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Company Licence No.: C-030171

仲量聯行企業評估及諮詢有限公司  
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公司牌照號碼：C-030171

12 December 2023

The Board of Directors  
**Henan Jinyuan Hydrogenated Chemicals Co., Ltd.**  
17th Floor, One Island East  
Taikoo Place  
18 Westlands Road  
Quarry Bay  
Hong Kong

Dear Sirs,

In accordance with your instructions to value the selected properties held by Henan Jinyuan Hydrogenated Chemicals Co., Ltd. (the "Company") and its subsidiaries (hereinafter together referred to as the "Group") in the People's Republic of China (the "PRC"), we confirm that we have carried out inspections, 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 values of the property interests as at 30 September 2023 (the "valuation date").

These property interests form part of the non-property activities of the Group and each has a carrying amount representing 15% or more of the Group's total assets and therefore a valuation report of these property interests is required to be included in this listing document.

Our valuation is carried out on a market value basis. 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".

Due to the nature of the buildings and structures of property and the particular locations in which they are situated, there are unlikely to be relevant market comparable sales readily available, the property interests have therefore been valued by the cost approach with reference to their depreciated replacement cost.

Depreciated replacement cost is defined as “the current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation.” It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement (reproduction) of the improvements, less deductions for physical deterioration and all relevant forms of obsolescence and optimisation. In arriving at the value of land portion, reference has been made to the sales evidence as available in the locality. The depreciated replacement cost of the property interest is subject to adequate potential profitability of the concerned business. In our valuation it applies to the whole of the complex or development as a unique interest, and no piecemeal transaction of the complex or development is assumed.

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 value of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense 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 valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing titles to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company’s PRC legal advisers – Brightstone Lawyers, concerning the validity of the property interests in the PRC.

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.





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The site inspection was carried out in August 2023 by Ms. Queena Qiao who has obtained a bachelor degree in asset appraisal and has 7 years' valuation experience in the real estate industry of the PRC and Ms. Cassie Hu who has 3 years' valuation experience in the real estate industry of the PRC. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

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 Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

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

Our valuation is summarised below and the valuation certificates are attached.

Yours faithfully,

For and on behalf of

**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**

**Eddie T. W. Yiu**

*MRICS MHKIS RPS (GP)*

Senior Director

*Note:* Eddie T.W. Yiu is a Chartered Surveyor who has 29 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

## SUMMARY OF VALUES

### Property interests held and occupied by the Group in the PRC

No. Property	Market value in existing state as at 30 September 2023 <i>RMB</i>
1. A parcel of land, 9 buildings and various structures located at the eastern side of Jinma Avenue and the western side of Longxing Taiye Jiyuan City Henan Province The PRC	24,000,000
2. 3 parcels of land, 14 buildings, various structures and various industrial buildings under construction located at the western side of Sangyu River and the northern side of planned South Jinjiang Road Jiyuan City Henan Province The PRC	100,790,000
3. 2 parcels of land, 6 buildings and various structures located at the southern side of planned Lihu Road and the western side of West Ring Road Jiyuan City Henan Province The PRC	66,070,000
<b>Total:</b>	<b><u><u>190,860,000</u></u></b>

## VALUATION CERTIFICATE

### Property interests held and occupied by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2023 RMB
1.	A parcel of land, 9 buildings and various structures located at the eastern side of Jinma Avenue and the western side of Longxing Taiye Jiyuan City Henan Province The PRC	<p>The property comprises a parcel of land with a site area of approximately 60,852.00 sq.m. and 9 buildings and various ancillary structures erected thereon which were completed in various stages between 2007 and 2020.</p> <p>The buildings mainly include an office building, 7 industrial buildings and a warehouse with a total gross floor area of approximately 3,346.93 sq.m.</p> <p>The structures mainly include roads, boundary walls, cesspit and shed.</p> <p>The land use rights of the property have been granted for a term expiring on 16 February 2067 for industrial use.</p>	The property was occupied for production, office and ancillary purposes as at the valuation date.	24,000,000

