

APPENDIX IV

PROPERTY VALUATION REPORT

The following is the text of a report prepared for the purpose of incorporation in this document received from Roma Appraisals Limited, an independent valuer, in connection with its valuations as at 31 December 2021 of the property.



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[●] 2022

China Graphite Group Limited

No. 1, Building 1,
Graphite Development Zone,
Yanjun Farm, Luobei County,
Hegang City,
Heilongjiang Province,
the PRC

Dear Sir/Madam,

Re: Valuation of an industrial development located at No. 15 Residential Group, Yanjun Farm, Luobei County, Hegang City, Heilongjiang Province, the People's Republic of China

In accordance with your instruction for us to value the property held by China Graphite Group Limited (the "**Company**") and/or its subsidiaries (together with the Company referred to as the "**Group**") 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 consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 December 2021 (the "**Date of Valuation**") for the purpose of incorporation in the document of the Company dated [●].

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value of the concerned property which we would define as intended 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".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

Due to the specific purpose for the buildings and structures of the property, there are no readily identifiable market comparables. Thus the buildings and structures have been valued on the basis of their depreciated replacement costs instead of direct comparison method. The depreciated replacement cost

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approach ("DRC") is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the existing structures less deductions for physical deterioration and all relevant forms of obsolescence and optimization. In practice, DRC approach may be used as a substitute for the market value of specialized property, due to the lack of market comparable available. Our valuation does not necessarily represent the amount that might be realized from the disposition of the property and the PRC is subject to adequate profitability of the concerned business.

3. TITLE INVESTIGATION

For the property in the PRC, we have been shown copies of extracts of various title documents relating to the property in the PRC. However, due to the nature of the land registration system in the PRC, we have not been able to examine the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. We have relied on the information given by the Group and advice given by its PRC legal advisor, Tian Yuan Law Firm (天元律師事務所), regarding the titles of the properties in the PRC.

We have also relied on the document given by the Group that the Group has valid and enforceable titles to the properties which are freely transferable, and have free and uninterrupted right to use the same, for the whole of the unexpired term granted subject to the payment of annual government rent/land use fees and all requisite land premium/purchase consideration payable have been fully settled.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owners sell the properties in the market in their existing states without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the values of such properties. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, site/floor areas, ages of buildings and all other relevant matters which can affect the values of the properties. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of certain properties. No structural survey has been made in respect of the properties. However, in the course of our inspections, we did not note any serious defects. We are not, however, able to report that the properties are free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

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We have not carried out on-site measurement to verify the site/floor areas of the properties under consideration but we have assumed that the site/floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Group and are therefore approximations.

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

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgment.

Our valuation is prepared in compliance 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 in accordance with the "RICS Valuation — Global Standards" published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

7. REMARKS

Unless otherwise stated, all monetary amount stated in our valuation is in Renminbi (RMB).

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited
Frank F Wong
BA (Business Admin in Acct/Econ) MSc (Real Est)
MRICS Registered Valuer MAusIMM ACIPHE
Director

Note: Mr. Frank F Wong is a Chartered Surveyor, Registered Valuer, Member of the Australasian Institute of Mining & Metallurgy and Associate of Chartered Institute of Plumbing and Heating Engineering who has 22 years' valuation, transaction advisory and project consultancy of properties experience in Hong Kong and 14 years' experience in valuation of properties in the PRC as well as relevant experience in the Asia-Pacific region, Australia and Oceania-Papua New Guinea, France, Germany, Poland, United Kingdom, United States, Abu Dhabi (UAE) and Jordan.

