

20 August 2025

The Board of Directors
Integrated Waste Solutions Group Holdings Limited
Integrated Waste Solutions Building
8 Chung Cheong Street
Tseung Kwan O Industrial Estate
Tseung Kwan O
New Territories
Hong Kong

Dear Sirs,

In accordance with the instructions of Integrated Waste Solutions Group Holdings Limited (hereinafter referred to as the “Company”) to value the property interests (hereinafter referred to as the “Property”) held by IWS Promotion Limited. (“IWS Promotion”) (hereinafter together referred to as the “IWS Group” or the “Group”) in Hong Kong, we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purposes of providing you with our opinion of the value of the Property as at 31 May 2025 (the “date of valuation”).

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”.

Where, due to the nature of the buildings and structures of the Property, there are no market sales comparables readily available, the Property has been valued on the basis of its depreciated replacement cost (“DRC”).

Depreciated replacement cost is defined as “the current cost of replacement (reproduction) of a property less deductions for physical deterioration and all relevant forms of obsolescence and optimization.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deduction for physical deterioration and all relevant forms of obsolescence and optimization. The depreciated replacement cost of the Property is subject to adequate potential profitability of the concerned business. In our valuation, no consideration has been taken into account of alternative uses(s) or development option(s); nor have we considered any redevelopment potential of the property.

Our valuations have been made on the assumption that the seller sells the property interests 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 values of the property interests.

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

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited; "RICS Valuation – Global Standards" published by the Royal Institution of Chartered Surveyors; and "HKIS Valuation Standards 2024" published by the Hong Kong Institute of Surveyors.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been provided with a land search / instructed to obtain a current land search from the Land Registry only for verification of address and purchase cost data purposes. We have not scrutinized the original documents to verify ownership or to verify any land lease amendments which may not appear on the copies handed to us. All documents and land leases have been used as reference only.

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

We have inspected the exterior and, where possible, the interior of the Property. 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 is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

Inspection of the Property were carried out on 29 May 2025 by Mr. Desmond Wong and Mr. Wong is a Chartered Surveyor/ Registered Professional Surveyor and has more than 20 years of experience in the valuation of properties in Hong Kong.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group 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.

Other special assumptions in relation to the Property, if any, have been stated in the footnotes to the valuation certificate for the Property.

Unless otherwise stated, all monetary sums stated in this report are in Hong Kong Dollar (HK\$).

Our valuation is summarized below and the valuation certificate is attached.

Yours sincerely,

For and on behalf of
Citiland Surveyors Limited



Desmond W H Wong
BSc (Hons)
MRICS MHKIS (GP, PFM) HKIH RPS (GF)
Director

Note: Desmond W.H. Wong is a member of the Royal Institution of Chartered Surveyors (MRICS), a member of the Hong Kong Institute of Surveyors (MHKIS), a member of the Hong Kong Institute of Housing, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance of Hong Kong. Also, he is a holder of a BSc (Hons) Degree in Estate Management of University of Reading in England. He has over 20 years' experience in valuation of buildings and land in the PRC, Hong Kong, Macau and overseas.

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market Value in existing state as at 31 May 2025 HK\$																												
No.8. Chun Cheong Street, Tseung Kwan O Industrial Estate, Tseung Kwan O, New Territories.	<p>The Property comprises a parcel of land with a site area of approximately 132,150 sq.ft. and a 5-storey industrial building with the provision of a covered container parking space, 10 covered lorry parking spaces, 9 covered private car parking spaces, 3 covered motorcycle parking spaces, 8 open lorry parking spaces and 20 private car parking spaces on ground floor completed in 2014.</p> <p>The property has a gross floor area of approximately 330,371 sq.ft. according to the approved building plan. Floor areas, heights and loading of each floor area are set out as follows:</p> <table> <tr> <th></th><th>Gross Floor Area (sq.ft.)</th><th>Floor Height (ft.)</th><th>Loading (Kpa)</th></tr> <tr> <td>G/F</td><td>66,133</td><td>29.5</td><td>15</td></tr> <tr> <td>1/F</td><td>63,973</td><td>24.6</td><td>15</td></tr> <tr> <td>2/F</td><td>63,989</td><td>24.6</td><td>7.5</td></tr> <tr> <td>3/F</td><td>64,023</td><td>24.6</td><td>7.5</td></tr> <tr> <td>4/F</td><td>64,023</td><td>14.8</td><td>5.5</td></tr> <tr> <td>R/F</td><td>8,230</td><td></td><td></td></tr> </table>		Gross Floor Area (sq.ft.)	Floor Height (ft.)	Loading (Kpa)	G/F	66,133	29.5	15	1/F	63,973	24.6	15	2/F	63,989	24.6	7.5	3/F	64,023	24.6	7.5	4/F	64,023	14.8	5.5	R/F	8,230			<p>The Property is currently partially occupied by the Company for waste recovery operations and ancillary office use. According to the instructing party, a portion of the second floor and the entire third floor of the building have remained vacant since January 2024.</p>	<p>218,000,000</p> <p>(HONG KONG DOLLARS TWO HUNDRED AND EIGHTEEN MILLION ONLY)</p>
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In sublease of Subsection 3 of Tseung Kwan O Town Lot No. 39 and the extensions thereto.	<p>The locality of the Property is served by public transport services and predominantly characterized by industrial developments constructed by end users, exhibiting a range of building ages..</p> <p>The Property is held under New Grant No. SK8421 for a term commencing on 14 October 1994 and expiring on 30 June 2047 with the Government Rent payable of 3% of the rateable value from time to time.</p>																														