*Notes:*

1. Pursuant to 2 Real Estate Title Certificates – Yu (2017) Ji Yuan Shi Bu Dong Chan Quan Di No. 0000651 and Yu (2023) Ji Yuan Shi Bu Dong Chan Quan Di No. 0015118, the land use rights of a parcel of land with a site area of approximately 60,852.00 sq.m. have been granted to Jiyuan Jinning Energy Co., Ltd. (濟源市金寧能源實業有限公司, “Jinning Energy”, a 51% subsidiary of the Company), for a term expiring on 16 February 2067 for industrial use and 9 buildings with a total gross floor area of approximately 3,346.93 sq.m. are owned by Jinning Energy.
2. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
  - a. Jinning Energy is the legal user of the state-owned land use rights of the property. Jinning Energy has the rights to occupy, use, receive benefit from, transfer, lease, mortgage or otherwise dispose of the land use rights of the property within the use terms specified in the relevant Real Estate Title Certificates; and
  - b. Jinning Energy legally holds the building ownership rights of the property. Jinning Energy has the rights to occupy, use, receive benefit from, transfer, lease, mortgage or otherwise dispose of the building ownership rights of the property within the use terms specified in the relevant Real Estate Title Certificates.





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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2023 RMB
2.	3 parcels of land, 14 buildings, various structures and various industrial buildings under construction located at the western side of Sangyu River and the northern side of planned South Jinjiang Road Jiyuan City Henan Province The PRC	<p>The property comprises 3 parcels of land with a total site area of approximately 208,057.49 sq.m. and 14 buildings and various ancillary structures erected thereon which were completed in various stages between 2013 and September 2023.</p> <p>The buildings mainly include 2 warehouses, 2 water pump houses, 2 control rooms, a compressor room, 2 guard rooms and 5 industrial buildings with a total gross floor area of approximately 8,044.24 sq.m.</p> <p>The structures mainly include pipelines, roads, boundary walls and sheds.</p> <p>Apart from the completed buildings mentioned above, there are various industrial buildings which were under construction (the "CIP") as at the valuation date. The CIP is scheduled to be completed in December 2023. Upon completion, the CIP will have a gross floor area of approximately 931.69 sq.m.</p> <p>The land use rights of the property have been granted for terms expiring on 9 March 2061, 19 February 2069 and 20 January 2071 for industrial use.</p>	The completed portions of the property were occupied for production, office and ancillary purposes and the remaining portion of the property was under construction as at the valuation date.	100,790,000

*Notes:*

1. Pursuant to a State-owned Land Use Rights Grant Contract – No. 4108812020801570 dated 30 December 2020, the land use rights of a parcel of land with a site area of approximately 104,043.49 sq.m. were contracted to be granted to Jiyuan Jinyuan Chemicals Co., Ltd. (濟源市金源化工有限公司), currently known as Henan Jinyuan Hydrogenated Chemicals Co., Ltd. (河南金源氫化化工股份有限公司, "the Company"), for a term of 50 years for industrial use commencing from the land delivery date. The land premium was RMB31,993,345.5.
2. Pursuant to 3 Real Estate Title Certificates – Yu (2018) Ji Yuan Shi Bu Dong Chan Quan Di No. 0006449, Yu (2023) Ji Yuan Shi Bu Dong Chan Quan Di No. 0015122 and Yu (2023) Ji Yuan Shi Bu Dong Chan Quan Di No. 0016131, the land use rights of 2 parcels of land with a total site area of approximately 168,854.49 sq.m. have been granted to the Company, for terms expiring on 9 March 2061 and 20 January 2071 for industrial use, and 13 buildings with a total gross floor area of approximately 7,926.18 sqm. and 2 structures including a shed and a platform with a total gross floor area of approximately 6,022.81 sqm. are owned by the Company.



