



Peak Vision  
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30 May 2025

The Board of Directors  
Rongta Technology (Xiamen) Group Co., Ltd.  
Rongda Science and Technology Park  
No. 88 Tonghui South Road  
Tong'an District  
Xiamen, Fujian Province  
the People's Republic of China

Dear Sirs,

Re: Property interest of an industrial complex located at No. 88, Tonghui South Road, Tong'an District, Xiamen City, Fujian Province, the People's Republic of China

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In accordance with the instruction from Rongta Technology (Xiamen) Group Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") for us to value the property interest of the 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 30 April 2025 (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”.

According to the legal opinion of the property prepared by Tenet & Partners, the Group’s legal adviser on the PRC law (the “**PRC Legal Adviser**”), the property is under seizure by court and also subject to the restrictions stipulated in the Grant Contract of State-owned Construction Land Use Rights (《國有建設用地使用權出讓合同》), and hence there are legal obstacles to transfer the property. Therefore, we have attributed no commercial value as at the Valuation Date to the property due to the seizure by court and the restrictions on the transferability. For details of the legal obstacles, please refer to notes (iii)(k) and (iv)(c)(d)(e) of the property valuation report below.

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 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 the PRC Legal Adviser, regarding the title to the property.

The property was inspected during January 2025 by Mr. Nick C. L. Kung, a director of our firm who has over 20 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 2024 published by the Hong Kong Institute of Surveyors (the “**HKIS**”), the RICS Valuation – Global Standards (Effective from 31 January 2025) published by the Royal Institution of Chartered Surveyors (the “**RICS**”) and the International Valuation Standards (Effective 31 January 2025) published by the International Valuation Standards Council, where applicable, and under generally accepted valuation procedures and practices.

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.

In accordance with the RICS Valuation – Global Standards (Effective from 31 January 2025), 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 Group during the preceding year relative to the total fee income of Peak Vision Appraisals Limited is minimal.

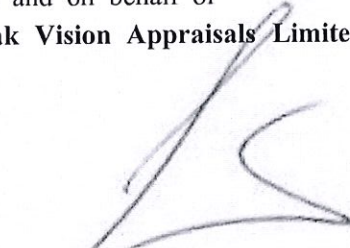
Unless otherwise stated, all monetary amounts stated in this report are in Renminbi (RMB).

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*



**Chern Sung Lee**  
*CFA, CPA, MRICS, RICS Registered Valuer  
Director*

*Notes:*

- (1) 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.
- (2) Mr. Chern Sung Lee is a CFA Charterholder, a member of the Hong Kong Institute of Certified Public Accountants, a member of the Royal Institution of Chartered Surveyors and a RICS Registered Valuer and has more than 10 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 30 April 2025
An industrial complex located at No. 88, Tonghui South Road, Tong'an District, Xiamen City, Fujian Province, the PRC	<p>The property comprises an industrial complex, erected on an irregular shaped parcel of land (lot no. T2019G07-G) with a registered site area of approximately 18,801.24 sq.m. It is bounded by Chiping Road, Tonghui South Road and Jilong Road within Tong'an District, Xiamen City.</p> <p>The buildings of the industrial complex include 5 blocks of 1 to 12-storey buildings (including 1-storey basement) used as guard room, factory building and complex building having a total gross floor area of approximately 57,917.62 sq.m. (including basement area), all completed in about 2022. Details of the gross floor area breakdown are set out in Note (ii) below.</p> <p>The land use rights of the property have been granted for a term expiring on 31 December 2069 for industrial use.</p>	<p>As advised by the Group, as at the Valuation Date, portion of level 2 of the building no.2 and the whole of building no.3 of the property with a total gross floor area of approximately 23,642.45 sq.m. were subject to various tenancies yielding a total monthly rental of RMB440,107 inclusive of tax and management fee with the latest tenancy expiring on 31 October 2028.</p> <p>The remaining portion of the property was either vacant or owner-occupied.</p>	<p>No commercial value</p> <p>(See Notes (iv) and (v) below)</p>

*Notes:*

- (i) Pursuant to the Real Estate Title Certificate No. Min (2020) Xiamen Shi Bu Dong Chan Quan Di 0012595 issued by Xiamen City Natural Resources and Planning Bureau (the “**Bureau**”) dated 26 March 2020, the land use rights of the property have been granted to Rongta Technology (Xiamen) Group Co., Ltd. (“**Rongta (Xiamen)**”) with a registered site area of approximately 18,801.24 sq.m. for a term expiring on 31 December 2069 for industrial use. (Remark: If the land use rights are to be transferred, mortgaged or leased, they must be executed in accordance with the relevant conditions stated in the Grant Contract of State-owned Construction Land Use Rights No. 35021220191231CG053.) (See Note (iii) (k) below)

- (ii) Pursuant to 5 Real Estate Title Certificates issued by the Bureau all dated 24 April 2022, the building ownership of the property, having a total gross floor area of approximately 57,917.62 sq.m. (including basement area), are vested in Rongta (Xiamen) and the land use rights of the property, having a registered site area of approximately 18,801.24 sq.m. have been granted for a term expiring on 31 December 2069 for industrial use. (Remark: If the land use rights are to be transferred, mortgaged or leased, they must be executed in accordance with the relevant conditions stated in the Grant Contract of State-owned Construction Land Use Rights No. 35021220191231CG053.) (See Note (iii) (k) below) Details of the certificates are summarised as follows:

