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Property Valuation

Property interests of two farm and production developments situated in Singapore

FOR

EGGRICULTURE FOODS LTD.

PREPARED BY

BonVision International Appraisals Limited

DATE : 25 OCTOBER 2024

CASE REF : 0824/IT/RE1192



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25 October 2024

The Board of Directors
Eggriculture Foods Ltd.
Unit 1104, 11/F,
Keybond Commercial Building
38 Ferry Street, Jordan,
Kowloon, Hong Kong

Dear Sirs/Madams,

**Re: Valuation of the property interests of two farm and production developments
situated in the Republic of Singapore**

INSTRUCTION, PURPOSE AND VALUATION DATE

In accordance with the instructions from Eggriculture Foods Ltd. (hereinafter referred to as the "**Company**"), together with its subsidiaries hereinafter collectively referred to as the "**Group**") for BonVision International Appraisals Limited (hereinafter referred to as "**BonVision**", "**We**" or "**us**") to assess the market values of the captioned property interests (hereinafter referred to as the "**Subject Properties**") held by the Group situated in the Republic of Singapore (hereinafter referred to as "**Singapore**"), we confirm that we have carried out 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 values of the Subject Properties as at 31 August 2024 (the "**Valuation Date**") for the purpose of incorporation in the scheme document published by the Company dated 25 October 2024.

VALUATION STANDARDS

This valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors ("**HKIS**"), the RICS Valuation — Global Standards published by the Royal Institution of Chartered Surveyors ("**RICS**"), and the International Valuation Standards published by the International Valuation Standards Council ("**IVSC**"). For the purpose of this valuation, we have also complied



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with the requirements set out in Chapter 8 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited; and Rule 11 of The Code on Takeovers and Mergers published by the Securities and Futures Commission.

VALUATION BASIS

This valuation has been carried out on the basis of market value which defined by the IVSC and adopted by HKIS and RICS 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

The buildings and structures of the Subject Properties are specifically designed and built for the purpose of egg farming and production related use by the Group only and not rental income generating, sufficient market data is absent to determine the market values of the Subject Properties by means of market or income-based evidence, and therefore Depreciated Replacement Cost (“DRC”) method, one of the Cost Approaches, is adopted to assess the market values of the Subject Properties. DRC method in the context of real estate valuation is defined by HKIS as “based on an estimate of the market value of the land in its existing use, plus the current cost of replacement of the improvements less allowance for physical deterioration and all relevant forms of obsolescence and optimization”, where the market value of the land use right is assessed by making reference to relevant market transaction evidence. Unless otherwise stated, we have not considered any redevelopment potential which might affect the market values of the Subject Properties.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumptions that the owner sells the Subject Properties in the open market as at the Valuation Date 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 market values of the Subject Properties. No account has been taken of any option or right of pre-emption concerning or affecting the sale of the Subject Properties. No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Subject Properties nor for any expenses or taxation which may be incurred in effecting a sale. The Subject Properties are valued on the basis of 100% attributable interest. No allowance has been made for the Subject Properties to be sold in one lot or to a single purchaser. For leasehold property, it is assumed that the owner has free and uninterrupted rights to occupy and use such leasehold property during the whole of the remaining land lease term.

INFORMATION SOURCE

We have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us by the Group on matters such as identification of the Subject Properties, occupation particulars, floor areas, planning



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approvals or statutory notices, easements, tenure, building age and all other relevant matters which could affect the market values of the Subject Properties. All documents have been used for reference only. We have no reason to doubt the truth and accuracy of the information provided to us which is material to the valuation. We have also been advised 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 of valuation and have no reason to suspect that any material information has been withheld. If in any circumstance that additional documents, information or facts became available, we reserve the right to amend our valuation opinions and this report.

Whenever the information contained in this valuation report is quoted or extracted from documents supplied to us which are originally produced in other languages and translated into English for disclosure purpose, in case of any inconsistency, the original version shall prevail.

TITLE INVESTIGATION

We have conducted relevant land searches from the Singapore Land Authority. However, we have not scrutinized the original documents to ascertain the existence of any amendments which may not appear on the copies available to us. All legal documents disclosed in this valuation report are for reference only and we assume no liability for any existing or potential legal matters in relation to the title of the Subject Properties.

INSPECTION AND INVESTIGATIONS

We have inspected the Subject Properties on 29 August 2024, which was conducted by Ms. Jessica Lam *CFA FRM* who possesses over 8 years of experience in asset valuation advisory. We have inspected the exterior and endeavored to inspect the interior of the Subject Properties where accessible. During the course of our inspection, no structural survey has been made in respect of the Subject Properties and we did not notice any obvious serious defects. We are not able to report that the Subject Properties are free from rot, infestation, or any other structural defects. No test was carried out on any of the building services. We have been advised by the Group and assumed that the buildings and structures are built in satisfactory order without any unauthorized addition or alterations or unpermitted use.

