

## APPENDIX IV

## PROPERTY VALUATION REPORT

*The following is the text of a letter, a valuation summary and valuation certificates prepared for the purpose of incorporation in this document received from Vincorn Consulting and Appraisal Limited, an independent valuer, in connection with its valuation of the property interests with property activities held by our Group. Terms defined in this appendix applies to this appendix only.*

### **Vincorn Consulting and Appraisal Limited**

Units 1602-4, 16/F  
FWD Financial Centre  
No. 308 Des Voeux Road Central  
Hong Kong



### **The Board of Directors**

Wise Living Technology Co., Ltd  
Level 7  
Jiangyin International Hotel  
299 Chengjiang West Road  
Jiangyin, Wuxi  
Jiangsu Province  
The PRC

[●]

Dear Sirs,

### **INSTRUCTION AND VALUATION DATE**

We refer to your instructions for us to assess the Market Values of the property interests with property activities located in The People's Republic of China ("The PRC") held by Wise Living Technology Co., Ltd (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") for the purposes of public disclosure. We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary in order to provide you with our opinion of the Market Values of the property interests as at [31 December 2022] (the "Valuation Date").

### **VALUATION STANDARDS**

The valuation has been prepared in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors effective from 31 December 2020 with reference to the International Valuation Standards published by the International Valuation Standards Council effective from 31 January 2022; and the requirements set out in the Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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### **VALUATION BASIS**

Our valuation has been undertaken on the basis of Market Value. Market Value 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”.

### **VALUATION ASSUMPTIONS**

Our valuation has 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 allowances have been made for any charges, mortgages or amounts owing on the property interests, nor for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect the values of the property interests.

As the property interests are held under long term land use rights, we have assumed that the owner has free and uninterrupted rights to use the property interests for the whole of the unexpired term of the land use rights.

### **VALUATION METHODOLOGY**

When valuing the property interests, we have adopted Market Approach and Income Capitalization Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property. This involves the analysis of recent market evidence of similar properties to compare with the subject under valuation. Each comparable is analysed on the basis of its unit rate; each attribute of the comparables is then compared with the subject and where there are any differences, the unit rate is adjusted in order to arrive at the appropriate unit rate for the subject. This is done by making percentage adjustments to the unit rate for various factors, such as time, location, building age, building quality and so on.

Income Capitalization Approach is a valuation approach commonly adopted for income producing properties such as offices, shops and arcades. It estimates the capital value of a property by capitalising rental income on a fully leased basis having regard to the current passing rental income from existing tenancy and the potential reversionary rental income at market level.

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### **LAND TENURE AND TITLE INVESTIGATION**

We have been provided with copies of documents in relation to the titles of the property interests. However, we have not scrutinised the original documents to verify ownership or to verify any amendments, which may not appear on the copies handed to us. We have relied to a considerable extent on information provided by the Group.

We have relied on the advices given by The PRC legal adviser of the Group, LLinks Law Offices, regarding the titles of the property interests in The PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter, the valuation summary and the valuation certificates are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter, the valuation summary and the valuation certificates.

### **INFORMATION SOURCES**

We have relied to a considerable extent on information provided by the Group and the legal adviser, in respect of the titles of the property interests in The PRC. We have also accepted advice given to us on matters such as identification of the properties, particulars of occupancy, areas and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Group that no material factors or information have been omitted or withheld from information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of information provided to us by the Group which is material to the valuation.

### **INSPECTION AND INVESTIGATIONS**

The properties were inspected externally and internally. Although not all areas were accessible for viewing at the time of inspection, we have endeavoured to inspect all areas of the properties. Investigations were carried out as necessary. Our investigations have been conducted independently and without influence from any third party in any manner.

We have not tested any services of the properties and are therefore unable to report on their present conditions. We have not undertaken any structural surveys of the properties and are therefore unable to comment on the structural conditions. We have not carried out any investigations on site to determine the suitability of the ground conditions for any future developments. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be required.

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We have not carried out any on-site measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the documents or deduced from the plans are correct. All documents and plans have been used as reference only and all dimensions, measurements and areas are therefore approximations.

**CURRENCY**

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

The valuation summary and the valuation certificates are attached hereto.

Yours faithfully,  
For and on behalf of  
**Vincorn Consulting and Appraisal Limited**

**Vincent Cheung**  
*BSc(Hons) MBA FRICS MHKIS RPS(GP)*  
*MCIREA MHKSI MISCM MHIREA FHKIoD*  
*RICS Registered Valuer*  
*Registered Real Estate Appraiser & Agent PRC*  
*Managing Director*

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*Note:* Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a member of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong, a member of China Institute of Real Estate Appraisers and Agents, a member of Hong Kong Securities and Investment Institute, a member of Institute of Shopping Centre Management, a member of Hong Kong Institute of Real Estate Administrators, a fellow of the Hong Kong Institute of Directors, a Registered Valuer of the Royal Institution of Chartered Surveyors and a Registered Real Estate Appraiser and Agent People's Republic of China. He is suitably qualified to carry out the valuation and has over 25 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.

