

24 January 2025

The Board of Directors
Solartech International Holdings Limited
Unit 16, 12th Floor, Concordia Plaza
1 Science Museum Road
Tsim Sha Tsui
Kowloon
Hong Kong

Dear Sirs,

Re: Property interest of an industrial complex erected upon Land Lot No. 1924130100056 located at Songbaitang Village, Changping Town, Dongguan City, Guangdong Province, the People's Republic of China

In accordance with the instruction from Solartech International Holdings Limited (the "**Company**", together with its subsidiaries, the "**Group**") for us to value the captioned property located in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of value of the property as at 31 December 2024 (the "**Valuation Date**") for public documentation purpose.

This letter, forming part of our valuation report, identifies the property being valued, explains the basis and methodology of our valuation and lists out the assumptions and title investigations, which we have made in the course of our valuation, as well as the limiting conditions.

Our valuation is our opinion of market value which is defined to mean “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”.

In valuing the ancillary structures (the “**Ancillary Structures**” to be defined in page App V-5) of the phase I-A of the property, we have attributed no commercial value to the property as proper title certificates for the property have not been obtained as at the Valuation Date.

In valuing the phase 1-B of the property, we have adopted the Investment Method by taking into account the current rent passing and the reversionary income potential of the phase 1-B of the property, or, wherever appropriate, the Direct Comparison Method assuming the property is capable of being sold in its existing state and by making reference to comparable sales evidence as available in the relevant market.

In valuing the remaining portion of the property, we have adopted the Direct Comparison Method assuming sale of the remaining portion of the property in its existing state by making reference to comparable sales transactions as available in the relevant market subject to suitable adjustments between the remaining portion of the property and the comparable properties. Given that comparable sales transactions and information about such sales are generally available, we have therefore adopted Direct Comparison Method which is in line with the market practice.

Our valuation has been made on the assumption that the owner sells the property on the open market in its existing state without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which could serve to affect the value of the property. No forced sale situation in any manner is assumed in our valuation. In addition, we have been advised by the Group that the property is not subject to any option or right of pre-emption which would concern or affect the sale of the property unless otherwise specified in this report.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property 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.

We have been provided by the Group with extract copies of documents in relation to the title to the property located in the PRC. We have not examined the original documents to verify the ownership and to ascertain the existence of any amendments which do not appear on the copies handed to us. In the course of our valuation, we have relied on the advice given by the Group and the legal opinion prepared by Beijing Antong (DongGuan) Law Firm, the Group’s legal adviser on the PRC law (the “**PRC Legal Adviser**”), regarding the title to the property.

The property was inspected on 12 November 2024 by Mr. Steven T.M. Wong*, a senior manager of our firm with 9 years of experience in the inspection of properties in Hong Kong and the PRC. We have inspected the exterior and, where possible, the interior of the property. In the course of our inspections, we did not note any serious defects. However, no structural survey has been made and we are therefore unable to report whether the property is free from rot, infestation or any other defects. No tests were carried out on any of the services.

We have not carried out on-site measurements to verify the correctness of the site and floor areas of the property but have assumed that the site and floor areas shown on the documents and floor plans available to us are correct. Dimensions, measurements and areas included in the attached property valuation report are based on information contained in the documents provided to us and are, therefore, only approximations.

We have relied to a considerable extent on the information provided by the Group and the PRC Legal Adviser regarding the title to the property, we have accepted advice on such matters as planning approvals, statutory notices, easements, tenures, particulars of occupancy, tenancy agreements, site and floor areas and all other relevant materials regarding the property.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material facts have been omitted from the information provided. 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. The management of the Company has reviewed and confirmed the factual content and has agreed to the assumptions and limiting conditions of this report.

In valuing the property, we have complied with all 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 the HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors (the “HKIS”), the RICS Valuation – Global Standards (Effective from 31 January 2022) published by the Royal Institution of Chartered Surveyors (the “RICS”) and the International Valuation Standards (Effective 31 January 2022) published by the International Valuation Standards Council, where applicable, and under generally accepted valuation procedures and practices.

