

APPENDIX III

PROPERTY VALUATION REPORT

The following is the text of a letter, summary of valuations and valuation report prepared for the purpose of incorporation in this document received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of values of the property interests held by the Group in the PRC as at 31 August 2024.



The Directors
Mokingran Jewellery Group Co., Ltd
No. 15 Ziyuan Road,
Huayuan Industrial Park,
Binhai High-tech Zone,
Tianjin,
The PRC

27/F
One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

[●] November 2024

Dear Sir,

**Instructions,
Purpose &
Valuation Date**

We refer to the instruction of Mokingran Jewellery Group Co., Ltd (the “**Company**”) for Cushman & Wakefield Limited (“**C&W**”) to prepare market valuations of the properties in which the Company and/or its subsidiaries (together referred to as the “**Group**”) have interests in the People’s Republic of China (the “**PRC**”). We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing the Company with our opinion of the values of the properties as at 31 August 2024 (the “**valuation date**”).

Valuation Basis

Our valuation of each of the properties represents its market value which in accordance with The HKIS Valuation Standards 2020 issued by The Hong Kong Institute of Surveyors 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”.

We confirm that the valuations are undertaken in accordance with The HKIS Valuation Standards 2020 issued by The Hong Kong Institute of Surveyors.

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules governing the Listing of Securities published by the Stock Exchange of the Hong Kong Limited.

Our valuation of each of the properties is on an entirety interest basis.

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Valuation Assumptions

Our valuations of the properties exclude 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 sale, or any element of value available only to a specific owner or purchaser.

In the course of our valuation of the properties, we have relied on the information and advice given by the Company’s legal adviser, Jia Yuan Law Offices, regarding the titles to the properties and the interests of the Company in the properties in the PRC. Unless otherwise stated in the respective legal opinion, in valuing the properties, we have assumed that the Group has an enforceable title to the properties and has free and uninterrupted rights to use, occupy or assign the properties for the whole of the respective unexpired land use term as granted and that any premium payable has already been fully paid.

In respect of the properties situated in the PRC, the status of titles and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the respective valuation report. We have assumed that all consents, approvals and licences from relevant government authorities for the developments have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the properties are in compliance with the local planning regulations and have been approved by the relevant authorities.

No allowances have been made in our valuations for any charges, mortgages or amounts owing on the properties nor any expenses 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 any onerous nature which could affect their values.

Method of Valuation

In valuing the undeveloped land portion of property no. 1, we have adopted Market Comparison by making reference to comparable sales evidence as available in the relevant market.

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In valuing the developed portion of property no. 1, and property nos. 2 and 3, we have used Investment Method by capitalising the rental income derived from the existing tenancies, if any, with due provision for the reversionary potential of each constituent portion of the property at an appropriate capitalisation rate. We have also cross-checked by Market Comparison Method by making reference to comparable sales evidence as available in the relevant market. Transactions involving large scale properties of the same nature and tenancy structure in the same districts are not frequent. On the other hand, as the investment property portions generate rental income from letting arrangements and such rental comparables are more readily available, we consider Investment Method, which is also commonly used in valuing properties for investment purpose, to be the best method to value these property portions.

Source of Information

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group and its legal adviser, Jia Yuan Law Offices regarding the title to the properties and the interests of the Group in the properties. We have accepted advice given by the Group on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, tenancy details, site and floor areas, site and floor plans, completion date of buildings, interest attributable to the Group and all other relevant matters.

Dimensions, measurements and areas are based on the copies of documents or other information provided to us by the Company and are therefore only approximations. No on-site measurement has been carried out. We have had no reason to doubt the truth and accuracy of the information provided by the Company which is material to the valuations. We were also advised that no material facts have been omitted from the information provided to us.

Title Investigation

We have been provided with copies of the title documents relating to the properties but have not carried out any land title searches. Moreover, we have not inspected the original documents to verify ownership or to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the properties in the PRC and we have therefore relied on the advice given by the Company regarding its interests in the properties.

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Site Inspection Ms. Ada Wang (Assistant Manager) of our Tianjin Office and Mr. Eric Liu (Director) of our Beijing Office, inspected the exterior and, where possible, the interior of the properties in between June and September 2024. However, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. of the properties for any development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no unexpected extraordinary expenses or delays will be incurred during the construction period. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation or other structural defects. No test was carried out on any of the services. Our valuations are prepared on the assumption that these aspects are satisfactory.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

Confirmation of Independence We hereby confirm that C&W and the undersigned have no pecuniary or other interests that could conflict with the proper valuation of the properties or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We also confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

Intended Use and User of Report This valuation report is issued only for the use of the Company for incorporation into its [REDACTED].

Currency Unless otherwise stated, all monetary amounts stated in our valuation report are in Renminbi (“RMB”), the official currency of the PRC.

We enclose herewith a summary of valuations and our valuation report for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Grace S. M. Lam
MRICS, MHKIS, R.P.S.(GP)
Senior Director

Valuation & Advisory Services, Greater China

Note: Grace S.M Lam is a member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyor and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current national knowledge of the market, and the skills and understanding to undertake the valuations competently.