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**VALUATION SUMMARY**

**Property Interests Held by the Group for Investment in The PRC**

<b>No.</b>	<b>Property</b>	<b>Market Value as at [31 December 2022]</b>	<b>Interest Attributable to the Group</b>	<b>Market Value as at [31 December 2022] Attributable to the Group</b>
1	Level 4 to Level 7, Ao'lin Central Square Block A (Also known as Shantou Complex) Located at south to Beizhang Village, north to Jinyang Street, west to Tiyu Road and east to Hangxiao Area, Xiaodian District, Taiyuan, Shanxi Province, The PRC	[No Commercial Value]	[51%]	[No Commercial Value]
2	A Production Workshop and Portion of a R&D Building Located at No. 168 Wuchengnan Road, Tanghuaiyuan Area, Taiyuan Comprehensive Reform Demonstration Zone, Xiaodian District, Taiyuan, Shanxi Province, The PRC	RMB[193,200,000]	[51%]	RMB[98,532,000]
Total:		<u>RMB[193,200,000]</u>		<u>RMB[98,532,000]</u>

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**VALUATION CERTIFICATE**

**Property Interests Held by the Group for Investment in The PRC**

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at [31 December 2022]
1	Level 4 to Level 7, Ao'lin Central Square Block A (Also known as Shantou Complex) Located at south to Beizhang Village, north to Jinyang Street, west to Tiyu Road and east to Hangxiao Area, Xiaodian District, Taiyuan, Shanxi Province, The PRC	<p>The property comprises four office levels of a 20-storey office building plus two basement floors, namely Ao'lin Central Square Block A. It was completed in about 2012.</p> <p>As per the information provided by the Group, the property has a total gross floor area ("GFA") of approximately 4,405.86 square metres ("sq.m."). The GFA breakdown of the property is listed as below:–</p>	As per the information provided by the Group, a portion of the property with a total GFA of approximately 3,291.25 sq.m. was subject to tenancies for various terms with the latest expiry on 14 September 2024 at a total monthly rent of approximately RMB287,220, exclusive of management fees and other outgoings, while the remaining portion was vacant.	<p>[No Commercial Value]</p> <p>[51%] Interest Attributable to the Group:</p> <p>[No Commercial Value]</p>

Portion	GFA (sq.m.)
Level 4	1,082.64
Level 5	1,114.61
Level 6 & Level 7	2,208.61
	<u>4,405.86</u>

The land use rights of the property were granted for a term expiring on 6 July 2050 for commercial and finance uses.

*Notes:*

- The property was inspected by Ines Wang *MSc Real Estate* on 20 January 2023.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHIRES FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MHIREA MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to a State-owned Land Use Rights Certificate, Bing Zheng Di Guo Yong (2010) Di No. 00272 dated 12 October 2010 and issued by the People's Government of Taiyuan, the land use rights of the subject site with a site area of 15,044.20 sq.m. were granted to 山西澳林百和房地產開發有限公司 for a term expiring on 6 July 2050 for commercial and finance uses.
- Pursuant to a Construction Land Use Planning Permit, Bing Gui Gao Xin Xu Zi [2011] Di No. 0004 dated 20 June 2011 and issued by Urban and Rural Planning Bureau of High-tech Industrial Development Zone, Taiyuan, the proposed land use of the subject site was approved.

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5. Pursuant to a Construction Project Planning Permit, Bing Gui Gao Xin Jian Zi [2011] Di No. 0061 dated 17 October 2011 and issued by Urban and Rural Planning Bureau of High-tech Industrial Development Zone, the proposed development of the subject building was approved.
6. Pursuant to a Construction Project Work Commencement Permit, Bing Gao Xin Jian Shi Zi [2011] Di No. 253 dated 18 January 2012 and issued by Urban and Rural Planning Bureau of High-tech Industrial Development Zone, the commencement of the construction of the subject building was approved.
7. Pursuant to a Sale and Purchase Agreement, SXSL-QT-027 dated 19 March 2014 and entered into between 山西龍泰投資集團有限公司 and 太原市再生能源供熱有限公司, the property was sold to 太原市再生能源供熱有限公司 at a consideration of RMB66,616,603.20.
8. The general description and market information of the property are summarised below:
  - Location : The property is located at south to Beizhang Village, north to Jinyang Street, west to Tiyu Road and east to Hangxiao Area, Xiaodian District, Taiyuan, Shanxi Province, The PRC.
  - Transportation : Taiyuan Wusu International Airport, Taiyuan South Railway Station and Jinyang Street Station of Taiyuan Metro Line No. 2 are located approximately 9.6 kilometres, 4.6 kilometres and 0.8 kilometres away from the property respectively.
  - Nature of Surrounding Area : The subject area is a predominately commercial area in Xiaodian District.
9. As advised by the Group, the property is yet to be granted with a proper title certificate of building ownership rights. In the course of our valuation, we have attributed no commercial value to the property. The reference value of the property, assuming that it has been granted with a proper title certificate of building ownership rights and it can be freely transferred, as at the Valuation Date was circa RMB[74,000,000].
10. We have been provided with a legal opinion regarding the property by Llinks Law Offices, which contains, inter alia, the following:
  - (a) There are no major dispute and dissension in relation to the real estate title of the property and 太原市再生能源供熱有限公司 can use and voluntarily handle the property; and
  - (b) When the developer has obtained the proper title certificate for the building ownership rights of the whole development, there is no material legal impediment for 太原市再生能源供熱有限公司 to obtain a proper title certificate for the building ownership rights of the property.