Peak Vision Appraisals Limited has previously been involved in the valuation of the property and Mr. Nick C. L. Kung has been the signatory to the valuation of the property since 2021. For the subject valuation, Peak Vision Appraisals Limited does not yet adopt a rotation policy, and instead, our valuation will be periodically reviewed by another member of the HKIS and/or the RICS, where applicable.

* *Mr. Steven T.M. Wong is a member of CFA Institute and a member of the Royal Institution of Chartered Surveyors and has about 9 years of experience in the inspection of properties in Hong Kong and the PRC.*

In accordance with the RICS Valuation – Global Standards (Effective from 31 January 2022), we are also required to draw your attention to the possibility that this valuation may be investigated by the RICS for compliance with such standards.

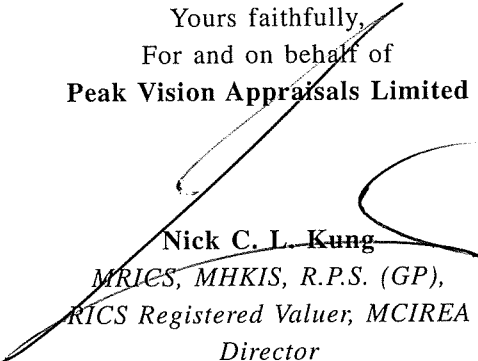
The proportion of total fees payable by the Company during the preceding year relative to the total fee income of Peak Vision Appraisals Limited is minimal.

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

We hereby confirm that we have no material connection or involvement with the Group, the property or the value reported herein and that we are in a position to provide an objective and unbiased valuation.

Our property valuation report is enclosed herewith.

Yours faithfully,
For and on behalf of
Peak Vision Appraisals Limited



Nick C. L. Kung
MRICS, MHKIS, R.P.S. (GP),
RICS Registered Valuer, MCIREA
Director

Note: Mr. Nick C. L. Kung is a RICS Registered Valuer and a Registered Professional Surveyor (General Practice) who has over 20 years of experience in the valuation of properties in Hong Kong and the PRC.

Property Valuation Report

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
An industrial complex erected upon Land Lot No. 1924130100056 located at Songbaitang Village, Changping Town, Dongguan City, Guangdong Province, the PRC	<p>The property comprises an industrial complex (known as Huayi Shangshang Industrial Park) erected upon Land Lot No. 1924130100056 with a registered site area of approximately 102,050.00 sq. m. It is located at the end of Beichong Nan 1st Street at the section between Beichong East Road and Changheng Road within Changping Town, Dongguan City.</p> <p>As advised by the Group, phase I-A of the property comprises 1 block of 1-storey ancillary workshop and 2 blocks of 1 to 2-storey ancillary warehouses (the “Ancillary Structures”), having a total gross floor area of approximately 3,446.34 sq. m., completed in about 2005, erected on a site with a site area of approximately 3,286.34 sq. m.</p> <p>Phase I-B of the property comprises 5 blocks of 6-storey factory buildings and 1 block of 1-storey with 1-level basement equipment room with a total gross floor area of approximately 71,306.06 sq. m. (including basement area of 288 sq. m.), all completed in about 2022 (See Notes (iii) and (iv) below), erected on a site with a site area of approximately 40,000.00 sq. m.</p> <p>The remaining portion (the “Remaining Site”) of the property is a vacant site with a site area of approximately 58,763.66 sq. m.</p> <p>The land use rights of the property have been granted for a term expiring on 17 March 2055 for industrial use.</p>	<p>As advised by the Group, as at the Valuation Date, portion of the ancillary workshop of the Ancillary Structures of the property with a gross floor area of approximately 1,300 sq. m. was subject to a supplementary tenancy agreement from 17 December 2019 to 31 December 2024 at a monthly rental of RMB24,570 (See Note (v) below). The remaining portion of the Ancillary Structures of the property was vacant.</p> <p>Phase I-B of the property was subject to a tenancy for a term of 12 years from 1 August 2024 to 31 July 2036 (with rent free period from 1 August 2024 to 28 February 2025). (See Note (vi) below).</p> <p>The Remaining Site of the property was a vacant site pending development.</p>	<p>RMB272,300,000 (RENMINBI TWO HUNDRED AND SEVENTY TWO MILLION THREE HUNDRED THOUSAND ONLY) (See Note (ix) below)</p>

