

VALUATION REPORT

Valuation Services in relation to

the Market Rent of an Industrial Property

**Located in No. 70, Honghai Road, Shiwan Village, Shiwan Town, Boluo
County, Huizhou City, Guangdong Province, the PRC**

Prepared for:

Cirtek Holdings Limited

Valuation Date:

31 July 2024



Suite 403, 93-103 Wing Lok Street,
Sheung Wan, Hong Kong

WEB: www.mpval.com

23 September 2024

The Board of Directors
Cirtek Holdings Limited
1/F, Wing Ming Industrial Centre,
15 Cheung Yue Street,
Lai Chi Kok, Kowloon,
Hong Kong

Dear Sirs/Madams,

INSTRUCTIONS

In accordance with the instructions of Cirtek Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out the rental valuation of the property interests located in No. 70, Honghai Road, Shiwan Village, Shiwan Town, Boluo County, Huizhou City, Guangdong Province, the People’s Republic of China (the “**PRC**”) leased by Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司) (the “**Target Company**”). We confirm that we have carried out the 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 Rent of the property interests as of 31 July 2024 (the “**Valuation Date**”).

VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the HKIS Valuation Standards (2020 Edition) published by the Hong Kong Institute of Surveyors and the International Valuation Standards published from time to time by the International Valuation Standards Council.

BASIS OF VALUATION

Our valuation is carried out on a Market Rent basis, which is defined as *“the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and 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

Our valuation of the property excludes 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 letting, or any element of special value or costs of letting or offset for any associated taxes.

No allowance has been made in our report for any deferred term contract, leaseback, joint venture, management agreement or any similar agreement, charges, mortgages or amounts owing on any of the property interests valued nor for any expenses or taxation which may be incurred in effecting the lease. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions, and outgoings of an onerous nature, which could affect their market rent.

In the course of our valuation of the property in the PRC, we have assumed that transferable land use rights in respect of the property for a specific term at nominal annual land use fees have been granted and that any premium has already been fully settled. We have relied on the advice given by the Group regarding the title to the property. For the purpose of our valuation, we have assumed that the grantee has an enforceable title to the property.

In valuing the property in the PRC, we have assumed that the grantees or the users of the property have free and uninterrupted rights to use or to assign the property for the whole of the unexpired term as granted.

Unless noted in the report, vacant possession is assumed for the property concerned.

Moreover, we have assumed that the design and construction of the properties are/will be in compliance with the local planning regulations and requirements and had been/would have been duly examined and approved by the relevant authorities.

Continued uses assume the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation of the property in continued uses does not represent the amount that might be realised from piecemeal disposition of the property in the open market.

No environmental impact study has been ordered or made. Full compliance with applicable national, provincial, and local environmental regulations and laws is assumed. Moreover, it is assumed that all required licences, consents or other legislative or administrative authority from any local, provincial, or national government or private entity or organisation either have been or can be obtained or renewed for any use which the report covers.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined, and considered in the valuation report. In addition, it is assumed that the utilisation of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the report.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as of the valuation date. We have also assumed that there was not any material change in the properties between the dates of our inspection and the valuation date.

VALUATION METHODOLOGY

In the course of our valuation, unless otherwise stated, we have valued the properties in their designated uses with the understanding that the properties will be used as such (hereafter referred to as “**continued uses**”).

In valuing the property interests, we have valued by market approach which is generally by comparing recent market evidence of similar properties located in the neighbourhood area of the property. Adjustments are considered to reflect the differences in various aspects including market conditions, size, location, time, age, quality, and any other relevant factors when comparing such leases against the property. This approach is commonly used to value properties where reliable market evidence is available.

TITLE INVESTIGATION

We have been provided with copies of documents in relation to the title of the property interests in the PRC. Where possible, we have examined the original documents to verify the existing title to the property interest in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. All documents have been used for reference only and all dimensions, measurements and areas are approximate. We are unable to ascertain the title of the property in the PRC and we have therefore relied on the advice given by the Group regarding the interests of the Group in the property in the PRC.

In valuing the property, we have assumed that the owner of the property has an enforceable title to the property and has free and uninterrupted rights to use, occupy, assign, or lease the property for the whole or part of the unexpired term as granted. We have not verified the authentication of the real estate title certificates and we assume that the copies of relevant documents provided by the Company are true and accurate.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interiors of the Property. The site inspection was carried out on 29 May 2024 by Greivis Sze (Director of Masterpiece Valuation Advisory Limited) by live stream. However, we have not carried out an investigation on site to determine the suitability of ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory. We have further assumed that there is no significant pollution or contamination in the locality which may affect any future developments.

