



Valuation Report

prepared for

Huazhang Technology Holding Limited

Valuation of Various Properties Located in
The People's Republic of China

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

Huazhang Technology Holding Limited
Suite 901, 9/F,
Ocean Centre,
5 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong

12 January 2024

Dear Sirs,

INSTRUCTION AND VALUATION DATE

We refer to your instructions for us to assess the Market Values of all property interests held by Huazhang Technology Holding Limited (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 2023 (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; 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; and Rule 11 of the Code on Takeovers and Mergers published by the Securities and Futures Commission.

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.

VALUATION METHODOLOGY

There are three principal valuation approaches under the HKIS Valuation Standards 2020 and the International Valuation Standards, namely Market Approach, Income Approach and Cost Approach.

Market Approach is universally considered as the most accepted valuation approach for valuing most forms of property when relevant sale comparables are sufficiently available in the market. Income Approach relies on the rental potential of a property and is usually adopted when there is a lack of relevant sale evidences for an income generating property. Cost Approach, which bases on an aggregate of the depreciated replacement costs of the existing buildings and the market cost of acquiring the land, is generally applied if the sale evidences and rental potential of a property are not able to be identified.

In the course of our valuation, we have adopted Cost Approach for Property I of Group I since relevant sale comparables and potential rental income of Property I as a purpose-built industrial complex under owner's occupation could not be identified.

Cost Approach is subject to an assumption of adequate potential profitability of the business (or to service potential of the entity from the use of assets as a whole) paying due regard to the total assets employed. The depreciated replacement costs of the existing buildings is based on the current market replacement (reproduction) costs of buildings less allowances for physical deterioration and all relevant forms of obsolescence and optimisation. In arriving at the cost of the land, reference has been made to the land transactions as available in the locality.

For other properties, recent sale comparables relevant in terms of physical and locational attributes were sufficiently available and therefore Market Approach as the most accepted valuation approach has been applied.

Market Approach involves the analysis of recent sale comparables 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, size and so on.

POTENTIAL TAX LIABILITIES

As advised by the Group, the potential tax liabilities which may arise from the sale of the property interests located in The People's Republic of China ("**The PRC**") include:

- (i) Value added tax plus surcharges on the consideration at a rate of 5.5% - 5.65%;
- (ii) Corporate income tax on the profit from the sale of property at a rate of 25%; and

- (iii) Land value appreciation tax on the appreciated portion of land value at progressive tax rates as follows:

Appreciated portion of land value	Progressive tax rate
Not more than 50%	30%
More than 50% but not more than 100%	40%
More than 100% but not more than 200%	50%
More than 200%	60%

For the property interests held by the Group in The PRC, they are currently held by the Group and are not undergoing transaction as at the date of this report. Hence, the likelihood of any potential tax liabilities of these property interests being crystallized is remote.

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 scrutinized 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 opinions dated 4 January 2024 given by the PRC legal adviser of the Group, Zhejiang L&H Law Firm, regarding the titles and encumbrances 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 opinions dated 4 January 2024 given by the PRC legal adviser of the Group, Zhejiang L&H Law Firm, in respect of the titles and encumbrances 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 and no material building defects were identified during inspection. 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.

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 FHKIS RPS(GP)
MCIREA MHKSI MISCM MHIREA FHKIoD
RICS Registered Valuer
Registered Real Estate Appraiser & Agent PRC
Managing Director

Note:

*Vincent Cheung is a fellow of the Royal Institution of Chartered Surveyors, a fellow of the Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region (“**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 26 years of experience in the valuation of fixed and intangible assets of this magnitude and nature in the subject region.*

VALUATION SUMMARY

Group 1 - Property Interests Held by the Group for Occupation in The PRC

No.	Property	Market Value as at 31 December 2023	Interest Attributable to the Group	Market Value as at 31 December 2023 Attributable to the Group
1	An Industrial Complex Located at No. 1360 Zhenhua Road, Wutong Subdistrict, Tongxiang, Jiaxing, Zhejiang Province, The PRC	RMB68,220,000	100%	RMB68,220,000
2	Units 1206-1210, Weixing Building, No. 252 Wenshan Road, Xihu District, Hangzhou, Zhejiang Province, The PRC	RMB6,630,000	100%	RMB6,630,000
3	Room 2 on Level 2 of Unit 3, Room 2 on Level 3 of Unit 3, and Rooms 1 and 2 on Level 2 of Unit 4 of Block 1, Jinyuan Building, No. 60 Yongqing Road, Jiang'an District, Wuhan, Hubei Province, The PRC	RMB10,330,000	70%	RMB7,231,000
Sub-total:		RMB85,180,000		RMB82,081,000