Notes:

- (i) Pursuant to the State-owned Land Use Rights Certificate No. Dong Fu Gou Yong (2014) Di Te 24 issued by the People’s Government of Dongguan City dated 28 January 2014, the land use rights of a parcel of land designated as Lot No. 1924130100056 with a registered site area of approximately 102,050.00 sq. m. have been granted to Dongguan Hua Yi Brass Products Co., Ltd. (“**Dongguan Hua Yi**”) for a term expiring on 17 March 2055 for industrial use.

- (ii) Pursuant to the Construction Land Use Planning Permit No. Di Zi Di 2005-23-00032 issued by Dongguan City Urban and Rural Planning Bureau dated 28 April 2019, approvals have been granted to Dongguan Hua Yi to develop the property with a site area of 102,050.00 sq. m. and a total gross floor area of 183,690.00 sq. m. (Plot Ratio: 1.8) has been approved.
- (iii) Pursuant to 6 Construction Works Planning Permits issued by Dongguan City Natural Resources Bureau all dated 2 December 2019, approvals have been granted to Dongguan Hua Yi for the construction works of phase I-B of the property, having a total approved gross floor area of approximately 71,306.06 sq. m. (including basement area) are in compliance with the planning requirements. Details of the certificates are listed as follows:

Permit No.	Building	No. of Storey	Approximate Gross Floor Area (sq. m.)
Jian Zi Di 2019-23-0052	No. 1 factory building	6	11,138.08
Jian Zi Di 2019-23-0053	No. 2 factory building	6	14,897.77
Jian Zi Di 2019-23-0054	No. 3 factory building	6	14,898.07
Jian Zi Di 2019-23-0055	No. 4 factory building	6	14,898.07
Jian Zi Di 2019-23-0056	No. 5 factory building	6	14,898.07
Jian Zi Di 2019-23-0057	No. 6 equipment room (including basement area of 288 sq. m.)	1 with 1 basement	576.00
Total:			<u><u>71,306.06</u></u>

- (iv) Pursuant to 6 Construction Works Commencement Permits issued by Dongguan City Housing and Urban-rural Construction Bureau all dated 6 January 2020, approvals have been granted to Dongguan Hua Yi for the construction works of phase I-B of the property, having a total gross floor area of approximately 71,306.06 sq. m. (including basement area) are in compliance with the requirements for the works commencement. Details of the certificates are listed as follows:

Permit No.	Building	No. of Storey	Approximate Gross Floor Area (sq. m.)
441900202001060101 (Changping Zhen)	No. 1 factory building	6	11,138.08
441900202001060201 (Changping Zhen)	No. 2 factory building	6	14,897.77
441900202001060301 (Changping Zhen)	No. 3 factory building	6	14,898.07
441900202001060401 (Changping Zhen)	No. 4 factory building	6	14,898.07
441900202001060501 (Changping Zhen)	No. 5 factory building	6	14,898.07
441900202001060601 (Changping Zhen)	No. 6 equipment room	1 with 1 basement	576.00
Total:			<u><u>71,306.06</u></u>