Certificate No.	Building	No. of Storey	Approximate Gross Floor Area (sq.m.)
Min (2022) Xiamen Shi Bu Dong Chan Quan Di 0031751	Guard room	1	19.50
Min (2022) Xiamen Shi Bu Dong Chan Quan Di 0031761	Guard room	1	8.43
Min (2022) Xiamen Shi Bu Dong Chan Quan Di 0031769	Factory building (Building No. 2)	8	22,534.31
Min (2022) Xiamen Shi Bu Dong Chan Quan Di 0031776	Factory building (Building No. 3)	8	22,524.45
Min (2022) Xiamen Shi Bu Dong Chan Quan Di 0031807	Complex building	12 (including 1-storey basement)	12,830.93
Total:			<u>57,917.62</u>

- (iii) Pursuant to the Grant Contract of State-owned Construction Land Use Rights No. 35021220191231CG053 (the "Grant Contract") entered into between the Bureau and Rongta (Xiamen) on 31 December 2019, the Bureau agreed to grant the land use rights of the property to Rongta (Xiamen). The salient conditions stipulated in the said contract are summarised as follows:

- |     |                          |   |                                                                                                                                   |
|-----|--------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------|
| (a) | Lot no.                  | : | T2019G07-G                                                                                                                        |
| (b) | Site area                | : | 18,801.221 sq.m.                                                                                                                  |
| (c) | Location                 | : | Northeastern side of the intersection between Jilong Road and Tonghui South Road, Industrial Concentration Zone, Tong'an District |
| (d) | Land use                 | : | industrial use                                                                                                                    |
| (e) | Land use term            | : | 50 years                                                                                                                          |
| (f) | Land grant consideration | : | RMB8,050,000                                                                                                                      |
| (g) | Plot ratio               | : | not less than 45,100 sq.m and not exceeding 56,400 sq.m.                                                                          |
| (h) | Site coverage            | : | not less than 40%                                                                                                                 |
| (i) | Greenery ratio           | : | not more than 20%                                                                                                                 |



- (j) Construction period : construction work to be commenced before 30 September 2020 and completed before 30 September 2022
- (k) Restrictions : In accordance with Article 23 of the Grant Contract, Rongta (Xiamen) is required to hold the property as a unified whole upon receiving the Real Estate Title Certificates and is prohibited from transfer and subdivide the property for mortgage. In the event that Rongta (Xiamen) is unable to sustain operation due to bad management or mortgage the whole property, liquidate, or vacate from the property so have to transfer the State-owned Land Use Rights, or Rongta (Xiamen) is unable to complete the rectification of underutilised land, the property shall be repurchased by the People's Government of Tong'an District, Xiamen City. The repurchase price of the land use rights of the property shall be determined in accordance with the original transfer price and the remaining term of the land use rights. The repurchase price of the buildings of the property shall be determined by the depreciated replacement cost method.
- (iv) We have been provided with a 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 state-owned land use rights and building ownership of the property are legally held by Rongta (Xiamen). Rongta (Xiamen) is entitled to use the property in accordance with its designated legal usage purpose;
  - (b) The property is subject to mortgage in favour of Agricultural Bank of China Xiamen Financial Centre Sub-branch and Industrial Bank Xiamen Branch and seizure related restrictions;
  - (c) The transfer of the property which is under seizure, the imposition of encumbrances, or any other acts of Rongta (Xiamen) is not exercisable against the applicant for the enforcement. If Rongta (Xiamen) disposes the property which is under seizure, detention or frozen without authorisation, the court reserves the right to order the responsible party to recover the property or liable for the corresponding compensation liability within a specific period;
  - (d) The preservation measure involving the property is a remedy applied either before or during judicial proceedings to secure assets, and it does not prejudice the final outcome of the case. Even if legal proceedings are initiated, they will entail a protracted litigation process. Based on practical judicial experience, courts may require at least 12 months to render an enforceable judgment.
  - (e) In addition to the aforementioned restrictions/constraints, the transfer of the property by Rongta (Xiamen) is subject to the relevant restrictions stipulated in Article 23 of the Grant Contract.
- (v) According to the legal opinion prepared by the PRC Legal Adviser, as at the Valuation Date, the property was under seizure by court and also subject to the restrictions stipulated on the Grant Contract, and hence there are legal obstacles to transfer the property. Therefore, we have attributed no commercial value as at the Valuation Date to the property due to the seizure by court and the restrictions on the transferability.

We were also instructed by the Group to conduct valuation of the property based on the special assumption assuming that the property was not under seizure by court and shall be repurchased by the People's Government of Tong'an District, Xiamen City as at the Valuation Date. The repurchase price of the land use rights of the property shall be determined in accordance with the original transfer price and the remaining term of the land use rights and the repurchase price of the buildings of the property shall be assessed by the depreciated replacement cost ("DRC") method as stipulated in the Grant Contract. The DRC method is based on an estimate of the costs to reproduce or replace in new condition the buildings being valued in accordance with current construction costs for similar buildings in the locality, with allowance for accrued depreciation as evidenced by observed condition or obsolescence present, whether arising from physical, functional or economic causes. Based on the valuation method employed and on the special assumption adopted, we are of the opinion that the repurchase price of the property as at the Valuation Date was in the sum of RMB143,880,000.