Moreover, no structural surveys have been undertaken, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the utility services.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or the legal or other professional advisers on such matters as statutory notices, planning approvals, zoning, easements, tenures, completion date of buildings, development proposal, identification of properties, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies, and all other relevant matters.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

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

LIMITING CONDITION

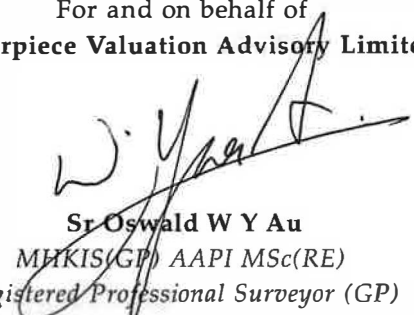
Wherever the content of this report is extracted and translated from the relevant documents supplied in Chinese context and there are discrepancies in wordings, those parts of the original documents will take prevalent.

CURRENCY

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

Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,
For and on behalf of
Masterpiece Valuation Advisory Limited



Sr. Oswald W Y Au
MHKIS(GP) AAPI MSc(RE)
Registered Professional Surveyor (GP)
Managing Director

Note: Mr. Oswald W Y Au is a member of the Hong Kong Institute of Surveyors (General Practice), an Associate Member of the Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with the Surveyors Registration Board. He has over 20 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and the Asia Pacific region respectively.

VALUATION CERTIFICATE

Property interests leased by the Group in the PRC

Property	Description and tenure	Particulars of occupancy	Market monthly rent in existing state as at 31 July 2024 RMB
Various buildings located at No. 70, Honghai Road, Shiwan Village, Shiwan Town, Boluo County, Huizhou City, Guangdong Province, the PRC. (the "Property")	<p>The buildings have a total area of approximately 23,828.00 sq.m.</p> <p>The property is located in Huizhou City, near the Shiwan Bridge, with approximately 740m to Boluo County People's Court Shiwan People's Tribunals (博羅縣人民法院 石灣人民法庭) and 1.2km to The Third People's Hospital of Boluo County (博羅縣第三人民醫院).</p> <p>The property is leased to Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司) (the "Target Company"), a wholly-owned subsidiary of the Company for a term commencing from 10 November 2014 and expiring on 10 November 2024.</p>	The property with a lettable area of approximately 23,828.00 sq.m., has been leased to Charming Printing (Boluo) Ltd. for industrial use.	253,000

Notes:

- i. Pursuant to the tenancy agreement dated 18 July 2013 entered between 石灣村姚屋村小組 and Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司), the Property with a total area of 23,828.00 sq.m. will be leased to Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司) for a term commencing from 10 November 2014 and expiring on 10 November 2024 at a total monthly rent of RMB 142,968 (total annual rent of RMB1,715,616) and a 20% increase every five years.
- ii. Pursuant to the pending tenancy agreement dated 23 July 2024 (as supplemented by the supplemental agreement dated 12 September 2024) entered between Boluo County Shiwan Town Shiwan Village Yaowu Joint Stock Economic Cooperative(博羅縣石灣鎮石灣村姚屋股份經濟合作社) and Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司), the Property with a total area of 23,828.00 sq.m. will be leased to Charming Printing (Boluo) Ltd. (博羅縣常美印刷有限公司) for a term commencing from 10 November 2024 to 9 November 2039 with a rent-free period for six months from 10 November 2024 to 9 May 2025 at a total annual rent of RMB 2,859,360 and a 10% increase every five years.

iii. In our valuation, we have made reference to some transaction/asking rental references of similar properties nearby the development. We have adopted the range of unit rents between RMB 9 to RMB 15 per sq.m. per month. The unit rents assumed by us are consistent with the said rental reference. Due adjustments to the unit rents of those rental references have been considered to reflect factors including but not limited to time, location and size in arriving at the key assumptions. The selection criteria of the transaction and/or asking price references of the comparable references are stated as below:

- a. The usage of the comparable references, which are industrial use;
- b. The location of the comparable references, which are within 15km driving distance from the subject property; and
- c. The size of the comparable references, which are above 10,000 sq.m..

Based on the aforesaid criteria, we have, to our best endeavour and knowledge, identified an exhaustive list of 6 comparable references.

The details of the comparable references are stated below:

Address	Gross Floor Area (sq.m.)	Unit rent/ sq.m./month	Usage	Distance to the subject property
Yuantou Village, Shiwan Town, Boluo County	12,000	13.00	Industrial	Approximately 12km
Shiwan Town, Boluo County	27,300	15.00	Industrial	Approximately 10km
Shiwan Town Technology Industrial Park	13,800	11.00	Industrial	Approximately 10km
Shiwan Town Technology Industrial Park	25,000	9.00	Industrial	Approximately 10km
Shiwan Town Technology Industrial Park	14,500	10.00	Industrial	Approximately 10km
Tiechang Center Market, Shiwan Town, Boluo County	24,300	9.00	Industrial	Approximately 10km

We have adopted the comparable references by considering transaction and/or asking time, size, usage and locality and 0 to -5% adjustment has been adopted.