

Karrie International Holdings Limited

Appendix V of the Circular – Property Valuation Report of
the Target Company

Valuation as at 30 September 2021 & 31 December 2021

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18 Westlands Road
Quarry Bay
Hong Kong

31 January 2022

Dear Sirs,

The Directors

Karrie International Holdings Limited

9th Floor

Southeast Industrial Building

611–619 Castle Peak Road

Tsuen Wan

New Territories

Hong Kong

Re: 1. The 35 unsold residential units of the Property Development Project — Phase 3 of Castfast Villas* (嘉輝豪庭3期), a property development project located in Fenggang Town, Dongguan City, Guangdong Province, the PRC (as at 30 September 2021)

2. The 26 unsold residential units of the Property Development Project - Phase 3 of Castfast Villas* (嘉輝豪庭3期), a property development project located in Fenggang Town, Dongguan City, Guangdong Province, the PRC (the “Property”) (as at 31 December 2021)

Instructions, Purpose & Valuation Date

In accordance with the instructions for us to value the Property held by Dongguan City Jiaxuntong Computer Products Limited* (東莞市嘉訊通電腦產品有限公司) (the “**Target Company**”), a company which is indirectly wholly-owned by a Controlling Shareholder of Karrie

* For identification only

International Holdings Limited (the “**Company**”), in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market value in existing state of the Property as at 30 September 2021 and 31 December 2021 (the “**Valuation Date**”).

Valuation as at 30 September 2021 is taken for the Equity Valuation Report in Appendix VI in the Circular.

Valuation as at 31 December 2021 is also prepared to comply Rule 5.07, Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, that the effective date as at which the property was valued must not be more than three months before the date on which the relative circular is issued.

Definition of Market Value

Our valuation of the Property represent its Market Value which in accordance with HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors (“**HKIS**”) 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”.

Valuation Basis & Assumptions

Our valuation 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 Property situated in the PRC, with reference to the PRC Legal Opinion of the Company’s PRC legal adviser, Fangda Partners (方達律師事務所), the “PRC Legal Opinion”, we have prepared our valuation on the basis that transferable land use rights in respect of the Property for its specific term at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Target Company and the PRC Legal Opinion, regarding the title to the Property and the interest in the Property. In valuing the Property, we have prepared our valuation on the basis that the owner has enforceable title to the Property and have free and uninterrupted rights to use, occupy or assign the Property for the whole of the unexpired terms as granted.

No allowance has been made in our valuation for any charges, pledges or amounts owing on the Property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is valued on the basis that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Method of Valuation

In valuing the Property which is held for sale by the Target Company in the PRC, we have adopted Market Comparison Method assuming sale of the Property in its existing state by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to location, accessibility, size and other relevant factors.

This method is in line with the market practice.

In valuing the Property, we have complied with 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 and HKIS Valuation Standards 2020.

Source of Information

In the course of our valuation, we have relied to a considerable extent on the information given by the Target Company and have accepted advice on such matters as planning approvals or statutory notices, easements, tenure, identification of the Property, particulars of occupancy, pre-sold consideration, site and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the valuation reports are based on the information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us by the Target Company which is material to the valuation. We were also advised by the Target Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

Title Investigation

We have been provided by the Target Company with copies of documents in relation to the current title to the Property. However, we have not been able to conduct searches to verify the ownership of the Property; we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the Property in the PRC and we have therefore relied on the advice given by the PRC Legal adviser and the Target Company. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

Site Inspection

Our Shenzhen Office valuers, Vincent Yu (4 years of valuation experience) have inspected the exterior and, wherever possible, the interior of the Property in October 2021. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property are free of rot, infestation or any other structural defects. No tests were carried out to any of the services.

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

Currency

Unless otherwise stated, all monetary amounts indicated herein our valuation are in Renminbi (RMB) which is the official currency of the PRC.

Market Volatility

The recent outbreak of the Novel Coronavirus (COVID-19) has brought high volatility to global financial markets and uncertainty to the property market. It is expected that property values will be very sensitive to development of the pandemic and changes in the financial markets. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property will be longer than normal. There will be less certainty as to how long a valuation may sustain and property prices may fluctuate rapidly and materially over a short period of time. Our valuation of the Property is valid only at the Valuation Date and any subsequent changes in market conditions as well as the resulting impacts on property values after the Valuation Date cannot be taken into account. If any party intends to make reference to our

valuation when entering into any transaction, he must bear in mind the high market volatility during this period of time and that property values may or may not have changed since the Valuation Date.

