

APPENDIX IV

PROPERTY VALUATION

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this Document received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 30 November, 2023 of the selected property interest held by the Group.*



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
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Licence No: C-030171

[REDACTED]

The Board of Directors  
Lianlian DigiTech Co., Ltd.  
10/F, Tower A  
No. 79 Yueda Lane  
Binjiang District  
Hangzhou City  
Zhejiang Province  
The PRC

Dear Sirs,

In accordance with your instructions to value the selected property interest held by Lianlian DigiTech 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 inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market value of the property interest as at 30 November, 2023 (the “**valuation date**”).

The selected property interest form part of property activities and has a carrying amount of 1% or more of the Group’s total assets, therefore the valuation report of the property interest is required to be included in this 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”.

We have valued the property interest by the income approach by taking into account the rental income of the property derived from the existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalized to determine the market value at an appropriate capitalization rate.

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Our valuation has been made on the assumption that the seller sells the property interest 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 interest.

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 property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

In valuing the property interest, 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 Real Estate Title Certificate and other official plans relating to the property interest and have made relevant enquiries. 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. We have relied considerably on the advice given by the Company's PRC legal advisor – Zhong Lun Law Firm concerning the validity of the property interest in the PRC.

We have not carried out detailed measurement to verify the correctness of the area in respect of the property 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.

We have inspected the exterior and, where possible, the interior of the property. 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. 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 property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

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Inspection of the property was carried out on June 19, 2023 by Devon Yan. He has more than 5 years' experience in the valuation of properties in the PRC.

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 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 certificate is attached below for your attention.

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.

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**VALUATION CERTIFICATE**

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at the valuation date</u>
			<i>RMB</i>
Portions of Lianlian Tower No. 79 Yueda Lane Binjiang District Hangzhou City Zhejiang Province The PRC	<p>The property comprises portions of a composite industrial development known as Lianlian Tower which was completed in 2016. The property is located at No. 79 Yueda Lane, Binjiang District. The locality of the property is a well-developed commercial and industrial park area with mature and sophisticated infrastructural facilities.</p> <p>The property comprises portions of the industrial units on first floor to eighth floor and 378 underground car parking spaces of Lianlian Tower with a total gross floor area of approximately 45,657.15 sq.m., which was held for investment by the Group as at the valuation date. The usage and gross floor area details of the property are set out in note 2.</p> <p>The land use rights of the property have been granted for a term expiring on June 7, 2062 for industrial use.</p>	As at the valuation date, portions of the property were rented to several tenants mainly for research office purpose, while the remaining portion was vacant.	270,400,000 (see note 4)

*Notes:*

- Pursuant to a Real Estate Title Certificate – Zhe (2016) Hang Zhou Shi Bu Dong Chan Quan No. 0061498, the industrial units of the property with a total gross floor area of approximately 56,394.52 sq.m. (including the industrial units of the property) are owned by Zhejiang Lianlian Information Technology Co., Ltd. (浙江連連信息技術有限公司, “Lianlian IT”) and the relevant land use rights have been granted to for a term expiring on June 7, 2062 for industrial use.
- According to the information provided by the Group, the gross floor area of the property is set out as below:

<u>Usage</u>	<u>Gross Floor Area</u>	<u>No. of car parking space</u>
	<i>(sq.m.)</i>	
Industrial	33,763.93	N/A
Car parking spaces	11,893.22	378
<b>Total:</b>	<b>45,657.15</b>	<b>378</b>

- Pursuant to 26 Tenancy Agreements, the industrial units of the property with a total gross floor area of approximately 33,763.93 sq.m. were leased to several tenants with the expiry dates between 31 December 2023 to December 12, 2029, and the monthly rents receivable as at the valuation date was mainly between RMB23 to RMB59 per sq.m., exclusive of management fees, water and electricity charges.

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4. In our valuation, we have attributed no commercial value to the car parking spaces of the property due to the lack of title certificates. For reference purpose, we are of the opinion that the market value of the car parking spaces as at the valuation date was RMB18,400,000, assuming that they could freely be disposed of in the prevailing market without paying additional land use rights grant premium, if demanded.
5. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also have identified and analyzed various relevant lease evidences in the locality which have similar characteristics as the subject property such as use, size, layout and accessibility of the property. The monthly unit rent of these comparables range from RMB53 to RMB60 per sq.m. per month for industrial units and RMB250 to RMB360 per space for car parking spaces; and
  - b. Based on our market research in the surrounding area of the property, the stabilized market yield ranged from 5.8% to 6.4% for the industrial units and car parking spaces as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.2% in the valuation.
6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:

Lianlian IT is legally and validly in possession of the land use rights and building ownership rights of the industrial units of the property mentioned in Note 1.