



Knight Frank Petty Limited
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KF ref: MV/CYF/MIM/BRN/kyu/24205(197)

Wang On Group Limited
32/F, Skyline Tower,
39 Wang Kwong Road,
Kowloon Bay, Kowloon,
Hong Kong

25 July 2025

Dear Sirs,

Valuation of Sunny House, No. 19 Luk Hop Street, Kowloon, Hong Kong (the "Property Interests").

Instructions

In accordance with the instructions for us to value the Property Interests held by Wang On Group Limited (hereinafter referred to as the "**Company**", together with its subsidiaries, hereinafter together referred to as the "**Group**"), we confirm that we have carried out inspection, made relevant enquiries and carried out searches 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 Interests in existing state as at 31 May 2025 (the "**Valuation Date**") for the purpose of incorporation in this circular. Our valuation is undertaken by qualified valuer with relevant experiences as an independent valuer. Our valuation is prepared in unbiased and professional manner.

We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation.

Basis of Valuation

In arriving at our opinion of the market value, we followed "The HKIS Valuation Standards" issued by The Hong Kong Institute of Surveyors ("**HKIS**") and "The RICS Valuation— Global Standards" (the "**Red Book**") issued by the Royal Institution of Chartered Surveyors ("**RICS**"), which incorporate the "International Valuation Standards" ("**IVS**"). Under the said standards, Market Value 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."

“the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.”

Market value is the most probable price reasonably obtainable in the market on the valuation date in keeping with the market value definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable 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, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

Our valuation complies with the requirements set out in “The HKIS Valuation Standards” issued by HKIS, the “Red Book” issued by RICS and the Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited issued by The Stock Exchange of Hong Kong Limited.

Valuation Methodology

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. In our valuation, we have adopted Market Approach by making reference to the recent market sales evidence which are available in the open market. Appropriate adjustments have been made in our valuation to reflect the differences in the characteristics between the Property Interests and the comparable properties such as location, time, size, building age, layout, ancillary facilities and quality in arriving at our opinion on the market value.

Valuation Assumptions and Conditions

Our valuation is subject to the following assumptions and conditions.

Title Documents and Encumbrances

In our valuation, we have assumed good and marketable titles and that all documentation is satisfactorily drawn. We have also assumed that the Property Interests are not subject to any unusual or onerous covenants, restrictions, encumbrances or outgoing.

Disposal Costs and Liabilities

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property Interests nor for any expenses or taxation which may be incurred in effecting a sale.

Sources of Information

We have relied to a very considerable extent on information given by the Company. We have accepted advice given to us on such matters as land tenure, occupancy status, floor areas and all other relevant matters. We have not verified the correctness of any information, whether in writing or verbally by yourselves, your representatives or by your legal or professional advisers or by any (or any apparent) occupier of the Property Interests or contained on the register of title. We assume that this information is complete and correct.

Inspection

We have inspected the Property Interests on 23 April 2025 by Mr. Cyrus Fong *FRICS FHKIS RPS(GP) RICS Registered Valuer*. Nevertheless, we have assumed in our valuations that the Property Interests were in satisfactory exterior and interior decorative order without any unauthorized extension or structural alterations or illegal uses as at the Valuation Date, unless otherwise stated.

Identity of the Property Interests to be Valued

We have exercised reasonable care and skill to ensure that the Property Interests, identified by the property addresses in your instructions, are the properties inspected by us and contained within our valuation report. If there is ambiguity as to the property addresses, or the extent of the Property Interests to be valued, this should be drawn to our attention in your instruction or immediately upon receipt of our report.

Property Insurance

We have valued the Property Interests on the assumption that, in all respects, it is insurable against all usual risks including terrorism, flooding and rising water table at normal, commercially acceptable premiums.

Areas and Age

In our valuations, we have relied upon areas provided to us. We have also assumed that the measurements and dimensions shown on the documents handed to us are correct and in approximations only. We have scaled off the floor areas from the approved building plans in accordance with the Code of Measuring Practice by the Hong Kong Institute of Surveyors

Structural and Services Condition

We have carried out visual inspection only without any structural investigation or building survey. During our limited inspection, we did not inspect any inaccessible areas. We are unable to confirm whether the Property Interests are free from urgent or significant defects or items of disrepair or any deleterious materials have been used in the construction of the Property Interests. Our valuation has therefore been undertaken on the assumption that the Property Interests were in satisfactory repair and condition and contain no deleterious materials and they are sound order and free from structural faults, rot, infestation or other defects, and that the services are in satisfactory condition.

