

Valuation Report

Coastal Greenland Limited

Property Valuations

Valuation as at 31 August 2023

27/F, One Island East, Taikoo Place, 18 Westlands Road, Quarry Bay, Hong Kong
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27/F,
One Island East,
Taikoo Place,
18 Westlands Road,
Quarry Bay,
Hong Kong

29 September 2023

The Directors
Coastal Greenland Limited
Unit Nos. 1712 to 1716 on 17/F,
China Merchants Tower,
Shun Tak Centre,
168-200 Connaught Road Central,
Sheung Wan, Hong Kong

Dear Sirs,

Re: Property Valuations

INSTRUCTIONS, PURPOSE AND VALUATION DATE

In accordance with the instructions by Coastal Greenland Limited (referred to as the “**Company**”) for us to value the properties in the People’s Republic of China (the “**PRC**”) (as more particularly described in the valuation report) (individually the “**Property**” or collectively the “**Properties**”), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the Properties as at 31 August 2023 (the “**Valuation Date**”).

DEFINITION OF MARKET VALUE

Our valuation of each of the Properties represents its market value which in accordance with the HKIS Valuation Standards 2020 published by The Hong Kong Institute of Surveyors (the “**HKIS**”) 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 BASIS AND ASSUMPTIONS

Our valuations exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of value available only to a specific owner or purchaser.

In valuing the Properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities published by The Stock Exchange of the Hong Kong Limited, and the HKIS Valuation Standards 2020 published by the HKIS.

In the course of our valuation of the Properties in the PRC, we have relied on the information and advice given by the Company and its legal adviser, Commerce & Finance Law Offices, regarding the title of the Properties. In valuing the Properties, we have prepared our valuation on the basis that the owner of each of the Properties has an enforceable title to the respective Property and has free and uninterrupted rights to use, occupy or assign the Properties for the whole of the unexpired land use term as granted.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the Properties nor for any expenses 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 outgoing of any onerous nature which could affect their values.

In respect of the Properties situated in the PRC, the status of title and grant of major certificates, approvals and licences, in accordance with the information provided by the Company are set out in the notes of the respective valuation report.

METHOD OF VALUATION

We have valued the Properties held for future development in the PRC on the basis that they will be developed and completed in accordance with the latest development proposals (if any) provided to us. In arriving at our opinion of value, we have adopted Market Comparison Method by making reference to comparable sales evidence as available in the relevant market.

Market Comparison Method is the best method for property valuation in theory because it is a market approach showing what price levels that the buyers really paid for the properties in the market. Market Comparison Method is by way of comparing the property to be assessed directly with other comparable properties which recently changed hands. These premises are generally located in the surrounding areas which are comparable to the Property. However, because of the heterogeneous nature of properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the price likely to be achieved by the property under consideration. The Properties under valuation have sufficient transactions in the relevant market and Market Comparison Method is a suitable method for valuing the Properties.

SOURCE OF INFORMATION

In the course of our valuations, we have relied to a very considerable extent on the information given to us by the Company regarding the title of the Properties. We have accepted advice given by the Company on such matters as planning approvals or statutory notices, easements, tenure, identification of land and buildings, particulars of occupancy, site and floor areas, and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on information provided to us and are therefore only approximations. We have had no reason to doubt the truth and accuracy of the information provided to us which is material to the valuations. We were also advised by the Company that no material facts have been omitted from the information provided.

TITLE INVESTIGATION

We have been provided with extracts of documents relating to the title of the Properties in the PRC but no searches have been made. We have not searched the original documents to verify ownership or to ascertain any amendment which may not appear on the copies handed to us. We are also unable to ascertain the title of the Properties in the PRC and we have therefore relied on the advice given by the Company and the PRC legal opinion prepared by the Company's legal adviser regarding the Properties.

SITE INSPECTION

Our valuers inspected the exterior and, whenever possible, the interior of the Properties in January or February of 2023. However, we have not carried out investigation on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary costs or delays will be incurred during the construction period. Unless otherwise stated, we have not been able to carry out on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the documents handed to us are correct.

The following is the information of our valuers who have inspected the Properties.

Name of valuer	Property No. inspected by the valuer	No. of years of experience in property valuation	Qualification	Date of inspection
Mr. Eric Liu	1	11	Registered China Real Estate Appraiser	2 February 2023
Mr. Jeffery Wang	2	18	Registered China Real Estate Appraiser	30 January 2023
Ms. Eva Zeng	3	8	Master of Land Resources Management	20 January 2023

CURRENCY

Unless otherwise stated, all monetary sums stated in our valuations are in Renminbi (“RMB”), the official currency of the PRC.

We enclose herewith our valuation report.

Yours faithfully,
for and on behalf of



Cushman & Wakefield Limited
Grace S.M. Lam
MHKIS, MRICS, RPS (GP)
Senior Director
Valuation & Advisory Services, Greater China

Note: Ms. Grace S.M. Lam is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor (General Practice). Ms. Lam has over 30 years of experience in the professional property valuation and advisory services in the Greater China region and various overseas countries. Ms. Lam has sufficient current knowledge of the market, and the skills and understanding to undertake the valuations competently.

