

22 October 2021

The Board of Directors
Sun Hing Printing Holdings Limited
4/F, Sze Hing Industrial Building
35-37 Lee Chung Street
Chai Wan, Hong Kong
Dear Sirs,

Re: To determine the market rent of a production base comprising a production factory, a dormitory and a security room (altogether as the "Huizhou Factory" or the "property") located at the southern side of Provincial Highway S120, Zhongkai High-Tech Industrial Development Zone, Huizhou City, Guangdong Province, the People's Republic of China (the "PRC")

INSTRUCTIONS, PURPOSE AND VALUATION DATE

In accordance with the instructions of Sun Hing Printing Holdings Limited (the "Company") to provide an opinion of market rent of the Huizhou Factory to be leased by the Company or its subsidiaries in the PRC, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market rent of the property as at 30 September 2021 (the "valuation date") for circular disclosure purpose.

BASIS OF VALUATION

Our valuation is carried out on a market rent basis. Market rent is defined by the IVS and followed by the HKIS Valuation Standards as "the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a 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

No allowance has been made in our report for any charges, mortgages or amounts owing on any of the property interest valued nor for any expenses which may be incurred in effecting a tenancy. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its rental value.

Our rental opinion is carried out on the assumptions that the monthly rent is inclusive of value-added tax ("VAT") and building management fee, but exclusive of utilities charges.

Our valuation excludes an estimated rental inflated or deflated by special terms or circumstances such as a typical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the letting, or any element of value available only to a specific lessor or lessee.

As at the valuation date, we have not been provided with any Real Estate Title Certificates (for building) of the property. In the course of valuation, we have assumed that all proper title documents of the property have been obtained and the property could be freely leased as at the valuation date.

Our valuation has been made on the assumption that the lessor leases or lets the property interest in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the market rent of the property interest.

METHOD OF VALUATION

We have adopted the Direct Comparison Approach in our valuation of market rent as at the valuation date by referring to comparable market rent transactions/asking rent in our assessment of the market rental of a property. This approach rests on the wide acceptance of the market rental transactions as the best indicator and pre-supposes that evidence of relevant rent transactions in the marketplace can be extrapolated to similar properties, subject to allowances for variable factors.

VALUATION STANDARDS

In the course of our valuation, we have complied with all the requirements contained in the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

SOURCE OF INFORMATION

We have relied to a very considerable extent on the information given by the Company and Huizhou Weilan Sports Equipment Company Limited (惠州市蔚藍體育用品有限公司, the “**Landlord**”) and have accepted advice given to us on such matters as tenure, floor area and all other relevant matters. Dimensions and measurements are based on the copies of documents collected from the Company and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company and the Landlord. We have also been advised by the Company that no material factors have been omitted from the information to reach an informed view and we have no reason to suspect that any material information has been withheld.

DOCUMENT AND TITLE INVESTIGATION

We have been shown copies of title documents including Real Estate Title Certificate, Construction Work Planning Permits, Construction Work Commencement Permit and other official plans relating to the property interest and have made relevant enquiries. However, we have not examined the original documents relating to the property and assumed that the copies of the documents obtained are consistent with their originals and the lease is valid and effective under the applicable laws.

AREA MEASUREMENT AND INSPECTION

We have not carried out detailed measurements to verify the correctness of the area in respect of the property but have assumed that the area 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.

Inspection of the property was carried out in October 2021 by Mr. Samuel Feng, who has more than 3 years’ experience in the valuation of properties.

CURRENCY

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

COMMENTARY ON THE IMPACT OF COVID-19 ON VALUATION

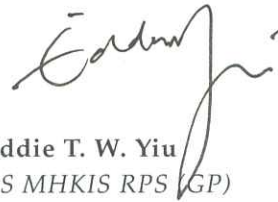
We are instructed to provide our opinion of market rent as per the valuation date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the valuation date and we assume no obligation to update or otherwise revise these materials for events in the time since then. In particular, the outbreak of the Novel Coronavirus (COVID-19) since declared Global Pandemic on the 11 March 2020 has caused much disruption to economic activities around the world. As of the report date, China's economy has recovered and most business activities have been back to normal. We also note that market activity and market sentiment in this particular market sector remain stable. However, we remain cautious due to uncertainty for the pace of global economic recovery in the midst of the outbreak which may have future impact on the real estate market. Therefore, we recommend that you keep the valuation of this property under frequent review.