Other Disclosure

We hereby confirm that Cushman & Wakefield Limited and the valuers conducting the valuation have no pecuniary or other interests that could conflict with the proper valuation of the Property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion. We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We attach herewith the valuation report.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited



Philip C Y Tsang
Registered Professional Surveyor (General Practice)
Registered China Real Estate Appraiser
MSc, MHKIS
Director

Note: Mr. Philip C Y Tsang is Registered Professional Surveyor who has over 28 years' experience in the valuation of properties in the PRC.

VALUATION REPORT

Property held for sale by the Target Company in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 30 September 2021
1. The 35 unsold residential units of the Property Development Project — Phase 3 of Castfast Villas* (嘉輝豪庭3期), a property development project located in Fenggang Town, Dongguan City, Guangdong Province, the PRC (as at 30 September 2021)	<p>The Property Development Project, Phase 3, Castfast Villas, is a residential property project which has developed on a parcel of commercial residential land with a total site area of 32,799.80 sq m. The Property Development Project has been completed and there are 35 unsold residential units.</p> <p>The Property comprises 35 unsold residential units of the Property Development Project completed in 2018.</p>	As at the Valuation Date, the residential units were vacant.	RMB126,170,000 (RENMINBI ONE HUNDRED TWENTY SIX MILLION ONE HUNDRED SEVENTY THOUSAND)
		Gross Floor Area sq m	
	Property held for sale		
	Pre-sold 23 Residential Units	2,879.36	
	Unsold 12 Residential Units	1,872.27	
	Grand Total:	<u>4,751.63</u>	

The Property Development Project is located at the Youganpu Da Long Industrial District, Fenggang Town, Dongguan City. Developments in vicinity comprise mainly residential developments such as Castfast Villas Phase 1-2 (嘉輝豪庭1-2期), Longcheng Yajun (龍城雅郡) and Taoran Jun (陶然郡).

According to the Target Company, the Property is for residential use; there is no environmental issues and litigation dispute; there is no plan to change the use of the Property.

The land use rights of the Property have been granted for land use term due to expire on 23 December 2084 for residential use.

Notes:

- (1) According to Certificate for the Use of State-owned Land dated 12 November 2015 issued by Dongguan Municipal People's Government, the land use rights of a parcel of land with a site area of 32,799.80 sq m have been vested in the Target Company for land use term due to expire on 23 December 2084 for residential use.
- (2) According to 35 Real Estate Title Certificates dated 25 July 2019 issued by Dongguan Housing and Urban Rural Development Bureau, the ownership of the Property with a total gross floor area of 4,751.63 sq m have been vested in the Target Company for residential use.
- (3) According to Business Licence No. 91441900725081215D dated 25 March 2021, the Target Company has been established as a limited company with a registered capital of RMB51,000,000.
- (4) According to the PRC Legal Opinion:
- (i) the Target Company has obtained 35 Real Estate Title Certificate and legally owns the ownership of the 35 residential units;
- (ii) there are no seizure, mortgage or other form of rights restriction on the ownership of the 35 residential units; and
- (iii) the Target Company has the right to possess, use, lease, transfer, mortgage, or otherwise dispose of the 35 residential units in accordance with the law.
- (5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Company and the opinion of the PRC legal adviser:

Certificate for the Use of State-owned Land	Yes
Real Estate Title Certificate (Residential units)	Yes
Business Licence	Yes

- (6) The respective Market Value in existing state of the Property is as below:

Property held for sale by the Target Company	Gross Floor Area <i>sq m</i>	Unit Value <i>RMB/sq m</i>	Market Value in existing state as at 30 September 2021 <i>RMB</i> <i>Rounded</i>
Pre-sold 23 Residential Units *	2,879.36	24,913	71,734,000
Unsold 12 Residential Units	1,872.27	29,075	54,436,000
Grand Total	4,751.63		126,170,000

- * As advised by the Target Company, at the Valuation Date, 23 residential units of the Property with a total gross floor area of 2,879.36 sq m have been committed for sale at a total consideration of approximately RMB71,734,000. We have included such portions and taken into account the consideration in our valuation.