We have not carried out on-site measurements to verify the land areas and floor areas of the Subject Properties, but we have assumed the information shown on the documents handed to us is correct and this valuation has relied on such information. Except as otherwise stated, all dimensions, measurements and areas reported in this valuation report are based on information contained in the documents provided to us and are therefore approximations.



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We have not carried out any land investigation or environmental surveys but during our inspection we did not notice and have not been advised of any evidence of environmental concerns such as existing or potential contamination or any form of hazard, and we assumed none of such exists.

It is assumed that there is no material change in the condition of the Subject Properties between our inspection and the Valuation Date.

POTENTIAL TAX LIABILITIES

As advised by the Group, the potential tax liabilities which may arise from disposal of property in Singapore include Seller's Stamp Duty for industrial and residential properties. However, the Subject Properties do not fall into the category of industrial nor residential properties thus such Seller's Stamp Duty is not applicable. Besides, the property seller is obligated to settle the outstanding Property Tax before the disposal, if any, which the tax rate for non-residential property is 10% of the Annual Value.

As advised by the Group, the Group intends to hold the Subject Properties with no intention to dispose, therefore the likelihood of any relevant potential tax liabilities being crystallized is remote.

CURRENCY

Unless otherwise stated, all monetary amounts stated in our valuation is in Singapore Dollars ("S\$"), the lawful currency of Singapore; and/or Hong Kong Dollars ("HK\$") the lawful currency of Hong Kong SAR. For the purpose of this valuation and for information only, the amounts denominated in S\$ have been translated into HK\$ with the exchange rate of S\$1: HK\$5.9809 as announced by the Monetary Authority of Singapore as effective at the Valuation Date.

AREA UNITS AND CONVERSION

Unless otherwise stated, the floor areas or site areas are expressed in the units of square meters ("sq.m.") or square feet ("sq.ft."), the conversion rate adopted is 1 sq.m. = 10.764 sq.ft.

LIMITING CONDITIONS AND REMARK

We confirm that we are independent of and unconnected with any directors, chief executive, substantial shareholders of the Group or their respective associates; we have no interests in any of the Subject Properties; and we do not aware of any instances which might give rise to any potential conflict of interest and affect our position as an external independent valuer to provide unbiased and objective valuation opinions.

We confirm that the personnel who signed off this valuation report has sufficient skills, knowledge, experience and qualifications in the relevant market and nature of the Subject Properties, and competent to undertake this valuation assignment.

We hereby state that this valuation report is for the use only of the party to whom it is addressed and for the purpose specified in the valuation report with our written



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consent. No responsibility is accepted to any third party for the whole or any part of its contents. Neither the whole or any part of this report may be included in any published documents or statement nor published in any way without our prior written approval of the form and context in which it may appear.

This report has been produced and signed off in the language of English only. If this report has been translated into other languages, the translated report should only be deemed for reference only. In case of any inconsistency, the English version shall prevail.

Our Summary of Values and Valuation Certificates are enclosed herewith.

Yours faithfully,
For and on behalf of
BonVision International Appraisals Limited

Alex Ma
MHKIS MRICS RPS(GP) RICS Registered Valuer
Director of Property Valuation & Advisory

Note: Mr. Ma is a Member of Hong Kong Institute of Surveyors, a Member and Registered Valuer of the Royal Institution of Chartered Surveyors, and a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417). He has over 10 years' property valuation experience in the People's Republic of China, Hong Kong SAR, Singapore, and various overseas countries in the regions of Asia-Pacific, Europe, and America.



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SUMMARY OF VALUES

Property interests held by the Group for owner-occupation purpose in Singapore

No.	Property	Market Value in Existing State as at 31 August 2024
1.	A farm and production development situated at Lot No. MK12-1947C, 1 Lim Chu Kang Lane 9A, Singapore 718845	S\$27,300,000 (HK\$163,000,000)
2.	A farm and production development situated at Lot No. MK12-1939A, 260 Neo Tiew Crescent, Aero-Green Farm, Singapore 718899	S\$8,400,000 (HK\$50,200,000)
	Grand Total:	S\$35,700,000 (HK\$213,200,000)



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Property interests held by the Group for owner-occupation purpose in Singapore

