

APPENDIX III

PROPERTY VALUATION REPORT

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this document received from AVISTA Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 30 June 2022 of the property interests held by the Group.



23rd Floor, Siu On Centre, No. 188 Lockhart Road,
Wan Chai, Hong Kong

TEL : (852) 3702 7338 FAX : (852) 3914 6388

info@avaval.com

www.avaval.com

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The Board of Directors
Runhua Property Technology Development Inc
6th Floor, Building No. 1 Lemeng Center,
No. 28988 Jingshi Road, Huaiyin District,
Jinan City, Shandong Province,
the People's Republic of China (the “PRC”)

Dear Sirs / Madams,

INSTRUCTIONS

In accordance with the instructions of Runhua Property Technology Development Inc (the “Company”) and its subsidiaries (hereinafter together referred to as the “Group”) for us to carry out the valuation of the property interests located in the PRC held and rented by the Group. We confirm that we have carried out 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 value of the property interests as at 30 June 2022 (the “Valuation Date”).

VALUATION STANDARDS

In valuing the property interests, we have complied with all the requirements set out in Chapter 5 and Practise Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited (the “Listing Rules”), RICS Valuation — Global Standards 2022 published by the Royal Institution of Chartered Surveyors (“RICS”) 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 value basis, which is defined as “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”.

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CATEGORISATION OF PROPERTY INTERESTS

In the course of our valuation, the appraised property interests have been categorised according firstly to type of interests held by the Group, which in turn being classified into the following groups:

Group I — Property interests held for investment by the Group in the PRC; and

Group II — Property interests rented by the Group in the PRC.

VALUATION ASSUMPTIONS

Our valuation of the properties 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 sale, or any element of special value or costs of sale and purchase or offset for any associated taxes.

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 properties are free from encumbrances, restrictions, and outgoings of an onerous nature, which could affect their values.

In the course of our valuation of the properties in the PRC, we have assumed that transferable land use rights in respect of the properties 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 and its legal adviser regarding the title to the properties. For the purpose of our valuation, we have assumed that the grantees have an enforceable title to the properties.

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

Unless noted in the report, vacant possession is assumed for the properties 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 assumes 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 on the properties in continued uses does not represent the amount that might be realised from piecemeal disposition of the properties 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.

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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 are not transferred or involved in any contentious or non-contentious dispute as at the valuation date. We have also assumed that there was not any material change of the properties in between 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 income approach by taking into account the rental income of the properties derived from the existing leases or sub-leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases or sub-lease, which have been then capitalised to determine the market value at an appropriate capitalisation rate. Where appropriate, reference has also been made to the comparable sales transactions as available in the relevant market.

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 interests 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. In the course of our valuation, we have relied considerably on the legal opinion given by the Company’s PRC legal adviser — Zhong Lun Law Firm, concerning the validity of title of the property interests in the PRC.

SITE INVESTIGATION

We have inspected the exteriors and, where possible, the interior of the properties. The site inspection was carried out on 22 February 2021 and 6 May 2021 by Amber Liu (Valuer) and on 23 June 2021 by Yoyo Mang (CPV), who have 2 years of experience of valuing properties located in the PRC. 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 properties are 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 Group or the legal or other professional advisers on such matters as statutory notices, planning approvals,

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zoning, easements, tenures, completion date of buildings, development proposal, identification of property, 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 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.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties 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
AVISTA Valuation Advisory Limited

Vincent C B Pang
MRICS CFA FCPA FCPA Australia
RICS Registered Valuer
Managing Partner

Notes: Mr. Vincent C B Pang is a member of Royal Institution of Chartered Surveyors (RICS) and a registered valuer of RICS. He has over 10 years' experience in the valuation of properties including Hong Kong, the PRC, the U.S., Canada, East and Southeast Asia including Singapore, Japan and Korea.

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SUMMARY OF VALUES

Group I — Property interests held for investment by the Group in the PRC

No.	Property	Market value	Interests	Market value
		in existing state	Attributable to	Attributable to
		as at	the Group	as at
		30 June 2022		30 June 2022
		RMB		RMB
1.	Unit 307 on 3/F, whole floors of 5/F and 17/F, Building No. 1-2 Lemeng Centre, No. 28988 Jingshi Road, Huaiyin District, Jinan City, Shandong Province, the PRC	19,020,000	100%	19,020,000
	Sub-total:	19,020,000		19,020,000