- (v) Pursuant to the supplementary tenancy agreement entered into between Dongguan Hua Yi and Dongguan Yuanchuang Power Industrial Investment Co., Ltd (東莞市原創動力實業投資有限公司) dated 17 December 2019, portion of the ancillary workshop of the Ancillary Structures of the property with a gross floor area of approximately 1,300.00 sq. m. is subject to a tenancy for a term from 17 December 2019 to 31 December 2024 at a monthly rental unit rent of RMB18.9 per sq. m. (the unit rent is inclusive of tax).
- (vi) Pursuant to the tenancy agreement entered into between Dongguan Hua Yi and Dongguan Xiangao Property Management Co., Ltd. (東莞市顯高物業管理有限公司) (“**Dongguan Xiangao**”) dated 25 July 2024, phase I-B of the property with a total gross floor area of approximately 71,306.06 sq. m. and ancillary dormitories and canteen on the level 2 with a total gross floor area of approximately 1,300.00 sq. m. are subject to a tenancy for a term of 12 years from 1 August 2024 to 31 July 2036 (with rent free period from 1 August 2024 to 28 February 2025) at a monthly rental unit rate RMB15.37 per sq. m. from 1 August 2024 to 31 July 2028 with an increase of 10% once every four years (the above unit rent are inclusive of tax). However, the ancillary dormitories and canteen on the level 2 are outside of the property.
- (vii) We have been provided with the legal opinion on the property by the PRC Legal Adviser, which contains, *inter alia*, the following information which has been translated from Chinese. If there are any inconsistencies, the Chinese version shall prevail:
- (a) The land premium for the land use rights of the property have been fully settled;
- (b) The land use rights of the property are subject to a mortgage in favor of Bank of Guangzhou Co., Ltd., Dongguan Branch (廣州銀行股份有限公司東莞分行) (the “**Bank**”). The mortgage is in effect from 11 October 2021 to 10 October 2033, with an initial loan amount of RMB130,000,000. Dongguan Hua Yi is required to obtain written consent from the Bank before transferring or otherwise legally disposing of the land use rights during the mortgage period;
- (c) Dongguan Hua Yi has obtained the State-owned Land Use Rights Certificate for the property. Within the usage period specified in the State-owned Land Use Rights Certificate, and except as disclosed in legal opinion, Dongguan Hua Yi is legally entitled to occupy, use, transfer, lease, mortgage, or otherwise legally dispose of the land use rights, and its legal rights and interests are protected by law;
- (d) Dongguan Hua Yi has not yet obtained the Construction Works Planning Permit for the Ancillary Structures erected on the property. According to the relevant laws, if corrective measures on such construction can be taken to eliminate the impact on planning implementation, the relevant administrative department shall issue an order for corrective measures to be taken within a deadline, with a penalty of between 5% and 10% of the construction cost; if corrective measures cannot be taken, an order for dismantling shall be carried out within a deadline, and if dismantling is impossible, confiscation or incomes shall be deemed illegal, and may have a penalty of not more than 10% of the construction cost. The Ancillary Structures of the property were constructed without obtaining the Construction Land Use Planning Permit, the Construction Works Planning Permit and the Construction Works Commencement Permit in accordance with the law, constituting an illegal building;
- (e) The Ancillary Structures of the property are at risk of legal consequences due to the absence of the Construction Works Planning Permit. This could lead to fines, orders for demolition within a specified timeframe, or the confiscation of physical assets or any illegal gains by the relevant authorities;
- (f) Dongguan Hua Yi has legally obtained the Construction Land Use Planning Permit, Construction Works Planning Permit, and Construction Works Commencement Permit for the phase 1-B of the property, and the phase 1-B of the property has passed fire safety acceptance. Phase 1-B of the property is recognized as a legally constructed structure. Upon obtaining the Real Estate Title Certificate, the property rights holder gains the building ownership of phase 1-B of the property and enjoys the legal rights to occupy, use, generate income, and dispose of the phase 1-B the property;
- (g) For the Ancillary Structures of the property that have not obtained the Construction Works Planning Permit, there is a legal risk that the tenancy agreement related to the Ancillary Structures of the property could be deemed legally invalid; and

- (h) Dongguan Hua Yi holds the legal usage rights for the buildings under the tenancy agreement for phase I-B of the property and is entitled to lease them to Dongguan Xiangao. Both Dongguan Hua Yi and Dongguan Xiangao possess civil rights capacity and the ability to engage in civil conduct, rendering the lease contract signed by both parties legally valid and effective.
- (viii) As at the Valuation Date, as advised and confirmed by the Company, the outstanding mortgage amount was RMB109,692,000.
- (ix) In the course of our valuation, we have attributed no commercial value to the Ancillary Structures of the property with a total gross floor area of approximately 3,446.34 sq. m. as proper title certificates have not been obtained by the Group.
- (x) In valuing phase I-B of the property, we have adopted the Investment Method, which provides an indication of value by comparing the asset with identical or similar assets for which rental information is available. Adjustments were made to reflect the differences in various aspects between the subject property and the comparables to arrive at the adopted unit rate of phase I-B of the property.
- (xi) In our valuation, we have adopted an average unit market rent of approximately RMB15.88 per sq. m. for the phase I-B of the property. The market yield of phase I-B of the property is about 6.0%.