Ground Condition

We have assumed there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the site of the Property Interests are sufficient to support the building constructed or to be constructed thereon; and that the services are suitable for any existing or future development. Our valuation is therefore prepared on the basis that no extraordinary expenses or delays will be incurred in this respect.

Environmental Issues

We are not environmental specialists and therefore we have not carried out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor have we undertaken searches of public archives to seek evidence of past activities that might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation is prepared on the assumption that the Property Interests are unaffected. Where contamination is suspected or confirmed, but adequate investigation has not been carried out and made available to us, then the valuation will be qualified.

Compliance with Relevant Ordinances and Regulations

We have assumed the Property Interests were constructed, occupied and used in full compliance with, and without contravention of any ordinance, statutory requirement and notices except only where otherwise stated. We have further assumed that, for any use of the Property Interests upon which this report is based, any and all required licenses, permits, certificates, consents, approvals and authorisation have been obtained, expected only where otherwise stated.

Valuation assumption

We have assumed that the owners of the Property Interests have free and uninterrupted rights to use and assign the Property Interests during the whole of the unexpired land-lease term granted subject to the payment of usual Government Rent.

Remarks

Unless otherwise stated, all money amounts stated in our valuations are in Hong Kong Dollars (HK\$).

Area Conversion

The area conversion factors in this report are taken as follows:

1 sq m = 10.764 sq ft

We enclose herewith our valuation certificate.

Limitations on Liability

In accordance with our standard practice, we must state that this report and valuation is for the use 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. We do not accept liability to any third party or for any direct or indirect consequential losses or loss of profits as a result of this report.

In our valuations, Knight Frank has prepared the valuation based on the information and data available to us as at the Valuation Date. While the current market is influenced by various policies and regulations, increased global conflicts could add further fluctuations in real estate market. It must be recognised that enactment of emergency measures, changes in mortgage requirements or international tensions could be immediate and have sweeping impact on the real estate market apart from typical market variations. It should therefore be noted that any market violation, policy, geopolitical and social changes or other unexpected incidents after the Valuation Date may affect the value of the Property Interests.

Yours faithfully,

For and on behalf of
Knight Frank Petty Limited



Michelle Man

MRICS MHKIS RICS Registered Valuer
Senior Director, Valuation & Advisory



Cyrus Fong

FRICS FHKIS RPS(GP) RICS Registered Valuer
Executive Director
Head of Valuation & Advisory, Greater China

Note: Ms. Michelle Man is a Chartered Surveyor who has over 16 years of experience in market research, property valuation and consultancy services in the PRC, Hong Kong, Macau and Asia Pacific region.

Mr. Cyrus Fong is a Chartered Surveyor who has over 19 years of experience in market research, property valuation and consultancy services in the PRC, Hong Kong, Macau and Asia Pacific region.

VALUATION CERTIFICATE

Property Interests Held for Investment to be Disposed of by the Group

<u>Property</u>	<u>Description</u>	<u>Particulars of Occupancy</u>	<u>Market Value in the Existing State as at the Valuation Date</u>
Sunny House, No. 19 Luk Hop Street, Kowloon, Hong Kong	<p>The Property comprises a 32-storey student accommodation with 720 rooms or 1,424 beds located at San Po Kong.</p> <p>As per the information on the approved building plans, the Property has a total gross floor area of approximately 285,563.98 sq ft.</p> <p>As per the Occupancy Permit No. KN35/2012(OP), it was completed in about 2012.</p> <p>The subject lot is held under Conditions of Exchange No. 20041 for a term of 50 years commencing from 30 April 2007.</p>	<p>As per our on-site inspection and information provided by the Group, the Property is currently operated as a student accommodation under the brand name Sunny House. Portion of Ground Floor, 3rd Floor and the integrated cellular system of the Property are currently leased subject to three tenancies at a total rent of HK\$98,948 per month with the latest expiry in March 2027.</p>	<p>HK\$3,270,000,000 (Hong Kong Dollars Three Billion Two Hundred and Seventy Million)</p>

Notes :