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VALUATION CERTIFICATE

Property Interests Held by the Group for Investment in The PRC

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at [31 December 2022]								
2	A Production Workshop and Portion of a R&D Building Located at No. 168 Wuchengnan Road, Tanghuaiyuan Area, Taiyuan Comprehensive Reform Demonstration Zone, Xiaodian District, Taiyuan, Shanxi Province, The PRC	<p>The property comprises a land parcel with a site area of approximately 20,877.73 sq.m., a portion of Level 1, Level 6, Level 8, Level 9, Level 10 and the whole of Level 3, Level 5 and Level 11 of a 12-storey R&amp;D building, excluding a basement floor, and a 6-storey production workshop, excluding a basement floor. It was completed in about 2016.</p> <p>As per the information provided by the Group, the property has a total GFA of approximately 34,367.74 sq.m.. The GFA breakdown of the property is listed as below: –</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Uses</th> <th>GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>R&amp;D Building</td> <td>9,295.96</td> </tr> <tr> <td>Production Workshop</td> <td>25,071.78</td> </tr> <tr> <td></td> <td><u>34,367.74</u></td> </tr> </tbody> </table>	Uses	GFA (sq.m.)	R&D Building	9,295.96	Production Workshop	25,071.78		<u>34,367.74</u>	<p>As per the information provided by the Group, a portion of the property with a total GFA of approximately 26,548.83 sq.m. was subject to tenancies for various terms with the latest expiry on 15 April 2031 at a total monthly rent of approximately RMB954,234, exclusive of management fees and other outgoings, while the remaining portion was vacant.</p>	<p>RMB[193,200,000] (RENMINBI [ONE HUNDRED NINETY THREE MILLION AND TWO HUNDRED THOUSAND])</p> <p>[51%] Interest Attributable to the Group:</p> <p>RMB[98,532,000] (RENMINBI [NINETY EIGHT MILLION FIVE HUNDRED AND THIRTY TWO THOUSAND])</p>
Uses	GFA (sq.m.)											
R&D Building	9,295.96											
Production Workshop	25,071.78											
	<u>34,367.74</u>											
		<p>The land use rights of the property were granted for a term expiring on 8 September 2060 for industrial uses.</p>										

Notes:

- The property was inspected by Ines Wang *MSc Real Estate* on 20 January 2023.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS MHKIS RPS(GP) MCIREA MHKSI MISC MHIAREA FHKIoD RICS Registered Valuer Registered Real Estate Appraiser & Agent PRC* and Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MHIREA MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC*.
- Pursuant to a Real Estate Title Certificate, Jin (2020) Tai Yuan Shi Bu Dong Chan Quan Di No. 0158294, dated 4 December 2020 and issued by Taiyuan Natural Resources and Planning Bureau, the land use rights of the property with a site area of 20,877.73 sq.m. and building ownership rights of the whole of Level 1 to Level 12 of the R&D Building of the property with a total GFA of 19,178.56 sq.m. were granted to 太原市再生能源供熱有限公司 for a term expiring on 8 September 2060 for industrial uses.



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4. Pursuant to a Real Estate Title Certificate, Jin (2020) Tai Yuan Shi Bu Dong Chan Quan Di No. 0158290, dated 4 December 2020 and issued by Taiyuan Natural Resources and Planning Bureau, the land use rights of the property with a site area of 20,877.73 sq.m. and building ownership rights of the whole of Level 1 to Level 6 of the Production Workshop of the property with a GFA of 25,071.78 sq.m. were granted to 太原市再生能源供熱有限公司 for a term expiring on 8 September 2060 for industrial uses.

5. The general description and market information of the property are summarised below:

Location : The property is located at No. 168 Wuchengnan Road, Tanghuaiyuan Area, Taiyuan Comprehensive Reform Demonstration Zone, Xiaodian District, Taiyuan, Shanxi Province, The PRC.

Transportation : Taiyuan Wusu International Airport, Taiyuan South Railway Station and Dianzi West Street Station of Taiyuan Metro Line No. 2 are located approximately 6.0 kilometres, 9.0 kilometres and 2.8 kilometres away from the property respectively.

Nature of Surrounding Area : The subject area is a newly developed urban area in Taiyuan Comprehensive Reform Demonstration Zone, Xiaodian District. The neighbourhood of the property is dominated by various newly built industrial, commercial and high-tech R&D developments.

6. We have been provided with a legal opinion regarding the property by Llinks Law Offices, which contains, inter alia, the following:

太原市再生能源供熱有限公司 has obtained the state-owned land use rights and building ownership rights of the property in accordance with laws and is the legal holder of the state-owned land use rights and building ownership rights of the whole development, which the property situated in.