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3. Pursuant to a Real Estate Title Certificate – Yu (2023) Ji Yuan Shi Bu Dong Chan Quan Di No. 0015119, the land use rights of a parcel of land with a site area of approximately 39,203.00 sq.m. have been granted to the Company, for a term expiring on 19 February 2069 for industrial use and a building with a gross floor area of approximately 118.06 sq.m. is owned by the Company.
4. Pursuant to a Land Lease Agreement, portion of the land of the property with a site area of approximately 1,600.00 sq.m. is leased to Henan Jinma Zhongdong Energy Company Limited (河南金馬中東能源有限公司, “Jinma Zhongdong”) for industrial purpose from 1 August 2023 to 1 August 2026, and the annual rental as at the valuation date was RMB40,000, inclusive of VAT.
5. As advised by the Company, the CIP of the property has obtained the investment project registration certificate but has not obtained the Construction Work Completion and Inspection Acceptance Certificate as at the valuation date, therefore such portion of the property is determined as construction in progress, the total construction cost of the CIP of the property which was under construction as at the valuation date is estimated to be approximately RMB1,250,000, of which RMB875,000 had been paid up to the valuation date.
6. The replacement cost (excluding the land) of the CIP of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB1,250,000.
7. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
  - a. The Company is the legal user of the state-owned land use rights of the property. The Company has the rights to occupy, use, receive benefit from and upon consent from the mortgagee to transfer, lease, mortgage or otherwise dispose of the land use rights of the property within the use terms specified in the relevant Real Estate Title Certificates;
  - b. The Company legally holds the building ownership rights of portions of the property mentioned in notes 2 and 3. The Company has the rights to occupy, use, receive benefit from and upon consent from the mortgagee to transfer, lease, mortgage or otherwise dispose of the building ownership rights of these portions of the property within the use terms specified in the relevant Real Estate Title Certificates;
  - c. For the CIP of the property with a total planned gross floor area of approximately 931.69 sq.m. which was under application for Construction Work Planning Permit and Construction Work Commencement Permit, according to the certification dated August 2023 issued by Jiyuan Planning Bureau and Jiyuan Housing and Construction Bureau, as the Company has applied for the afore-mentioned permits, it is confirmed that retrospective treatment (including administrative penalties such as demolition within a time limit, confiscation and fine) will not be taken on the Company; and
  - d. Pursuant to a Fixed Asset Loan Contract, the property is subject to a mortgage in favour of Zhongyuan Bank Jiyuan Branch as security to guarantee the obligation under the loan contract for a loan amount of RMB225,000,000 with a term from 5 September 2022 to 31 August 2027.





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## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 September 2023 RMB
3.	2 parcels of land, 6 buildings and various structures located at the southern side of planned Lihu Road and the western side of West Ring Road Jiyuan City Henan Province The PRC	<p>The property comprises 2 parcels of land with a total site area of approximately 79,435.00 sq.m. and 6 buildings and various ancillary structures erected thereon which were completed in 2018.</p> <p>The buildings mainly include 6 industrial buildings with a total gross floor area of approximately 5,613.47 sq.m.</p> <p>The structures mainly include roads, boundary walls and gate.</p> <p>The land use rights of the property have been granted for terms expiring on 9 March 2061 and 6 March 2067 for industrial use.</p>	The property was occupied for office, production and ancillary purposes as at the valuation date.	66,070,000

### Notes:

- Pursuant to 2 Real Estate Title Certificates – Yu (2023) Ji Yuan Shi Bu Dong Chan Quan Di Nos. 0014971 and 0014972, the land use rights of 2 parcels of land with a total site area of approximately 79,435.00 sq.m. have been granted to Henan Jinrui Energy Co., Ltd. (河南金瑞能源有限公司, “Jinrui Energy”, a 81% subsidiary of the Company) for terms expiring on 9 March 2061 and 6 March 2067 for industrial use and 6 buildings with a total gross floor area of approximately 5,613.47 sq.m. are owned by Jinrui Energy.
- We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal advisers, which contains, *inter alia*, the following:
  - Jinrui Energy is the legal user of the state-owned land use rights of the property. Jinrui Energy has the rights to occupy, use, receive benefit from and upon consent from the mortgagee to transfer, lease, mortgage or otherwise dispose of the land use rights of the property within the use terms specified in the relevant Real Estate Title Certificates;
  - Jinrui Energy legally holds the building ownership rights of the property. Jinrui Energy has the rights to occupy, use, receive benefit from and upon consent from the mortgagee to transfer, lease, mortgage or dispose the land use rights of the property within the use terms specified in the relevant Real Estate Title Certificates; and
  - Pursuant to a Maximum Amount Mortgage Contract, the property is subject to a mortgage in favour of Industrial and Commercial Bank of China Limited Jiyuan Branch as security to guarantee the obligation under the mortgage contract for a maximum remaining loan amount of RMB60,000,000 with a term from 15 June 2022 to 30 June 2025.