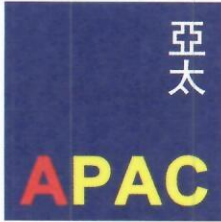


**VALUATION OF A COMMERCIAL DEVELOPMENT  
LOCATED AT THE EASTERN SIDE OF RUYI WEST  
ROAD, SOUTHERN SIDE OF NO. 1 RUYI HEXI  
STREET, JINSHUI DISTRICT, ZHENGZHOU,  
HENAN PROVINCE, THE PEOPLE'S REPUBLIC OF  
CHINA**



**Xingye Wulian Service Group Co. Ltd.**

Room 105, 1st Floor,  
No. 1 Gangwan Road,  
Guancheng District,  
Zhengzhou City, Henan Province,  
The People's Republic of China

28 September 2023

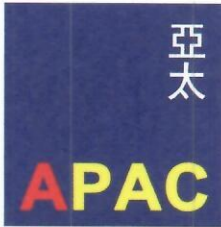
Dear Sirs,

**RE: VALUATION OF A COMMERCIAL DEVELOPMENT LOCATED AT THE EASTERN SIDE OF RUYI WEST ROAD, SOUTHERN SIDE OF NO. 1 RUYI HEXI STREET, JINSHUI DISTRICT, ZHENGZHOU, HENAN PROVINCE, THE PEOPLE'S REPUBLIC OF CHINA (THE "PROPERTY")**

In accordance with the instructions from Xingye Wulian Service Group Co. Ltd. (the "Company") for us to value the Property situated in The People's Republic of China (the "PRC"), we confirm that we have 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 July 2023 (the "valuation date") for the purpose of incorporation into the circular issued by the Company.

#### **BASIS OF VALUATION**

Our valuation of the Property is our opinion of its market value 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.

We are independent of the Company and our valuation is prepared in accordance with the “HKIS Valuation Standards 2020” published by the Hong Kong Institute of Surveyors and the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.

### **VALUATION ASSUMPTIONS**

Our valuation has been made on the assumption that the owners sell the Property on the open markets without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the value of the Property.

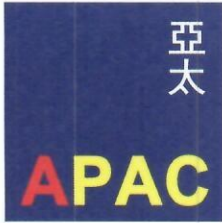
No allowance has been made in our valuation report for any charge, mortgage or amount owing on the Property nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

### **VALUATION METHODOLOGY**

In arriving at our opinion of value, we have adopted the direct comparison approach by making reference to comparable sales evidences as available in the relevant market and have also taken into account the expended construction cost and the cost that will be expended to complete the development to reflect the quality of the completed development. We have valued the Property on the basis that it will be developed and completed in accordance with the latest development proposal provided to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposal have been obtained without onerous conditions or delays.

### **TITLE AND ASSUMPTIONS**

We have been provided with copies of extracts of title documents relating to the Property. However, we have not caused title searches to be made for the Property at the relevant government bureaus in the PRC and have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the Property in the PRC, we have relied on the legal opinion provided by the Company’s PRC legal adviser, Commerce & Finance Law Offices (通商律師事務所), regarding the title and other legal matters to the Property.



## SOURCES OF INFORMATION

We have relied to a very considerable extent on information given by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, site and floor areas and all other relevant matters. No on-site measurement has been taken. Dimensions, measurements and areas included in the valuation report are only approximations. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries. We have no reason to doubt the truth and accuracy of the information provided to us by the Company, which is material to our valuation. We were also advised by the Company that no material facts have been omitted from the information provided to us.

## SITE INSPECTIONS

We have inspected the Property and the inspection was carried out by Ms Kathy Lau (BBA (Hons)) in July 2023. We were unable to access the interior of the Property during our visit due to ongoing construction. However, we have inspected the exterior of the Property as well as several neighboring residential and commercial developments. We have not carried out site investigation to determine the suitability of the ground conditions or the services for any property development thereon. The valuation has been prepared on the assumption that these aspects are satisfactory.

## CURRENCY

Unless otherwise stated, all monetary amounts in our valuation are in Renminbi (RMB).

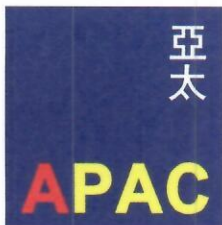
Our valuation report is attached.