Group II — Property interests rented by the Group in the PRC

No.	Property	Market value	Interests	Market value
		in existing state	Attributable to	Attributable to
		as at	the Group	as at
		30 June 2022		30 June 2022
		RMB		RMB
2.	West side of Middle Road of Ming Bu Dong Road, Zhangqiu District Development Zone, Jinan City, Shandong Province, the PRC	No Commercial Value	100%	No Commercial Value
3.	Nos. -111, 102, 201, Building No. 11 (Now Unit 1 of Building No. 9) Guanzhaying Pianqu, Tian Cheng Road/Street, Tianqiao District, Jinan City, Shandong Province, the PRC	No Commercial Value	100%	No Commercial Value
4.	Nos. 113, 114, 115, 219, 220, 305-313, 403-415 and 5-24/F, The Door Of Qilu, Qi Zhou Lu, Huai Yin District, Jinan City, Shandong Province, the PRC	No Commercial Value	100%	No Commercial Value
	Sub-total:	No Commercial Value		No Commercial Value
	Grand-total:	19,020,000		19,020,000

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Group I — Property interests held for investment by the Group in the PRC

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 30 June 2022</u> RMB										
1	Unit 307 on 3/F, whole floors of 5/F and 17/F, Building No. 1-2 Lemeng Center, No. 28988 Jingshi Road, Huaiyin District, Jinan City, Shandong Province, the PRC	<p>The property comprises a unit on 3/F and whole floors of 5/F and 17/F with a total gross floor area of approximately 2,205.40 sq.m. within a 31-storey office building completed in 2016.</p> <p>Detailed area is set out as following:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;"><u>Unit and Floors</u></th> <th style="text-align: right;"><u>Gross Floor Area (Sq.m.)</u></th> </tr> </thead> <tbody> <tr> <td>Unit 307 on 3/F</td> <td style="text-align: right;">294.26</td> </tr> <tr> <td>Whole 5/F</td> <td style="text-align: right;">955.57</td> </tr> <tr> <td>Whole 17/F</td> <td style="text-align: right;">955.57</td> </tr> <tr> <td>Total :</td> <td style="text-align: right;">2,205.40</td> </tr> </tbody> </table> <p>The property is located at Jinan City, with approximately 2km to Dayang station and 50km to Jinan Yaoqiang International Airport.</p> <p>The land use rights of the property have been granted for a term expiring on 10 March 2053 for commercial use.</p>	<u>Unit and Floors</u>	<u>Gross Floor Area (Sq.m.)</u>	Unit 307 on 3/F	294.26	Whole 5/F	955.57	Whole 17/F	955.57	Total :	2,205.40	<p>As at the Valuation Date, portion of the property with lettable area of 1,897.39 sq.m. is leased by the Group to various independent third parties and two connected parties at a total monthly rent of approximately RMB102,433.26 with the latest term expiring on 30 June 2028 for commercial use.</p> <p>The remaining portion of the property is currently vacant.</p>	<p>19,020,000 (100% interests attributable to the Group: 19,020,000)</p>
<u>Unit and Floors</u>	<u>Gross Floor Area (Sq.m.)</u>													
Unit 307 on 3/F	294.26													
Whole 5/F	955.57													
Whole 17/F	955.57													
Total :	2,205.40													

Notes:

- Pursuant to the Real Estate Ownership Certificates issued by the relevant government institutions, the property with a total gross floor area of approximately 2,205.40 sq.m. have been vested to the Group for a land use right term of 50 years for commercial use expiring on 10 March 2053 with details shown as follows:

<u>Unit</u>	<u>Gross Floor Area (sq.m.)</u>	<u>Registered Owner</u>	<u>Certificate Nos.</u>
307	294.26	山東善佑物業經營管理有限公司	Lu (2019) Jinan Shi Bu Dong Chan Quan Di No. 0195281
501	39.65	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225291
502	40.55	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225252

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Unit	Gross Floor Area (sq.m.)	Registered Owner	Certificate Nos.
503	45.24	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225229
504	53.55	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225224
505	53.55	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225220
506	51.97	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225210
507	71.56	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225187
508	51.55	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225070
509	50.85	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225071
510	75.32	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225072
511	57.11	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225163
512	56.82	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225157
513	56.18	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225144
514	77.33	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225073
515	58.58	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225074
516	57.74	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225075
517	58.02	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0225076
1701	39.65	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229499
1702	40.55	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229498
1703	45.24	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229497
1704	53.55	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229495
1705	53.55	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229448
1706	51.97	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229446
1707	71.56	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229442
1708	51.55	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229508
1709	50.85	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229505
1710	75.32	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229482