In our valuation, we have made reference to rental comparables in the vicinity, i.e. rental comparables in Changping Town, Dongguan City or within a 25-minute drive from the property. These rental comparables are properties with the same use and transacted within 3 months* from the Valuation Date, which are deemed sufficient, appropriate and reasonable to derive a reliable opinion of value of the property as at the Valuation Date. The unit rent comparables are about RMB12.00 to RMB16.80 per sq. m./month for industrial properties. The unit rent adopted by us is consistent with the said comparable references after due adjustments. Due adjustments to those rental comparables have been made to reflect factors including but not limited to floor, layout, time, size and location in arriving at our opinion of value.

* *Generally, comparables that are closer to the Valuation Date offer a more accurate reflection of market conditions as at the Valuation Date, and the time frame of comparables depends on the availability of relevant comparables. Typically, we incorporate more than 3 comparables in our valuations whenever possible. In the course of our valuation, given that transactions occurred within 3 months from the Valuation Date are sufficient to derive an objective and reliable opinion of value, we deemed the 3-month time frame to be reasonable.*

In our valuation, the rental comparables adopted for the phase I-B of the property are exhaustive based on the selection criteria. We consider these comparables are located in the vicinity and are of the same uses, and thus are representative and comparable to the property. The details are as follows:

Comparable	1	2	3
Property Address	Songbaitang Village, Changping Town	Tianwei Village, Changping Town	Hengjiang Industrial Zone, Hengjiangxia Village, Changping Town
Level	Mid	1	1
Use	Industrial	Industrial	Industrial
Approximate			
Gross Floor Area (sq. m.)	5,400	3,600	5,120
Monthly Rental (RMB)	64,800	54,000	76,800
Unit Rent (RMB/sq. m./month)	12.00	15.00	15.00
Date	30 December 2024	26 December 2024	10 December 2024
Adjustments			
Time	Similar with the property	Similar with the property	Similar with the property
Location	Inferior to the property	Inferior to the property	Inferior to the property

Comparable	1	2	3
Floor	Inferior to the property	Superior to the property	Superior to the property
Size	Superior to the property	Superior to the property	Superior to the property
Layout and condition	Inferior to the property	Inferior to the property	Inferior to the property
Comparable	4	5	6
Property Address	Baishigang Third Industrial Zone, Hengjiangxia Village, Changping Town	Shahukou Village, Changping Town	Qiaoli Industrial Zone, Changhuang Road, Changping Town
Level	1	2 to 5	1
Use	Industrial	Industrial	Industrial
Approximate			
Gross floor area (sq. m.)	4,250	6,400	5,000
Monthly Rental (RMB)	68,000	83,200	84,000
Unit Rent (RMB/sq. m./month)	16.00	13.00	16.80
Date	10 December 2024	9 November 2024	26 October 2024
Adjustments			
Time	Superior to the property	Superior to the property	Superior to the property
Location	Inferior to the property	Inferior to the property	Inferior to the property
Floor	Superior to the property	Inferior to the property	Similar with the property
Size	Superior to the property	Superior to the property	Superior to the property
Layout and condition	Inferior to the property	Inferior to the property	Superior to the property

- (xii) In valuing the land portion of the phase I-A and the Remaining Site of the property, we have adopted the Direct Comparison Method, which provides an indication of value by comparing the asset with identical or similar assets for which price information is available. Adjustments were made to reflect differences in various aspects between the subject property and the comparables to arrive at the adopted unit rate of the property.
- (xiii) In our valuation, we have adopted an accommodation value (AV) of approximately RMB431.50 per sq. m. for the land portion of the phase I-A and the Remaining Site of the property.