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SUMMARY OF VALUATIONS

Property	Market value in existing state as at 31 August 2024 (RMB)
Properties held by the Group for investment in the PRC	
1. A development, No. 12 Rongyuan Road, Huayuan Industrial Park, Binhai High-tech Zone, Tianjin, the PRC	55,000,000
2. Levels 5 to 9 of south building, Levels 3 to 9 of north building and podium level 3 of a development, No. 15 Ziyuan Road, Huayuan Industrial Park, Binhai High-tech Zone, Tianjin, the PRC	53,000,000
3. Units 6001-6002, No. 59 Xijiekou North Street, Xicheng District, Beijing, the PRC	11,000,000
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Total:	<u><u>119,000,000</u></u>

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Properties held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2024
1. A development, No. 12 Rongyuan Road, Huayuan Industrial Park, Binhai High-tech Zone, Tianjin, the PRC	<p>The property comprises a 2-storey warehouse building erected on a parcel of land of 20,652.8 sq m.</p> <p>The existing warehouse building has a total gross floor area of 7,555.42 sq m.</p> <p>The land use rights of the property have been granted for a term of 50 years from 27 May 2017 to 26 May 2067 for industrial/non-residential use.</p>	As at the valuation date, the property was vacant.	RMB55,000,000 (RENMINBI FIFTY FIVE MILLION)

Notes:

- (1) According to Certificate of Real Estate Ownership No. 1000037, the real estate ownership of the property with a total gross floor area of 7,555.42 sq m has been vested in Mokingran Jewellery Group Co., Ltd for a term of 50 years from 27 May 2017 to 26 May 2067 for industrial/non-residential use.
- (2) According to Grant Contract of Land Use Rights No. TJ10252016005, the land use rights of the property have been contracted to be granted to 夢金園黃金珠寶集團有限公司. The details are summarized as follows:
 - (a) Site area : 20,652.7 sq m
 - (b) Use : Industrial
 - (c) Land use term : 50 years for industrial use
 - (d) Plot ratio : ≥ 0.6 and ≤ 1.5 (exclusive of the warehouse building of gross floor area of 7,555.42 sq m)
- (3) In valuing the undeveloped land portion of the property, we have used market comparison method with the key input being an accommodation value of RMB1,070/ sq m. In valuing the existing warehouse building of the property, we have used investment method with the key input being a capitalization rate of 7%.
- (4) We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser which contains, inter-alia, the following information:
 - (a) Mokingran Jewellery Group Co., Ltd is the legal owner of the property;
 - (b) The property is subject to a mortgage;
 - (c) Mokingran Jewellery Group Co., Ltd has the right to occupy and use the property and transfer the property with approval from the mortgagee; and
 - (d) Mokingran Jewellery Group Co., Ltd has complied with the requirements outlined in the building covenants of the Grant Contract of Land Use Rights.

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Properties held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2024
2 Levels 5 to 9 of south building, Levels 3 to 9 of north building and podium level 3 of a development, No. 15 Ziyuan Road, Huayuan Industrial Park, Binhai High-tech Zone, Tianjin, the PRC	<p>The property comprises various research office floors of a 10-storey development completed in 2015.</p> <p>The property has a total gross floor area of 8,236 sq m.</p> <p>The land use rights of the property have been granted for a term of 50 years due to expire on 9 March 2050 for industrial/non-residential use.</p>	<p>As at the valuation date, portions of the property with a total gross floor area of 3,500 sq m were subject to various tenancies with the latest one due to expire on 31 August 2026 at a total monthly rent of approximately RMB197,000 exclusive of value-added tax and building management fees.</p> <p>The remaining portions of the property were vacant.</p>	<p>RMB53,000,000 (RENMINBI FIFTY THREE MILLION)</p>

Notes:

- (1) According to Certificate of Real Estate Ownership No. 1001534, the real estate ownership of the property with a total gross floor area of 8,236 sq m has been vested in Mokingran Jewellery Group Co., Ltd for a term of 50 years due to expire on 9 March 2050 for industrial/non-residential use.
- (2) In valuing the property, we have used investment method with the key input being a capitalization rate of 6.25%.
- (3) We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser which contains, inter-alia, the following information:
 - (a) Mokingran Jewellery Group Co., Ltd is the legal owner of the property;
 - (b) The property is subject to a mortgage; and
 - (c) Mokingran Jewellery Group Co., Ltd has the right to occupy and use the property and transfer the property with approval from the mortgagee.

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Properties held by the Group for investment in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2024
3 Units 6001–6002, No. 59 Xijiekou North Street, Xicheng District, Beijing, the PRC	<p>The property comprises two office units of a 6-storey building completed in 2011.</p> <p>The property has a total gross floor area of 507.19 sq m.</p> <p>The land use rights of the property have been granted for a term of 50 years from 27 August 2004 to 26 August 2054 for office use.</p>	<p>As at the valuation date, the property was subject to a tenancy for a term due to expire on 31 August 2025 at a total monthly rent of RMB70,000 exclusive of value-added tax and building management fees.</p>	<p>RMB11,000,000 (RENMINBI ELEVEN MILLION)</p>

Notes:

- (1) According to Certificate of Real Estate Ownership Nos. 057101 and 057103, the real estate ownership of the property with a total gross floor area of 507.19 sq m has been vested in Beijing Chengxin Mokingran Jewellery Limited for a term of 50 years from 27 August 2004 to 26 August 2054 for office use.
- (2) In valuing the property, we have used investment method with the key input being a capitalization rate of 6%.
- (3) We have been provided with a legal opinion on the title to the property issued by the Group’s PRC legal adviser which contains, inter-alia, the following information:
 - (a) Beijing Chengxin Mokingran Jewellery Limited is the legal owner of the property; and
 - (b) Beijing Chengxin Mokingran Jewellery Limited has the right to occupy, use and dispose of the property.