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Unit	Gross Floor Area (sq.m.)	Registered Owner	Certificate Nos.
1711	57.11	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229478
1712	56.82	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229474
1713	56.18	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229458
1714	77.33	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229455
1715	58.58	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229450
1716	57.74	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229515
1717	58.02	山東潤華物業管理股份有限公司	Lu (2018) Jinan Shi Bu Dong Chan Quan Di No. 0229514

2. We have been provided with a legal opinion regarding the property interests by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
 - a. The Group has legally and validly obtained the land use rights of the property.;
 - b. The Group has the rights to occupy, use, transfer, lease and mortgage the buildings of the property legally.; and
 - c. The property was pledged.
3. In our valuation, we have made reference to some rental references and/or asking rent of property comparables in the subject and nearby development. We have adopted the range of unit rates between RMB 42 to RMB 43 per sq.m./month. The unit rates assumed by us are consistent with the said price reference. Due adjustments to the unit rates of those price reference have been made to reflect factors including but not limited to time, size, floor, and location in arriving at the key assumptions. The market yield assumed by us is 5%, which is in line with the market yield of this property sector in the region of 5% to 9%.

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Group II — Property interests rented by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value as at 30 June 2022 RMB
2.	West side of Middle Road of Ming Bu Dong Road, Zhangqiu District Development Zone, Jinan City, Shandong Province, the PRC	<p>The property comprises office, canteen and manufacturing areas for industrial use with a total gross floor area of approximately 10,480.02 sq.m. completed in 2005.</p> <p>The property is located at Jinan City, with approximately 5km to Zhangqiu station and 50km to Jinan Yaoqiang International Airport.</p> <p>The property is leased to 山東善佑物業經營管理有限公司, a wholly-owned subsidiary of the Company for a term commencing from 1 March 2020 and expiring on 30 June 2029.</p>	<p>As at the Valuation Date, portion of the property with a total gross floor area of approximately 10,480.02 sq.m. has been sub-leased to various independent third parties with the latest term expiring on 30 June 2029 for industrial use.</p>	<p>No commercial value (100% interests attributable to the Group: No commercial value)</p>

Notes:

1. Pursuant to the lease agreement and the confirmation agreement entered into between 山東潤華鼎新生物科技有限公司 and 山東善佑物業經營管理有限公司, a wholly-owned subsidiary of the Company, the buildings with a total gross floor area of 10,480.02 sq.m. were leased for a term commencing from 1 March 2020 and expiring on 28 February 2023 and the expiry date of the lease will be extended to 30 June 2029 at a total annual rent of RMB 1,500,383.91.
2. Pursuant to various sub-lease agreements and the supplemental agreement dated 29 December 2021, portion of the property with a total gross floor area of approximately 10,480.02 sq.m. are leased to various independent third parties with the latest term expiring on 30 June 2029 at a total annual rent of RMB 1,973,000.
3. As advised by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:
 - a. The validity of the lease agreement mentioned in Note no. 1 will not be affected by the absence of house lease registration.
4. In undertaking our valuation, we have assigned no commercial value to the property since it could not be freely transferred in the market. For reference purpose, we are of the opinion that the estimated value of the aforesaid lease period as at the valuation date would be RMB 10,260,000, assuming the property could be freely transferred in the market.
5. In our valuation, we have made reference to some rental evidence and asking rent of similar properties in locality which are in the region of RMB 8 to RMB 12 per sq.m./month for industrial workshop purpose and RMB 17 to RMB 20 per sq.m./month for office purpose. The market yield assumed by us is 6.5%, which is in line with the market yield of this property sector in the region of 6% to 13%.

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No.	Property	Description and tenure	Particulars of occupancy	Market value as at 30 June 2022 RMB
3.	Nos. -111, 102, 201, Building No. 11 (Now Unit 1 of Building No. 9) Guanzhaying Pianqu, Tian Cheng Road/Street, Tianqiao District, Jinan City, Shandong Province, the PRC	<p>The property comprises three commercial units with a total gross floor area of approximately 5,236.40 sq.m. were completed in 2015.</p> <p>The property is located at Jinan City, with approximately 1km to Jinan station and 40km to Jinan Yaoqiang International Airport.</p> <p>The property is leased to 濟南邵新天和商貿有限公司, a wholly-owned subsidiary of the Company for a term commencing from 10 December 2018 and expiring on 9 December 2027.</p>	<p>As at the Valuation Date, the property with a total gross floor area of approximately 4,387.76 sq.m. has been sub-leased to two independent third parties with the latest term expiring on 9 December 2027 for commercial use.</p> <p>The remaining portion of the property is currently vacant.</p>	<p>No commercial value (100% interests attributable to the Group: No commercial value)</p>