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VALUATION CERTIFICATE

Property held by the Group in the PRC for owner occupation

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 December 2021
An industrial development located at No.15 Residential Group, Yanjun Farm, Luobei County, Hegang City, Heilongjiang Province, the PRC 中國黑龍江省鶴崗市 蘿北縣延軍農場 第十五居民組 之工業項目	The property comprises three parcels of land with a total site area of approximately 65,874.59 sq.m. and 33 industrial buildings erected thereon completed between 2006 and 2020. The property has a total gross floor area (“GFA”) of approximately 39,137.02 sq.m.. The land use rights of the property have been granted for terms expiring on 19 October 2036 and 1 April 2071 for industrial uses.	The property is occupied by the Group as at the Date of Valuation.	RMB[41,200,000]

Notes:

- Pursuant to the Real Estate Title Certificate, Hei (2020) Luo Bei Xian Bu Dong Chan Quan Di No.0002418 (黑(2020)蘿北縣不動產權第0002418號), issued by the Luo Bei County Natural Resources Bureau on 24 December 2020, the land use rights of the property with a site area of approximately 24,610 sq.m. and a building area of approximately 17,168 sq.m. have been granted to Heilongjiang Baoquanling Farmland Yixiang Graphite Company Limited (“Yixiang New Energy”) (黑龍江省寶泉嶺農墾溢祥新能源材料有限公司), a wholly-owned subsidiary of the Group, for a term expiring on 19 April 2061 for industrial use. The details of building area are as follows:

Buildings	GFA (sq.m.)
Crushing Workshop	2,324
First Damage Workshop	900
Product Library	6,000
Switch Room	630
Repairing Room	320
Product Packaging Workshop	600
Drying Workshop	1,200
Office Building	2,944
Purification Workshop	1,000
Warehouse	200
Secondary Damage Workshop	1,050
Total	17,168

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2. Pursuant to the Real Estate Title Certificate, Hei (2020) Luo Bei Xian Bu Dong Chan Quan Di No.0002419 (黑(2020)蘿北縣不動產權第0002419號), issued by the Luo Bei County Natural Resources Bureau on 24 December 2020, the land use rights of the property with a site area of approximately 16,000 sq.m. and a building area of approximately 9,802 sq.m. have been granted to Heilongjiang Baoquanling Farmland Yixiang Graphite Company Limited (“**Yixiang Graphite**”) (黑龍江省寶泉嶺農墾溢祥石墨有限公司), a wholly-owned subsidiary of the Group, for a term expiring on 19 October 2036 for industrial use. The details of building area are as follows:

Buildings	GFA (sq.m.)
Staff Bath and Warehouse	756
Motor Room Warehouse	456
Electromechanical Maintenance Room	360
Staff Dormitory Building	1,083
Factory Workshop	5,611
Staff Family Dormitory Building	1,536
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Total	9,802
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3. Pursuant to the State-owned Construction Land Use Rights Assignment Agreement entered into between Luo Bei County Natural Resources Bureau and Yixiang Graphite on 16 June 2021, the land use rights of a parcel of land with a total site area of approximately 25,264.59 sq.m. were granted to Yixiang Graphite for a term for industrial use which commencing on 16 June 2021 and expiry on 1 April 2071.
4. Pursuant to the Construction Land Planning Permit Di Zi No. 2021–004, issued by the Luo Bei County Natural Resources Bureau on 16 June 2021, the construction works of property of Yixiang Graphite with a total GFA of approximately 12,518.79 sq.m. on a site area of approximately 25,264.59 sq.m. have been approved.
5. Pursuant to Real Estate Title Certificate, Hei (2021) Luo Bei Xian Bu Dong Chan Quan Di No.4000128 (黑(2021)蘿北縣不動產權第4000135號), issued by the Luo Bei County Natural Resources Bureau on 26 November 2021, the land use rights of the property with a site area of approximately 25,264.59 sq.m. and a building area of approximately 12,167.02 sq.m. have been granted to Heilongjiang Baoquanling Farmland Yixiang Graphite Company Limited (“**Yixiang Graphite**”) (黑龍江省寶泉嶺農墾溢祥石墨有限公司), a wholly-owned subsidiary of the Group, for a term expiring on 1 April 2071 for industrial use.
6. The site inspection was performed by Mr. Jack Junjie Zhou, MSc (Real Estate & Hospitality Asset), with about 2 years property valuation experience in the PRC in April 2021.
7. We have been provided with a legal opinion on the title to the property issued by the Group’s PRC Legal Advisers, which contains, *inter-alia*, the following information:
- a. Yixiang New Energy and Yixiang Graphite has obtained the state-owned land use rights and building ownership rights of the property and is in possession of a proper legal title to the property; and
 - b. The property is not subject to mortgage or any other material encumbrances.