Group 2 - Property Interests Held by the Group for Investment in The PRC

No.	Property	Market Value as at 31 December 2023	Interest Attributable to the Group	Market Value as at 31 December 2023 Attributable to the Group
4	Unit 801, Block B, Changdi Huoju Building, No. 259 Wensan Road, Xihu District, Hangzhou, Zhejiang Province, The PRC	RMB12,530,000	100%	RMB12,530,000
Sub-total:		RMB12,530,000		RMB12,530,000

Group 3 - Property Interests Held by the Group Partially for Occupation and Partially for Investment in The PRC

No.	Property	Market Value as at 31 December 2023	Interest Attributable to the Group	Market Value as at 31 December 2023 Attributable to the Group
5	A Logistics Park Located at No. 4 Haigang Erheng Road, Gangkou Industrial Park, Jiangcheng District, Yangjiang, Guangdong Province, The PRC	RMB175,400,000	100%	RMB175,400,000
Sub-total:		RMB175,400,000		RMB175,400,000
Total:		RMB273,110,000		RMB270,011,000

VALUATION CERTIFICATE

Group I - Property Interests Held by the Group for Occupation in The PRC

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 December 2023
I	An Industrial Complex Located at No. 1360 Zhenhua Road, Wutong Subdistrict, Tongxiang, Jiaxing, Zhejiang Province, The PRC	The property comprises a land parcel with a site area of approximately 41,540.37 square meters (“sq.m.”), on which four workshops, an office building, a canteen-cum dormitory building, a dormitory, two reception rooms, a power substation and various ancillary structures are erected. As per the Real Estate Title Certificates, the property has a total gross floor area (“GFA”) of approximately 35,160.04 sq.m.. As per information provided by the Group and the Real Estate Title Certificates, it was completed in between 2002 to 2019.	As per our on-site inspection and information provided by the Group, the property is currently owner-occupied.	RMB68,220,000 (RENMINBI SIXTY EIGHT MILLION TWO HUNDRED AND TWENTY THOUSAND) 100% Interest Attributable to the Group: RMB68,220,000 (RENMINBI SIXTY EIGHT MILLION TWO HUNDRED AND TWENTY THOUSAND)

The GFA breakdown of the property is listed as below: -

Block No.	Portion	GFA (sq.m.)
1	Office	5,328.70
2	Workshop #1	2,851.25
3	Canteen & Dormitory	1,231.07
4	Dormitory	1,245.64
5	Workshop #2	11,016.96
6	Workshop #3	1,301.69
7	Reception Room (East)	47.16
8	Reception Room (North)	47.16
9	Power Substation	108.08
10	Workshop #4	11,982.33
Total:		35,160.04

The land use rights of the property were granted for a term expiring on 8 May 2052 for industrial uses.

Notes:

1. The property was inspected by Kit Cheung *BSc(Hons) MRICS MHKIS RPS(GP) MHIREA MCIREA RICS Registered Valuer Registered Real Estate Appraiser PRC* on 19 August 2023.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS FHKIS RPS(GP) MCIREA MHKSI MISCM FHKIoD MHIREA 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*.
3. Pursuant to ten Real Estate Title Certificates issued by Tongxiang Natural Resources and Planning Bureau, the land use rights of the property with a site area of 41,540.37 sq.m. and the building ownership rights of the property with a total GFA of 35,160.04 sq.m. were legally vested in Zhejiang Huazhang Technology Limited.

The details of the Real Estate Title Certificates are summarized below:

Portion	Certificate No.	Date of Instrument	Site Area (sq.m.)	GFA (sq.m.)
Block 1	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043244	29 October 2019	6,295.67	5,328.70
Block 2	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043186	29 October 2019	3,368.65	2,851.25
Block 3	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043247	29 October 2019	1,454.47	1,231.07
Block 4	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043245	29 October 2019	1,471.68	1,245.64
Block 5	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043246	29 October 2019	13,016.16	11,016.96
Block 6	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043241	29 October 2019	1,537.90	1,301.69
Block 7	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043243	29 October 2019	55.72	47.16
Block 8	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043242	29 October 2019	55.72	47.16

Block 9	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0043240	29 October 2019	127.69	108.08
Block 10	Zhe (2019) Tong Xiang Shi Bu Dong Chan Quan Di No. 0057321	3 December 2019	14,156.71	11,982.33
Total:			41,540.37	35,160.04

4. Pursuant to a Mortgage Agreement, No. 33100520230020410-20230093384-1 dated 3 August 2023 and entered into between Agricultural Bank of China Limited Hangzhou Banshan Branch and Zhejiang Huazhang Technology Limited, the land use rights and building ownership rights of a portion of the property, namely Block 5 with a site area and a GFA of 13,016.16 sq.m. and 11,016.96 sq.m. respectively, was subject to mortgage.