(7) Property held for sale by the Target Company

In valuing the Property in which is held for sale in the PRC, we have adopted Market Comparison Method. We have made reference to some sales comparable in the Property and nearby development. The unit price of these comparable properties ranges from about RMB25,000 to RMB32,000 per sq m for residential units. The unit values of our valuation, ranges from about RMB25,000 to RMB29,000 per sq m, are consistent with the said sales comparable.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Property is better than the comparable property, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

VALUATION REPORT

Property held for sale by the Target Company in the PRC

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 December 2021
2. The 26 unsold residential units of the Property Development Project — Phase 3 of Castfast Villas* (嘉輝豪庭3期), a property development project located in Fenggang Town, Dongguan City, Guangdong Province, the PRC (as at 31 December 2021)	<p>The Property Development Project, Phase 3, Castfast Villas, is a residential property project which has developed on a parcel of commercial residential land with a total site area of 32,799.80 sq m. The Property Development Project has been completed and there are 26 unsold residential units.</p> <p>The Property comprises 26 unsold residential units of the Property Development Project completed in 2018.</p>	As at the Valuation Date, the residential units were vacant.	RMB98,896,000 (RENMINBI NINETY EIGHT MILLION EIGHT HUNDRED NINETY SIX THOUSAND)
	Gross Floor Area sq m		
	Property held for sale		
	Pre-sold 14 Residential Units	1,779.13	
	Unsold 12 Residential Units	1,905.41	
	Grand Total:	<u>3,684.54</u>	

The Property Development Project is located at the Youganpu Da Long Industrial District, Fenggang Town, Dongguan City. Developments in vicinity comprise mainly residential developments such as Castfast Villas Phase 1-2 (嘉輝豪庭1-2期), Longcheng Yajun (龍城雅郡) and Taoran Jun (陶然郡).

According to the Target Company, the Property is for residential use; there is no environmental issues and litigation dispute; there is no plan to change the use of the Property.

The land use rights of the Property have been granted for land use term due to expire on 23 December 2084 for residential use.

Notes:

- (1) According to Certificate for the Use of State-owned Land dated 12 November 2015 issued by Dongguan Municipal People's Government, the land use rights of a parcel of land with a site area of 32,799.80 sq m have been vested in the Target Company for land use term due to expire on 23 December 2084 for residential use.
- (2) According to 26 Real Estate Title Certificates dated 25 July 2019 issued by Dongguan Housing and Urban Rural Development Bureau, the ownership of the Property with a total gross floor area of 3,684.54 sq m have been vested in the Target Company for residential use.
- (3) According to Business Licence No. 91441900725081215D dated 25 March 2021, the Target Company has been established as a limited company with a registered capital of RMB51,000,000.
- (4) According to the PRC Legal Opinion:
 - (i) the Target Company has obtained 26 Real Estate Title Certificate and legally owns the ownership of the 26 residential units;
 - (ii) there are no seizure, mortgage or other form of rights restriction on the ownership of the 26 residential units; and
 - (iii) the Target Company has the right to possess, use, lease, transfer, mortgage, or otherwise dispose of the 26 residential units in accordance with the law.
- (5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Target Company and the opinion of the PRC legal adviser:

Certificate for the Use of State-owned Land	Yes
Real Estate Title Certificate (Residential units)	Yes
Business Licence	Yes

- (6) The respective Market Value in existing state of the Property is as below:

Property held for sale by the Target Company	Gross Floor Area <i>sq m</i>	Unit Value <i>RMB/sq m</i>	Market Value in existing state as at 31 December 2021 <i>RMB</i> <i>Rounded</i>
Pre-sold 14 Residential Units*	1,779.13	24,446	43,493,000
Unsold 12 Residential Units	1,905.41	29,077	55,403,000
Grand Total	<u>3,684.54</u>	Rounded	<u>98,896,000</u>

- * As advised by the Target Company, as at the Valuation Date, 14 residential units of the Property with a total gross floor area of 1,779.13 sq m have been committed for sale at a total consideration of approximately RMB43,493,000. We have included such portions and taken into account the consideration in our valuation.

- (7) In valuing the Property in which is held in the PRC, we have adopted Market Comparison Method. We have made reference to some sales comparable in the Property and nearby development. The unit price of these comparable properties ranges from about RMB25,000 to RMB32,000 per sq m for residential units. The unit values of our valuation, ranges from about RMB25,000 to RMB29,000 per sq m, are consistent with the said sales comparable.

The sales comparable selected by us are exhaustive.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Property and the comparable properties. The general basis of adjustment is if the Property is better than the comparable property, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.