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2024										
1.	A farm and production development situated at Lot No. MK12-1947C, 1 Lim Chu Kang Lane 9A, Singapore 718845	<p>The property comprises a farm and production development erected on a parcel of irregularly shaped land.</p> <p>According to the information and plans provided by the Group, the property comprises various buildings and structures erected for egg farming use, such as layer houses, layer sheds, ancillary office, worker quarter, egg store, etc., which were completed between 1998 and 2002 with major improvements since 2018 and generally completed in 2023. The total gross floor area ("GFA") is about 37,955.78 sq.m., breakdown by uses is as below:</p> <table><thead><tr><th>Uses</th><th>GFA (sq.m.)</th></tr></thead><tbody><tr><td>Production</td><td>34,411.00</td></tr><tr><td>Ancillary office</td><td>1,527.33</td></tr><tr><td>Other Ancillary</td><td>2,017.45</td></tr><tr><td>Total</td><td>37,955.78</td></tr></tbody></table> <p>The site area of the land of the property is 116,037.4 sq.m., the land use right has been granted for a term of 20 years commencing on 3 May 2018 for the permitted use of "hen layer egg farming" only.</p>	Uses	GFA (sq.m.)	Production	34,411.00	Ancillary office	1,527.33	Other Ancillary	2,017.45	Total	37,955.78	<p>The property is occupied by the Group for egg farming purpose as at the Valuation Date.</p> <p>As advised by the Group, a 4-storey building for production, storage and ancillary office uses with a GFA of about 3,966.69 sq.m. is carrying out interior decoration and alternation works and expected fully operative in early 2025.</p>	<p>S\$27,300,000 (Singapore Dollars Twenty-Seven Million Three Hundred Thousand) (HK\$163,000,000 (Hong Kong Dollars One Hundred Sixty-Three Million))</p>
Uses	GFA (sq.m.)													
Production	34,411.00													
Ancillary office	1,527.33													
Other Ancillary	2,017.45													
Total	37,955.78													

Notes:

1. Pursuant to the title record obtained from Singapore Titles Automated Registration System of Singapore Land Authority, the registered proprietor of the property is N & N AGRICULTURE PTE LTD, an indirectly wholly owned subsidiary of the Company, and the property is free from encumbrances and restrictions.



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2. Pursuant to the Land Lease No.30171 entered between the President of the Republic of Singapore (the "Lessor") and N&N Agriculture Pte Ltd (the "Lessee") on 22 July 2020, the land parcel identified as Lot 1947C of Mukim 12 with a site area of 116,037.4 sq.m. has been leased to the Lessee by the Lessor for a term of 20 years commencing on 3 May 2018 in consideration of a premium of S\$2,900,000. The permitted usage is restricted to hen layer egg farming only.
3. According to the Singapore Master Plan 2019, the property is zoned for Agriculture use.
4. The property situates within the planning area Lim Chu Kang, in the north-western area of the North Region of Singapore, about 40 minutes driving distance from the Singapore CBD. The surrounding area is mainly rural and occupied for agriculture uses. Public transportation and community facilities are limited.



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VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2024										
2.	A farm and production development situated at Lot No. MK12-1939A, 260 Neo Tiew Crescent, Aero-Green Farm, Singapore 718899	<p>The property comprises a farm and production development erected on a parcel of generally rectangularly shaped land.</p> <p>According to the information and plans provided by the Group, the property comprises various buildings and structures erected for quail egg farming use, such as hatchery, egg processing factory, worker quarter, ancillary office, etc., which were completed in 2023. The total gross floor area ("GFA") is about 7,469.90 sq.m., breakdown by uses is as below:</p> <table><thead><tr><th>Uses</th><th>GFA (sq.m.)</th></tr></thead><tbody><tr><td>Production</td><td>6,796.43</td></tr><tr><td>Ancillary office</td><td>124.06</td></tr><tr><td>Other Ancillary</td><td>549.41</td></tr><tr><td>Total</td><td>7,469.90</td></tr></tbody></table> <p>The site area of the land of the property is 16,096.3 sq.m., the land use right has been granted for a term of 20 years commencing on 20 March 2019 for the permitted use of "quail egg farming" only.</p>	Uses	GFA (sq.m.)	Production	6,796.43	Ancillary office	124.06	Other Ancillary	549.41	Total	7,469.90	The property is occupied by the Group for quail egg farming purpose as at the Valuation Date.	\$S8,400,000 (Singapore Dollars Eight Million Four Hundred Thousand) (HK\$50,200,000 (Hong Kong Dollars Fifty Million Two Hundred Thousand))
Uses	GFA (sq.m.)													
Production	6,796.43													
Ancillary office	124.06													
Other Ancillary	549.41													
Total	7,469.90													

Notes:

1. Pursuant to the title record obtained from Singapore Titles Automated Registration System of Singapore Land Authority, the registered proprietor of the property is QUAILICO EGGS PTE. LTD., an indirectly wholly owned subsidiary of the Company, and the property is free from encumbrances and restrictions.
2. Pursuant to the Land Lease No.30133 entered between Singapore Food Agency (the "Lessor") and Quailico Eggs Pte. Ltd. (the "Lessee") on 13 August 2020, the land parcel identified as Lot No. MK12-1939A with a site area of 16,096.3 sq.m. has been leased to the Lessee by the Lessor for a term of 20 years commencing on 20 March 2019 in consideration of a premium of S\$483,000. The permitted usage is restricted to quail egg farming only.
3. According to the Singapore Master Plan 2019, the property is zoned for Agriculture use.
4. The property situates within the planning area Lim Chu Kang, in the north-western area of the North Region of Singapore, about 35 minutes driving distance from the Singapore CBD. The surrounding area is mainly rural and occupied for agriculture uses. Public transportation and community facilities are limited.