5. As per the information provided by the Group, Zhejiang Huazhang Technology Limited is a wholly owned subsidiary of the Company.

6. The general description and market information of the property are summarized below:

Location	: The property is located at No. 1360 Zhenhua Road, Wutong Subdistrict, Tongxiang, Jiaxing, Zhejiang Province, The PRC.
Transportation	: Hangzhou Xiaoshan International Airport and Tongxiang Railway Station are located approximately 62.5 kilometres and 9.2 kilometres away from the property respectively.
Nature of Surrounding Area	: The subject area is a predominately industrial area in Tongxiang with some commercial and residential buildings available.

7. We have been provided with a PRC legal opinion dated 4 January 2024 regarding the property by Zhejiang L&H Law Firm, which contains, inter alia, the following:

- (a) Zhejiang Huazhang Technology Limited has obtained relevant title certificates of 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 property;
- (b) Subject to the agreement of the mortgagee, Zhejiang Huazhang Technology Limited can occupy, use, let, transfer, mortgage or by other means handle the relevant state-owned land use rights and building ownership rights of the property; and
- (c) Except for the above-mentioned mortgage, the state-owned land use rights and building ownership rights of the property are not subject to any dispute or seizure.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 December 2023
2	Units 1206-1210, Weixing Building, No. 252 Wenshan Road, Xihu District, Hangzhou, Zhejiang Province, The PRC	<p>The property comprises five conjoining office units on Level 12 of a 23-storey office tower plus a basement level, namely Weixing Building.</p> <p>As per the Building Ownership Certificate, the property has a GFA of approximately 422.27 sq.m.. As per information provided by the Group, the property was completed in about 1997.</p> <p>The land use rights of the property were granted for a term expiring on 5 August 2044 for composite uses.</p>	As per our on-site inspection and information provided by the Group, the property is currently vacant.	<p>RMB6,630,000 (RENMINBI SIX MILLION SIX HUNDRED AND THIRTY THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB6,630,000 (RENMINBI SIX MILLION SIX HUNDRED AND THIRTY THOUSAND)</p>

Notes:

1. The property was inspected by Noah Liu *BCom MSc(RE) Probationer of RICS* on 4 September 2023.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS FHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA 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*.
3. Pursuant to a State-owned Land Use Rights Certificate, Hang Xi Guo Yong (2010) Di No. 008188, dated 10 June 2010 and issued by the People's Government of Hangzhou, the land use rights of the property with an apportioned site area of 51.10 sq.m. were granted to Zhejiang Huazhang Technology Limited for a term expiring on 5 August 2044 for composite uses.
4. Pursuant to a Building Ownership Certificate, Hang Fang Quan Zheng Xi Yi Zi Di No. 10830366, dated 25 May 2010 issued by the Real Estate Administration Bureau of Hangzhou, the building ownership rights of the property with a GFA of 422.27 sq.m. were legally vested in Zhejiang Huazhang Technology Limited.
5. Pursuant to a Mortgage Agreement, No. 33100520230020410-20230093384-2 dated 3 August 2023 and entered into between Agricultural Bank of China Limited Hangzhou Banshan Branch and Zhejiang Huazhang Technology Limited, the land use rights and building ownership rights of the property with a site area and a GFA of 51.10 sq.m. and 422.27 sq.m. respectively, was subject to mortgage.
6. As per the information provided by the Group, Zhejiang Huazhang Technology Limited is a wholly owned subsidiary of the Company.
7. The general description and market information of the property are summarized below:

Location : The property is located at No. 252 Wenshan Road, Xihu District, Hangzhou, Zhejiang Province, The PRC.

Transportation : Xueyuan Road Station of Metro Line Nos. 2 and 10, Hangzhou Railway Station and Hangzhou Xiaoshan International Airport are located approximately 1.2 kilometres, 7.8 kilometres and 33.0 kilometres away from the property respectively.

Nature of Surrounding Area : The subject area is a predominately residential area in Xihu District with some commercial buildings available.