Notes:

- Pursuant to the lease agreement entered into between 濟南舊城開發投資集團有限公司 and 濟南邵新天和商貿有限公司, a wholly-owned subsidiary of the Company, the building with a total gross floor area of approximately 5,236.40 sq.m. were contracted to be assigned for a term commencing from 10 December 2018 and expiring on 9 December 2027 at the annual rent is shown as details below:

Period	Annual Rent (RMB)
10 December 2018 – 9 December 2019 (With a 6-month rent-free period)	1,476,810
10 December 2019 – 9 December 2021	2,929,542
10 December 2021 – 9 December 2024	3,017,368
10 December 2024 – 9 December 2027	3,108,090

- Pursuant to two sub-lease agreements and a supplementary agreement, portion of the property with a total gross floor area of approximately 4,387.76 sq.m. are leased to two independent third parties with the latest term expiring on 9 December 2027 at a total annual rent of RMB 2,598,204.00.
- As advised by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:
 - The validity of the lease agreement mentioned in Note no. 1 will not be affected by the absence of house lease registration.
- In undertaking our valuation, we have assigned no commercial value to the property since it could not be freely transferred in the market. For reference purpose, we are of the opinion that the estimated value of the aforesaid lease period as at the valuation date would be RMB 15,980,000, assuming the property could be freely transferred in the market.
- In our valuation, we have made reference to some rental evidence and asking rent of similar properties in locality which are in the region of RMB 59 to RMB 67 per sq.m./month for shop purpose. The market yield assumed by us is 6%, which is in line with the market yield of this property sector in the region of 5% to 13%.

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<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Fair value as at 30 June 2022</u> RMB
4.	Nos. 113, 114, 115, 219, 220, 305-313, 403-415 and 5-24/F, The Door Of Qilu, Qi Zhou Lu, Huai Yin District, Jinan City, Shandong Province, the PRC	<p>The property comprises a whole block of commercial building with a total gross floor area of approximately 38,453.85 sq.m..</p> <p>The property is located at Jinan City, with approximately 1.3km to Jinan West station and 40km to Jinan Yaoqiang International Airport.</p> <p>The property is leased to 山東潤物停車場管理有限公司, a wholly-owned subsidiary of the Company for a term commencing from 8 December 2021 and expiring on 31 December 2027.</p>	<p>As at the Valuation Date, the property with a total gross floor area of approximately 7,037.7 sq.m. has been sub-leased to various independent third parties with the latest term expiring on 14 July 2027 for commercial use.</p> <p>The remaining portion of the property is currently vacant.</p>	No Commercial Value (100% interest attributable to the Group: No Commercial Value)

Notes:

- Pursuant to the lease agreement and the confirmation agreement entered into between 山東齊魯之門商業運營有限公司 and 山東潤物停車場管理有限公司, a wholly-owned subsidiary of the Company, the buildings with a total gross floor area of 38,453.85 sq.m. were leased for a term commencing from 8 December 2021 and expiring on 31 December 2024 and the expiry date of the lease will be extended to 31 December 2027 at the annual rent is shown as details below:

<u>Period</u>	<u>Annual Rent</u> (RMB)
8 December 2021 – 7 December 2022	3,460,846
8 December 2022 – 31 December 2023	15,989,495
1 January 2024 – 31 December 2024	16,112,152
1 January 2025 – 31 December 2025	17,040,906
1 January 2026 – 31 December 2026	18,660,593
1 January 2027 – 31 December 2027	20,705,476

- Pursuant to various sub-lease agreements, portion of the property with a total gross floor area of approximately 7,037.7 sq.m. are leased to twenty three independent third parties with the latest term expiring on 14 July 2027 at a total annual rent of RMB 4,500,000.
- As advised by the Company’s PRC Legal Adviser, which contains, *inter alia*, the following:
 - The validity of the lease agreement mentioned in Note no. 1 will not be affected by the absence of house lease registration.
- In undertaking our valuation, we have assigned no commercial value to the property since it could not be freely transferred in the market. For reference purpose, we are of the opinion that the estimated value of the aforesaid lease period as at the valuation date would be RMB76,713,000, assuming the property could be freely transferred in the market.
- In our valuation, we have made reference to some rental evidence and asking rent of similar properties in locality which are in the region of RMB 39 to RMB 44 per sq.m./month on lettable area basis for shop purpose. The market yield assumed by us is 5%, which is in line with the market yield of this property sector in the region of 5% to 9%.