assign, or lease the Properties for the whole or part of the unexpired term as granted. We have not verified the authentication of the real estate title certificates and we assume that the copies of relevant documents provided by the Company are true and accurate.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the Properties. The site inspection was carried out on 19 August 2025 by Greivis Sze (holder of Bachelor Degree in Real Estate, Birmingham City University and Director of Masterpiece Valuation Advisory Limited). However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Properties is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies, and all other relevant matters.

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 reach an informed view and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the Properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

LIMITING CONDITION

Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

Unless otherwise stated, all monetary amounts stated in this report are in Renminbi ("RMB").

Our valuations are summarized below and the valuation certificate is attached.

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



Sr Oswald W Y Au
MHKIS (GP) / AAPI MSc (RE)
Registered Professional Surveyor (GP)
Managing Director

Note: Mr. Oswald W Y Au is a member of the Hong Kong Institute of Surveyors (General Practice), an Associate Member of the Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with the Surveyors Registration Board. He has over 20 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and the Asia Pacific region respectively.

VALUATION CERTIFICATE

Property interests leased by the Group in the PRC

| Property | Description and tenure | Particulars of occupancy | Market monthly rent in existing state as at 30 September 2025 RMB |
|--|--|--|---|
| Shops located on the land at 101 Yingbin Road, Shangjiao Village, Luopu Street, Panyu District, Guangzhou City, the PRC ("Property 1") and the shops located on the land at 2 Shangjiao Street, Panyu District, Guangzhou City, the PRC ("Property 2") | Property 1 comprises shops located on the land with a total site area of approximately 70,601.82 square metres, open space area of approximately 42,119.61 square meters and building area of approximately 60,107.89 square metres. Property 2 comprises shops located on the land with a total site area of approximately 22,657.74 square metres, open space area of approximately 19,235.33 square metres and building area of approximately 7,288.07 square metres. The total building area of the shops (i.e. the Properties) is approximately 67,395.96 square metres and the total site area is approximately 93,259.56 square metres. | Portion of the property has been leased to various third parties for commercial purpose. | 4,930,000 (100% interest attributable to the Group: 4,930,000) |

| Property | Description and tenure | Particulars of occupancy | Market monthly rent in existing state as at 30 September 2025 RMB |
|----------|--|--------------------------|--|
| | <p>The Properties are located in Guangzhou City, near the Chimelong Safari Park, with approximately 15km to Guangzhou South Train Station and 55km to Guangzhou Baiyun International Airport.</p> | | |
| | <p>The land use rights in respect of the land on which Xinji Hotelex Hospitality Supplies Center is situated are leased to Guangzhou Wanhua Hospitality Supplies City Company Limited (廣州萬華酒店用品城有限公司), an indirect wholly-owned subsidiary of the Company, for a term commencing from 1 June 2006 and expiring on 31 May 2026.</p> | | |

Notes:

- i. Pursuant to the land use rights tenancy agreement dated 11 November 2004 (as amended and supplemented by supplemental agreements dated 28 September 2007, 15 June 2010 and 26 August 2010) entered into between the Guangzhou City Panyu District Luopu Street Shangjiao Village Shareholding Economic Cooperatives (廣州市番禺區洛浦街上澱村股份合作經濟社) and Guangzhou Wanhua Hospitality Supplies City Company Limited, various parcel of land with a total site area of approximately 100,438.00 square metres were contracted to be assigned for a term commencing from 1 June 2006 and expiring on 31 May 2026 at a monthly rent of RMB2.8 per square metres and a 5% increase every next year.
- ii. Pursuant to various tenancy agreements, the buildings with a total lettable area of approximately 52,569.00 square metres are sub-leased to various third parties for various terms with the latest expiry date 31 May 2026 at a total monthly rent of approximately RMB5,000,000 for commercial purpose.
- iii. Pursuant to a tenancy agreement, the land parcel with a total site area of approximately 11,613.00 square metres is sub-leased to third party from 1 July 2021 to 31 May 2026.
- iv. In our valuation, we have made reference to some transaction/asking rental references of similar properties in the locality. The unit rents assumed by us are consistent with the said rental reference. Due adjustments to the unit rents of those rental references have been considered to reflect factors including but not limited to time, location and size in arriving at the key assumptions.

The selection criteria of the transaction and/or asking price references of the comparable references are stated below:

- a. The usage of the comparable references, which is commercial or home furnishings/supplies/building materials center;
- b. The location of the comparable references, which are within 6km distance from the subject property and located in Panyu District;
- c. The size of the comparable references, which are around 100 – 500 sq.m. per unit.

Based on the aforesaid criteria, we have, to our best endeavour and knowledge, identified an exhaustive list of the below comparable references.

The details of the comparable references are stated below:

| Address | Gross Floor Area (sq.m.) | Unit rent/ sq.m./month | Usage | Distance to the subject property |
|---|--------------------------|------------------------|---|----------------------------------|
| Wuzhou City International Building Materials Center (五洲城國際建材中心) | 100-300 | 70-100 | Home furnishings/supplies/building materials center | <300m |
| Juran Home (Panyu Store) (居然之家(番禺店)) | 100-400 | 130-160 | Home furnishings/supplies/building materials center | 5-6km |
| JSWB Guangzhou (Panyu) Home Furnishings Expo Center (吉盛偉邦廣州(番禺)家居博覽中心) | 100-400 | 110-150 | Home furnishings/supplies/building materials center | 5-6km |

| Address | Gross Floor Area (sq.m.) | Unit rent/ sq.m./month | Usage | Distance to the subject property |
|---|--------------------------|------------------------|------------|----------------------------------|
| No. 68, Shangjiao Section, Yingbin Road, Luopu Street, Panyu District | 120 | 66.67 | Commercial | <600m |
| No. 14, Lane 2, Shajiao Middle Road, Panyu District | 120 | 56.67 | Commercial | <600m |

The market rent of the property:

Formula:

Market monthly rent
(RMB)

Market rent = A*B

4,930,000

Where:

A = Adopted average unit rent of the properties – 73.15/sq.m./month

B = Area of the properties (sq.m.) – 67,395.96 sq.m.

- v. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal advisers, which contains, inter alia, the following:
- a) The properties have obtained either the Real Property Ownership Certificate or the Collective Land Use Right Certificate. Although some of the properties were constructed without completing the relevant approval and filing procedures and therefore have not yet acquired the Building Ownership Certificate, these shops are all owned by the SVSEC and are free from ownership disputes. The SVSEC is entitled to lease the rental projects to external parties.
 - b) Although some properties do not possess a Building Ownership Certificate due to the historical absence of a Building Construction Permit, the SVSEC has a clear record with no administrative penalties or enforcement notices from relevant authorities concerning these structures. There are no legal impediments to leasing these properties.