8. We have been provided with a PRC legal opinion dated 4 January 2024 regarding the property by Zhejiang L&H Law Firm , which contains, inter alia, the following:

- (a) Zhejiang Huazhang Technology Limited has obtained relevant title certificates of 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 property;
- (b) Subject to the agreement of the mortgagee, Zhejiang Huazhang Technology Limited can occupy, use, let, transfer, mortgage or by other means handle the relevant state-owned land use rights and building ownership rights of the property; and
- (c) Except for the above-mentioned mortgage, the state-owned land use rights and building ownership rights of the property are not subject to any dispute or seizure.

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 December 2023
3	Room 2 on Level 2 of Unit 3, Room 2 on Level 3 of Unit 3, and Rooms 1 and 2 on Level 2 of Unit 4 of Block I, Jinyuan Building, No. 60 Yongqing Road, Jiang'an District, Wuhan, Hubei Province, The PRC	<p>The property comprises four residential units known as Room 2 on Level 2 of Unit 3, Room 2 on Level 3 of Unit 3, and Rooms 1 and 2 on Level 2 of Unit 4 of Block I (the “Subject Building”) of a 12-storey residential building, namely Jinyuan Building (the “Subject Development”) located at No. No. 60 Yongqing Road, Jiang'an District, Wuhan, Hubei Province, The PRC.</p> <p>As per four Real Estate Title Certificates, the master site of the Subject Development has a site area of approximately 988.84 sq.m. and the property has a total GFA of approximately 502.40 sq.m. and it was completed in about 2003.</p>	As per our on-site inspection and information provided by the Group, the property is currently owner-occupied.	<p>RMB10,330,000 (RENMINBI TEN MILLION THREE HUNDRED AND THIRTY THOUSAND)</p> <p>70% Interest Attributable to the Group:</p> <p>RMB7,231,000 (RENMINBI SEVEN MILLION TWO HUNDRED AND THIRTY ONE THOUSAND)</p>

The area breakdown of the property is listed below:

Portion	GFA (sq.m.)
Room 2 on Level 2 of Unit 3, Block I	125.60
Room 2 on Level 3 of Unit 3, Block I	125.60
Room 1 on Level 2 of Unit 4, Block I	125.60
Room 2 on Level 2 of Unit 4, Block I	125.60
Total:	502.40

The land use rights of the Subject Development were granted for a term expiring on 22 September 2068 for residential uses.

Notes:

1. The property was inspected by Leo Liu *BEcon MSc(RE)* on 27 December 2023.
2. The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS FHKIS RPS(GP) MCIREA MHKSI MISC M FHKIoD MHIREA 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*.

3. Pursuant to four Real Estate Title Certificates, both dated 15 October 2020 and issued by Wuhan Natural Resources and Planning Bureau, the land use rights and the building ownership right of the property, with a master site area of approximately 988.84 sq.m. and a total GFA of approximately 502.40 sq.m. were legally vested in Wuhan City Wu Kong System Engineering Company Limited (“武汉市武控系統工程有限公司”). The land use rights of the Subject Development were granted for a term expiring on 22 September 2068 for residential uses.

The details of the Real Estate Title Certificates are summarized below:

Portion	Certificate No.	GFA (sq.m.)
Room 2 on Level 2 of Unit 3, Block I	‘E (2020) Wu Han Shi Jiang ‘An Bu Dong Chan Quan Di No. 0033145	125.60
Room 2 on Level 3 of Unit 3, Block I	‘E (2020) Wu Han Shi Jiang ‘An Bu Dong Chan Quan Di No. 0033152	125.60
Room 1 on Level 2 of Unit 4, Block I	‘E (2020) Wu Han Shi Jiang ‘An Bu Dong Chan Quan Di No. 0033201	125.60
Room 2 on Level 2 of Unit 4, Block I	‘E (2020) Wu Han Shi Jiang ‘An Bu Dong Chan Quan Di No. 0033146	125.60
	Total:	502.40

4. As per the information provided by the Group, Wuhan City Wu Kong System Engineering Company Limited is a direct 70% owned subsidiary of the Company.

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

Location	: The property is located at No. 60 Yongqing Road, Jiang’an District, Wuhan, Hubei Province, The PRC.
Transportation	: Zhaojiaqiao Metro Station of Wuhan Metro Line Nos. 3 and 8, Hankou Railway Station and Wuhan Tianhe International Airport are located in approximately 630 meters, 5.9 kilometres and 25.9 kilometres away respectively.
Nature of Surrounding Area	: The subject area is a predominately residential area within Jiang’an District.