Yours faithfully,  
For and on behalf of  
**APAC Asset Valuation and Consulting Limited**

**Pang Kin Fai**  
*MHKIS, MRICS, RPS (GP)*  
*Director*

*Note:* Mr. Pang Kin Fai is a Registered Professional Surveyor in General Practice Division with over 26 years valuation experience on properties in Hong Kong and the PRC.

Encl.



## VALUATION REPORT

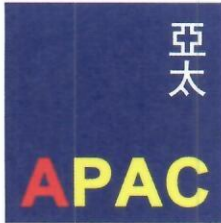
Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 July 2023
<p>A commercial development located at the Eastern Side of Ruyi West Road, Southern Side of No. 1 Ruyi Hexi Street, Jinshui District, Zhengzhou, Henan Province, The PRC</p>	<p>The Property is a commercial development being erected on a parcel of land with a total site area of approximately 14,923.11 sq.m.</p> <p>The Property is situated on the south side of Zhengzhou Financial Island, less than one kilometer away from the center of the island. Zhengzhou Financial Island is a newly developed zone within Zhengdong New District that aims to become a thriving hub for financial institutions, commerce, and tourism. Surrounding the island, there are numerous low-density residential and commercial developments, among which the Property stands as one.</p>	<p>As at the valuation date, the Property was under construction with about 6-7 floors completed as part of its overall construction progress.</p>	<p>RMB277,000,000</p>

According to the latest development proposal provided by the Company, the Property is planned to be developed into a commercial development comprising two 10 to 11-storey buildings with a total gross floor area of approximately 44,655.14 sq.m. The Property also includes 448 car parking spaces. Detail of the areas are as follow:

Use	Approximate Gross Floor Area (sq.m.)
Hotel	28,431.89
Serviced Apartment	14,954.57
Retail	992.77
Ancillary Facilities	275.91
<b>Total:</b>	<b>44,655.14</b>

The Property is scheduled to be completed by the end of 2025.

The land use rights of the Property have been granted for a term expiring on 13 May 2058 for wholesale, retail, accommodation, and catering uses.



*Notes:*

1. Pursuant to a Real Estate Title Certificate – Yu (2018) Zheng Zhou Shi Bu Dong Chan Quan No. 0158412 dated 31 May 2018, the land use rights of the Property with a site area of 14,923.11 sq.m. were granted to Henan Zhengzhiyue Real Estate Co., Ltd. (“**Henan Zhengzhiyue**”) for a term expiring on 13 May 2058 for wholesale, retail, accommodation, and catering uses.
2. Pursuant to the Construction Land Planning Permits – Zheng Gui Di Zi No. 410100201839308 dated 2 May 2018, Henan Zhengzhiyue was permitted to use a parcel of land with a total site area of 14,922.98 sq.m. for commercial use.
3. Pursuant to the Construction Work Planning Permit - Zheng Gui Jian Zi No. 410100202039084 dated 31 December 2020, the construction works of the Property with a total floor area of 65,912.38 sq. m. has been approved.
4. Pursuant to the Construction Work Commencement Permit No. 410170202206170101 dated 17 June 2022, the construction works of the Property with a total floor area of 65,912.38 sq. m. has been approved for commencement.
5. As advised by the Company, the total construction cost incurred for the Property as at the valuation date was approximately RMB72,619,000 whereas the total budget construction cost was approximately RMB430,071,000. In the course of our valuation, we have taken into account the said amounts in our valuation.
6. The market value of the Property if completed as at the date of valuation was about RMB901,776,000.
7. As advised by the Company, the hotel portion of the Property was held for owner occupation, while the serviced apartments were held for sale.
8. We have been provided with a legal opinion on the Property issued by the Company’s PRC legal adviser, which contains, inter alia, the followings:
  - i. Henan Zhengzhiyue has obtained the state-owned land use rights of the Property legally and validly and is entitled to use the land of the Property within the tenure of land use rights in accordance with laws;
  - ii. Henan Zhengzhiyue has obtained necessary approval and permits for the development and construction of the proposed development of the Property;
  - iii. upon completion of the construction of the Property and registration of examination of completion of the Property by relevant government department, Henan Zhengzhiyue can apply for the relevant title document for the buildings;
  - iv. the Property is subject to a mortgage in favour of 華融資產 and the disposal of the Property is limited by the mortgage.