Notes:

1. The registered owner of the Property is Hong Kong Science and Technology Parks Corporation vide Memorial No. SK465321 dated 15 May 2001.
2. The Property is zoned for "Other Specified Uses (Industrial Estate)" use under Draft Tseung Kwan O Outline Zoning Plan No.S/TKO/31.
3. The Property is subject to a Lease entered between IWS Promotion Limited (formerly known as Fook Woo Promotion Limited), as Lessee, and Hong Kong Science and Technology Parks Corporation (the "Corporation"), as Lessor, dated 21 March 2017 vide Memorial No. 17040302300170 for a term expiring on 27 June 2047.
4. In accordance with the Lease mentioned above, the Property is restricted for specified uses. The leasehold interest of the Company is however assignable subject to the first notice to offer to surrender the Lease to the Corporation at "surrender value". According to Clause B (11)(b)(i)(A) and Clause B (11)(b)(i)(B) of the above Lease, surrender value refers to the (1) aggregate of 80% of the discounted land premium for the unexpired term of the lease and the depreciated cost of buildings at the rate of depreciation of 5% per annum from the date of occupation permit for the first building at the date of the Corporation's acceptance reduced by ten percent; and (2) the market value of the land, buildings, fixtures and fittings at the date of the Corporation's acceptance of surrender reduced by ten percent, whichever is less. The Corporation may either accept or reject the offer within six weeks of receiving such offer to surrender. In the event that the Corporation rejects the surrender offer, the Company may dispose of the Property by way of assignment and the purchaser shall be subject to the terms of the Lease.
5. In our valuation of the market value of the Property, we have assumed that the Property can be transferred in the market by assignment of the Lease.
6. According to the Company's advice, portion of the 2nd Floor and whole of 3rd Floor of the building, originally intended for waste plastic recycling operations, have been vacant since January 2024. Due to the ongoing challenges in global trade, this vacant status is expected to persist.
7. This under-utilization leads to a direct impact on the Property's depreciated replacement cost, intensifying deductions for economic obsolescence and prompting necessary adjustments for optimization.
8. An inspection of the Property was conducted on 29 May 2025, revealing that the entire 3rd Floor workshop and approximately two-thirds of the 2nd Floor workshop (previously occupied by waste plastic recycling operations) were vacant. This vacant space accounts for approximately 107,000 sq.ft. of the Property, leading to a corresponding reduction in the demand for ancillary office and workspace on the Ground Floor. In our assessment, the replacement workshop is expected to operate at approximately 54% of its original capacity, aligning with decreased operational requirements and the removal of redundant features. To reflect this adjustment, a depreciation rate of 6.67% has been applied, acknowledging the reduced useful life due to underperformance.
9. According to the Company's advice, the under-utilization may deviate from the requirements under the Lease. As negotiations between the Corporation and the Company were still ongoing as at the Valuation Date, the potential impact of such non-compliance has not been taken into account in our valuation.
10. For the purpose of our valuation, the land acquisition cost is adopted at HK\$218 per sq.ft. To derive the market value for the existing use of the land, an adjustment factor of 183% is applied to reflect the change in land prices between the 4th quarter of 2010 and the Valuation Date, which is derived from the movement in the industrial property index from 316.4 in the 4th quarter in 2010 to 642 in the 2nd quarter of 2025, as well as a 10% discount to account for the difference in land and property price trend. As a result, HK\$399 per sq.ft. has been applied to derive the land value. Based on the total land area of 132,150 sq.ft., the land value amounted to approximately HK\$53,000,000. The building replacement cost is based on the actual construction expenditure of HK\$697,971,378, which excludes professional fees, financing costs, and contractor profit. This reflects an average unit construction cost of approximately HK\$2,113 sq.ft. This actual

construction expenditure is being adjusted upward by 50%, taking into account (i) a 29% increase based on the RLB cost index; and (ii) a 21% increase to reflect inclusion of professional fees, financing costs and contractor profit. In addition, a depreciation rate of 6.67% per annum is applied to account for physical deterioration, which is based on an assumed economic life of 15 years and a straight line basis to account for physical deterioration, as well as a 46% discount on the floor area is adopted to reflect the underutilization of the Property. As a result, the building value amounted to approximately HK\$165,000,000. The Market Value of the Property of HK\$218,000,000 represents the sum of the land value and the building value.