6. We have been provided with a PRC legal opinion dated 4 January 2024 regarding the property by Zhejiang L&H Law Firm, which contains, inter alia, the following:

- Wuhan City Wu Kong System Engineering Company Limited has obtained relevant title certificates of 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 property;
- Wuhan City Wu Kong System Engineering Company Limited can occupy, use, let, transfer, mortgage or by other means handle the relevant state-owned land use rights and building ownership rights of the property; and
- The state-owned land use rights and building ownership rights of the property are not subject to any mortgage, dispute or seizure.

Group 2 - Property Interests Held by the Group for Investment in The PRC

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 December 2023
4	Unit 801, Block B, Changdi Huoju Building, No. 259 Wensan Road, Xihu District, Hangzhou, Zhejiang Province, The PRC	<p>The property comprises an office unit on Level 8 of a 20-storey office tower plus two basement levels, namely Block B, Changdi Huoju Building.</p> <p>As per the Building Ownership Certificate, the property has a GFA of approximately 750.42 sq.m.. As per information provided by the Group, it was completed in about 2003.</p> <p>The land use rights of the property were granted for a term expiring on 17 June 2049 for composite uses.</p>	As per our on-site inspection and information provided by the Group, the property is currently vacant.	<p>RMB12,530,000 (RENMINBI TWELVE MILLION FIVE HUNDRED AND THIRTY THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB12,530,000 (RENMINBI TWELVE MILLION FIVE HUNDRED AND THIRTY THOUSAND)</p>

Notes:

- The property was inspected by Noah Liu *BCom MSc(RE) Probationer of RICS* on 4 September 2023.
- The valuation and this certificate were prepared by Vincent Cheung *BSc(Hons) MBA FRICS FHKIS RPS(GP) MCIREA MHKSI MISCM MHIREA 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, Hang Xi Guo Yong (2010) Di No. 008187, dated 10 June 2010 and issued by the People's Government of Hangzhou, the land use rights of the property with an apportioned site area of 92.20 sq.m. were granted to Zhejiang Huazhang Technology Limited for a term expiring on 17 June 2049 for composite uses.
- Pursuant to a Building Ownership Certificate, Hang Fang Quan Zheng Xi Yi Zi Di No. 10830365, dated 25 May 2010 issued by the Real Estate Administration Bureau of Hangzhou, the building ownership rights of the property with a GFA of 750.42 sq.m. were legally vested in Zhejiang Huazhang Technology Limited.
- Pursuant to a Mortgage Agreement, No. 33100520230020410-20230093384-3 dated 3 August 2023 and entered into between Agricultural Bank of China Limited Hangzhou Banshan Branch and Zhejiang Huazhang Technology Limited, the land use rights and building ownership rights of the property with a site area and a GFA of 92.20 sq.m. and 750.42 sq.m. respectively, was subject to mortgage.
- As per the information provided by the Group, Zhejiang Huazhang Technology Limited is a wholly owned subsidiary of the Company.

7. The general description and market information of the property are summarized below:

- Location : The property is located at located at No. 259 Wensan Road, Xihu District, Hangzhou, Zhejiang Province, The PRC.
- Transportation : Xueyuan Road Station of Hangzhou Metro Line Nos. 2 and 10, Hangzhou Railway Station and Hangzhou Xiaoshan International Airport are located approximately 1.5 kilometres, 8.5 kilometres and 33.5 kilometres away from the property respectively.
- Nature of Surrounding Area : The subject area is a predominately residential area in Xihu District with some commercial buildings available.

8. We have been provided with a PRC legal opinion dated 4 January 2024 regarding the property by Zhejiang L&H Law Firm, which contains, inter alia, the following:

- (a) Zhejiang Huazhang Technology Limited has obtained relevant title certificates of 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 property;
- (b) Subject to the agreement of the mortgagee, Zhejiang Huazhang Technology Limited can occupy, use, let, transfer, mortgage or by other means handle the relevant state-owned land use rights and building ownership rights of the property; and
- (c) Except for the above-mentioned mortgage, the state-owned land use rights and building ownership rights of the property are not subject to any dispute or seizure.