- (1) The Property Interests were inspected by 23 April 2025 on Mr. Cyrus Fong *FRICS FHKIS RPS(GP) RICS Registered Valuer*.
- (2) Pursuant to records obtained from the Land Registry dated 2 July 2025 and information provided by the Company the registered owner of the Property Interests as at the Valuation Date is Head Step Limited, an indirect non-wholly owned subsidiary of the Company.
- (3) At the time of our recent search, the following encumbrances were registered against the Property Interests:-
 - (i) Certificate of Compliance (from District Lands Office/Kowloon East Lands Department) dated 30 June 2023, registered vide Memorial No. 23070702180275;
 - (ii) Occupation Permit No. KN35/2012(OP) dated 27 November 2012, registered vide Memorial No. 23071102060042; and
 - (iii) Mortgage in favour of United Overseas Bank Limited dated 29 August 2023, registered vide Memorial No. 23090602110071.

- (4) The details of the existing tenancies of the property provided by the Group are summarized as follows:-

Property	Lease Term	Monthly Rent	Rent Free Period
Portion 1 on G/F	19 February 2024 to 18 February 2025	HK\$33,000	19 February 2024 to 18 April 2024
	19 February 2025 to 18 February 2026	HK\$36,000	19 February 2025 to 18 March 2025
	19 February 2026 to 18 February 2027	HK\$39,000	
Portion 1 on 3/F	15 March 2024 to 14 March 2025	HK\$36,000	15 March 2024 to 31 May 2024
	15 March 2025 to 14 March 2026	HK\$38,000	
	15 March 2026 to 14 March 2027	HK\$40,000	
Integrated cellular system	1 November 2023 to 31 October 2025	HK\$24,948	1 November 2023 to 29 February 2024

- (5) The Property Interests are erected on New Kowloon Inland Lot No. 6473, which are held under a Conditions of Exchange No. 20041. The salient conditions are summarised below:-

Lot Number	: New Kowloon Inland Lot No. 6473
Lease Term	: 50 years commencing from 30 April 2007
Site Area	: Approximately 23,800 sq ft
Government Rent	: 3% of the rateable value
Major Special Conditions	: The lot or any part thereof or any building or part of any building erected or to be erected thereon shall not be used for any purpose other than for non-residential purposes excluding:

- Petrol filling station and residential care home;
- Any trade that is now or may hereafter be declared to be an offensive trade under the Public Health and Municipal Services Ordinance, any regulation made thereunder and any amending legislation; and
- The use and storage of any dangerous goods as defined in the Dangerous Goods Ordinance, any regulations made thereunder and any amending legislation, except the use or storage of such small quantities of dangerous goods as exempted from the licensing requirements under the Dangerous Goods Ordinance, any regulations made thereunder and any amending legislation.

The total GFA of any building or buildings erected or to be erected on the lot shall not be less than 15,920 sq m and shall not exceed 26,533 sq m. For the avoidance of doubt, it is hereby agreed and declared that there is no guarantee that the building or buildings erected or to be erected on the lot or any part thereof can attain

the maximum gross floor area of 26,533 sq m referred to in this sub-clause.

If the lot is developed, redeveloped or used at any time solely for the purpose of a hotel or hotels, the Grantee shall not, throughout the term hereby agreed to be granted, assign, mortgage, charge, part with the possession of or otherwise dispose of the lot or any part thereof or any building or any interest therein or part of any building thereon or enter into any agreement so to do except as a whole provided however that any assignment, mortgage, charge, parting with the possession of or other disposal of the lot as a whole prior to compliance with these Conditions by the Grantee shall be subject to Special Condition No. (12) hereof.

- (6) The Property Interests fall within an area zoned “Other Specified Uses (Business)” under Approved Tsz Wan Shan, Diamond Hill and San Po Kong Outline Zoning Plan No. S/K11/31 approved on 25 April 2023.
- (7) The general description and market information of the Property Interests are summarised below:-

Location	:	The Property is located at No. 19 Luk Hop Street, Kowloon, Hong Kong.
Transportation	:	Hong Kong International Airport, Hong Kong West Kowloon High Speed Railway and Diamond Hill MTR Station are located approximately 35.2 kilometres, 7.3 kilometres and 0.6 kilometres away from the Property respectively.
Nature of Surrounding Area	:	The area is predominately an industrial and a residential area with some commercial developments.