In our valuation, we have made reference to land sales comparables in the vicinity, i.e. land sales comparables in neighboring towns of Changping Town, Dongguan City or within a 30-minute drive from the property. These land sales comparables* are properties with the same use and transacted within 4 months** from the Valuation Date, we have utilized comparables transacted within 4 months from the Valuation Date, which are deemed sufficient, appropriate, and reasonable to derive a reliable opinion of value of the property as at the Valuation Date. The prices of those land sales transaction references accommodation value (AV) of about RMB300 to RMB510 per sq. m. for industrial land properties. The accommodation value (AV) adopted by us is consistent with the said sales comparable references after due adjustments. Due adjustments to those sales comparables have been made to reflect factors including but not limited to time, size and location in arriving at our opinion of value.

* *In general, we require more than three good comparables reflecting the characteristics of the subject property to ensure reliability. In this case, we have identified eight comparables based on our search criteria. Furthermore, we believe that the search criteria accurately reflect the characteristics of the subject land, making the derived eight comparables sufficient and representative.*

** *Generally, comparables that are closer to the Valuation Date offer a more accurate reflection of market conditions as at the Valuation Date, and the time frame of comparables depends on the availability of relevant comparables. Typically, we incorporate more than 3 comparables in our valuations whenever possible. In the course of our valuation, given that transactions occurred within 4 months from the Valuation Date are sufficient to derive an objective and reliable opinion of value, we deemed 4-month time frame to be reasonable.*

In our valuation, the sales comparables adopted for each of the industrial lands of the property are exhaustive based on the selection criteria. We consider these comparables are located in the vicinity and are of the same uses, thus are representative and comparable to the property. The details are as follows:

Comparable	1	2	3
Property Address	Luwu Village, Changping Town, Dongguan City	Menziyuan Village, Xiegang Town, Dongguan City	Lingtou Community, Qiaotou Town, Dongguan City
Land use	Industrial	Industrial	Industrial
Approximate			
Site area (sq. m.)	13,366.66	8,873.50	11,361.59
Plot ratio (Maximum)	3.5	3.5	3.5
Transaction price (RMB)	23,860,000	9,320,000	17,050,000
Land use term	50	50	50
Accommodation value (AV) (RMB/sq. m.)	510	300	429
Date	23 December 2024	18 September 2024	6 September 2024
Adjustments			
Time	Similar with the property	Similar with the property	Similar with the property
Location	Inferior to the property	Inferior to the property	Inferior to the property
Size	Superior to the property	Superior to the property	Superior to the property
Land use term	Superior to the property	Superior to the property	Superior to the property
Comparable	4	5	6
Property Address	Tianxin Community, Qiaotou Town, Dongguan City	Tianxin Community, Qiaotou Town, Dongguan City	Lingtou Community, Qiaotou Town, Dongguan City
Land use	Industrial	Industrial	Industrial
Approximate			
Site area (sq. m.)	11,161.15	9,791.20	12,000.01
Plot ratio (Maximum)	3.5	4.0	3.5
Transaction price (RMB)	16,750,000	14,690,000	18,010,000
Land use term	50	50	50
Accommodation value (AV) (RMB/sq. m.)	429	375	429
Date	6 September 2024	6 September 2024	6 September 2024
Adjustments			
Time	Similar with the property	Similar with the property	Similar with the property
Location and Condition	Inferior to the property	Inferior to the property	Inferior to the property
Size	Superior to the property	Superior to the property	Superior to the property
Land use term	Superior to the property	Superior to the property	Superior to the property

Comparable	7	8
Property address	Tianxin Community, Qiaotou Town, Dongguan City	Tianxin Community, Qiaotou Town, Dongguan City
Land use	Industrial	Industrial
Approximate		
Site area (<i>sq. m.</i>)	45,775.73	20,000.00
Plot ratio (Maximum)	3.5	3.5
Transaction price (<i>RMB</i>)	68,670,000	30,000,000
Land use term	50	50
Accommodation value (AV) (<i>RMB/sq. m.</i>)	429	429
Date	6 September 2024	6 September 2024
Adjustments		
Time	Similar with the property	Similar with the property
Location and Condition	Inferior to the property	Inferior to the property
Size	Superior to the property	Superior to the property
Land use term	Superior to the property	Superior to the property