Group 3 - Property Interests Held by the Group Partially for Occupation and Partially for Investment in The PRC

No.	Property	Description and Tenure	Occupancy Particulars	Market Value as at 31 December 2023																		
5	A Logistics Park Located at No. 4 Haigang Erheng Road, Gangkou Industrial Park, Jiangcheng District, Yangjiang, Guangdong Province, The PRC	<p>The property comprises a land parcel with a site area of approximately 193,202.88 sq.m., on which four warehouses, an ancillary office, a mechanical room, a guardhouse and various ancillary structures are erected.</p> <p>As per the Real Estate Title Certificate, the property has a total GFA of approximately 44,447.76 sq.m.. As per information provided by the Group, it was completed in about 2018.</p> <p>The area breakdown of the property is listed below:</p> <table border="1"> <thead> <tr> <th>Portion</th> <th>GFA (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Warehouse 1#</td> <td>7,942.20</td> </tr> <tr> <td>Warehouse 2#</td> <td>13,154.80</td> </tr> <tr> <td>Warehouse 3#</td> <td>13,154.80</td> </tr> <tr> <td>Warehouse 4#</td> <td>8,825.00</td> </tr> <tr> <td>Ancillary Office</td> <td>1,102.30</td> </tr> <tr> <td>Guardhouse</td> <td>45.51</td> </tr> <tr> <td>Mechanical Room</td> <td>223.15</td> </tr> <tr> <td>Total:</td> <td>44,447.76</td> </tr> </tbody> </table> <p>The land use rights of the property were granted for a term expiring on 22 December 2065 for industrial uses.</p>	Portion	GFA (sq.m.)	Warehouse 1#	7,942.20	Warehouse 2#	13,154.80	Warehouse 3#	13,154.80	Warehouse 4#	8,825.00	Ancillary Office	1,102.30	Guardhouse	45.51	Mechanical Room	223.15	Total:	44,447.76	<p>As per our on-site inspection and information provided by the Group, a portion (which known as four warehouses and a mechanical room) of the property is currently subject to various tenancy agreements with the latest expiry date being on 30 April 2025 at a current monthly rent of approximately RMB644,236 exclusive of management fee and service charges, while the remaining portion (which known as an ancillary office and a guardhouse) is currently owner-occupied.</p>	<p>RMB175,400,000 (RENMINBI ONE HUNDRED SEVENTY FIVE MILLION FOUR HUNDRED THOUSAND)</p> <p>100% Interest Attributable to the Group:</p> <p>RMB175,400,000 (RENMINBI ONE HUNDRED SEVENTY FIVE MILLION FOUR HUNDRED THOUSAND)</p>
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Notes:

1. The property was inspected by Ines Wang BSc(TM) MSc(RE) Probationer of RICS on 5 September 2023.
2. The valuation and this certificate were prepared by Vincent Cheung BSc(Hons) MBA FRICS FHKIS RPS(GP) MCIREA MHKSI MISCM FHKIoD MHIREA 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.

3. Pursuant to a Real Estate Title Certificate, Yue (2018) Yang Jiang Shi Bu Dong Chan Quan Di No. 0008589, dated 4 April 2018 and issued by Yangjiang Bureau of Land and Resources, the land use rights and the building ownership right of the property with a site area of approximately 193,202.88 sq.m. and a total GFA of approximately 44,447.76 sq.m. were legally vested in Guangdong Huazhang Logistics Warehouse Limited. The land use rights of the property were granted for a term expiring on 22 December 2065 for industrial uses.
4. As per the information provided by the Group, Guangdong Huazhang Logistics Warehouse Limited is a wholly owned subsidiary of the Company.
5. The general description and market information of the property are summarized below:

Location	: The property is located at No. 4 Haigang Erheng Road, Gangkou Industrial Park, Jiangcheng District, Yangjiang, Guangdong Province, The PRC.
Transportation	: Yangjiang Port Highway (S51), Train Station of Yangjiang Port are located in approximately 2.0 kilometres and 3.0 kilometres away respectively.
Nature of Surrounding Area	: The subject area is a predominately industrial area within Gangkou Industrial Park, Jiangcheng District. The neighbourhood of the property is dominated by industrial developments.
6. We have been provided with a PRC legal opinion dated 4 January 2024 regarding the property by Zhejiang L&H Law Firm which contains, inter alia, the following:
 - (a) Guangdong Huazhang Logistics Warehouse Limited has obtained relevant title certificates of 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 property;
 - (b) Guangdong Huazhang Logistics Warehouse Limited can occupy, use, let, transfer, mortgage or by other means handle the relevant state-owned land use rights and building ownership rights of the property; and
 - (c) The state-owned land use rights and building ownership rights of the property are not subject to any mortgage, dispute or seizure.