VALUATION

Our valuation certificate is attached below for your attention.

Yours faithfully,
For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

A handwritten signature in black ink, appearing to read "Eddie T. W. Yiu", written in a cursive style.

Eddie T. W. Yiu
MRICS MHKIS RPS (GP)
Senior Director

Note:

Eddie T. W. Yiu is a Chartered Surveyor who has 27 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market rent in existing state as at 30 September 2021 RMB										
Huizhou Factory located at the southern side of Provincial Highway S120 Zhongkai High-Tech Industrial Development Zone Huizhou City Guangdong Province The PRC	<p>The property comprises a 7-storey production factory, a 8-storey dormitory and a single-storey security room completed in 2021 and they are erected on a parcel of land with a site area of approximately 46,322 sq.m..</p> <p>As advised by the Company and the Landlord, the property has a total gross floor area of approximately 65,270.91 sq.m.. The details are set out as below:</p> <table border="1"> <thead> <tr> <th>Usage</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Production factory</td> <td>53,009.23</td> </tr> <tr> <td>Dormitory</td> <td>12,201.50</td> </tr> <tr> <td>Security room</td> <td>60.18</td> </tr> <tr> <td>Total:</td> <td>65,270.91</td> </tr> </tbody> </table> <p>The land use rights of the property have been granted to the Landlord for a term expiring on 16 August 2067 for industrial use.</p>	Usage	Gross Floor Area (sq.m.)	Production factory	53,009.23	Dormitory	12,201.50	Security room	60.18	Total:	65,270.91	As at the valuation date, the property was vacant.	1,240,000 (ONE MILLION TWO HUNDRED AND FORTY THOUSAND) per month, inclusive of VAT and building management fee, but exclusive of utilities charges
Usage	Gross Floor Area (sq.m.)												
Production factory	53,009.23												
Dormitory	12,201.50												
Security room	60.18												
Total:	65,270.91												

Notes:

- Pursuant to a Real Estate Title Certificate – Yue (2017) Hui Zhou Shi Bu Dong Chan Quan Zi Di No. 5017477, the land use rights of a parcel of land (including the land use rights of the property) with a site area of approximately 46,322 sq.m. have been granted to the Landlord for a term expiring on 16 August 2067 for industrial use.
- Pursuant to 2 Construction Work Planning Permits – Jian Zi Di Nos. 441302(2019)60395 and 441302(2020)60385 in favour of the Landlord, a production factory and a dormitory of the property with a total gross floor area of approximately 63,639.82 sq.m. have been approved for construction.
- Pursuant to a Construction Work Commencement Permit – No. 441352202001130201/4413522020011300101 in favour of the Landlord, permissions by the relevant local authority were given to commence the construction of a production factory and a dormitory with a total gross floor area of approximately 63,286.06 sq.m..
- For the security room of the property, we have not been provided with any Construction Work Planning Permits or Construction Work Commencement Permits.

5. As advised by the Company and the Landlord, the Construction Work Completion and Inspection Certificates and Real Estate Title Certificates (for building) of the property were under application as at the valuation date.
6. According to a Building Area Measurement Report dated 4 October 2021, the total gross floor area of the property is approximately 65,270.91 sq.m.. As instructed by the Company, our valuation of the market rent of the property is based on this gross floor area.
7. In the valuation of this property, we have made the following assumptions:
 - a. All proper title documents of the property have been obtained and the property could be freely leased;
 - b. The property is to be leased for a term of 10 years;
 - c. The open area surrounding the Huizhou Factory within the subject land parcel which is owned by the Landlord shall be used by the tenant for free for car parking during the lease term;
 - d. The monthly rent is inclusive of VAT and building management fee, but exclusive of utilities charges; and
 - e. The property is to be leased with bare shell condition and main utility facilities including water and power supply are available to the property.