SUMMARY OF VALUATIONS

Property	Market value in existing state as at 31 August 2023 (RMB)
Properties held for future development in the PRC	
1. Development site on the north of No. 1A Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC (Jianguomenwai Project) 中國北京市朝陽區建國門外大街甲1號北側待建土地(建國門外項目)	No commercial value
2. Development site situated at Beishanwei Road, Chenxiangtun Town, Sujiatun District, Shenyang, Liaoning Province, the PRC (Sujiatun Project) 中國遼寧省瀋陽市蘇家屯區陳相屯鎮北山委路蘇家屯項目待建土地(蘇家屯項目)	598,000,000
3. Development site situated at south of Chuangye Road, north of Renmin West Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC (Shangchong Project) 中國廣東省珠海市香洲區人民西路北側、創業路南側開發土地(上衝項目)	No commercial value
Total	<u><u>598,000,000</u></u>

VALUATION REPORT

Properties held for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2023
1. Development site on the north side of No. 1A Jianguomenwai Avenue, Chaoyang District, Beijing, the PRC (Jianguomenwai Project)	The Property comprises a parcel of land with a site area of approximately 5,683.50 sq.m. As advised by the Company, a proposed commercial building is planned to be developed on the Property with a total gross floor area of approximately 45,000.00 sq.m. The breakdown of the planned gross floor area is summarised as follows:	As at the Valuation Date, the Property was a parcel of land used as car park.	No commercial value (See Note (1))
中國北京市 朝陽區 建國門外大街 甲1號北側待建土地 (建國門外項目)	Use	Approximate Planned Gross Floor Area (sq.m.)	
	Commercial	31,000.00	
	Office	2,600.00	
	Underground Carpark (326 lots)	<u>11,400.00</u>	
	Total	<u><u>45,000.00</u></u> (see Note (4))	
	The immediate locality of the Property is an urban area in Beijing predominated by residential and commercial developments and communal facilities.		
	The Property is held with land use rights as allocated land for office use.		

Notes:

- (1) In the course of our valuation, we have ascribed no commercial value to the Property as the nature of the land is allocated land. However, had the Company obtained valid State-owned Land Use Rights Certificate of granted land, all land premium and related fees for the grant of the certificate been fully settled, the market value of the Property as at the Valuation Date would be RMB708,000,000 (Renminbi Seven Hundred Eight Million).

According to the relevant co-operation agreement dated 6 December 2007 in relation to the Property, 北京實業開發總公司 (Beijing Industry Development Corporation) (“Party A”) is responsible for obtaining the relevant State-owned Land Use Rights Certificate.

In order to obtain a valid State-owned Land Use Rights Certificate, Party A has to complete the removal and resettlement works of the relevant land area and the relevant works commonly referred to as ‘provision of seven infrastructures and one levelling’ (七通一平), which includes infrastructure provision of water, sewerage, electricity, telecommunication, gas, heat and roadway, and site formation and levelling. After these works have been completed, Party A can apply for the State-owned Land Use Rights Certificate, which would include preparation of application materials for review and registration. An applicant may apply to the Land and Resources Bureau with the relevant materials to prove the source of land ownership. There will be cadastral survey involving on-site investigation, verification, measurement and drawing of parcel sketches and red line maps for the target land for registration to ascertain the location, the nature of the right, the boundary, the area and the use. The authority would then review the land registration application form, the ownership source materials and the survey results submitted to decide whether to approve the registration.

Currently, Party A is still in the stage of carrying out the removal and resettlement works of the land area. Pursuant to the said co-operation agreement, the Company has the right to terminate the agreement and request Party A to refund to the Company any payment made. However, as the project is still progressing, the Company does not intend to terminate the co-operation agreement at this stage.

- (2) According to the Co-operation Agreement and its Supplement entered into between Party A and 上海沿商投資管理有限公司 (Shanghai Coastal Commercial Investment Management Co. Limited) (“Party B”) on 3 January 2008, Party B agreed to co-operate with Party A for the development of the Property with an investment of RMB340 million. Party B will obtain the interests and rights of the area of approximately 65% of the Property for a term of 35 years.
- (3) According to Planning Permit for Construction Use of Land No. (2007) 0008 issued by 北京市規劃委員會 (Beijing Planning Committee) on 23 January 2007, 北京實業開發總公司 (Beijing Industry Development Corporation) is permitted to develop a site located on the north side of No. 1A Jianguomenwai Avenue, Chaoyang District with a total site area of 5,683.50 sq.m.
- (4) According to the Opinion Letter on Planning issued by 北京市規劃委員會 (Beijing Planning Committee) on 26 December 2006, a proposed development was planned to be developed on the Property with a gross floor area of approximately 28,000.00 sq.m. for office, car park and facility uses.

We noted that the planned total gross floor area, 45,000.00 sq.m., exceeds the total gross floor area of approximately 28,000.00 sq.m. stated in the Opinion Letter on Planning issued by 北京市規劃委員會 (Beijing Planning Committee) on 26 December 2006. As per the Company’s instruction, our valuation is based on planned gross floor area of approximately 45,000.00 sq.m. In the course of our valuation, we have assumed that any land premium and related fees incurred have been fully paid and settled.

- (5) According to the Business Licence dated 27 July 2016, 上海沿商投資管理有限公司 (Shanghai Coastal Commercial Investment Management Co., Ltd.) was established on 24 December 2007 as a limited company with a registered capital of RMB10,000,000.
- (6) We have been provided with a legal opinion issued by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

(a) The Co-operation Agreement and its Supplement of the Property is valid, legal and enforceable under the PRC laws.

- (7) The status of title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:

State-owned Land Use Rights Certificate	No
Opinion Letter on Planning	Yes
Planning Permit for Construction Use of Land	Yes
Business Licence	Yes

- (8) The major parameter adopted in our valuation is as follows:

Land Use	Accommodation Value (RMB/sq.m.)
Commercial	21,071

In valuing the Property, we have adopted Market Comparison Method by making reference to comparable sales evidence as available in the relevant market.

In undertaking our valuation, we have made reference to various land sales of other similar commercial land within the same district.

The accommodation value ("AV") of the comparable land sales range from approximately RMB16,097 per sq.m. to RMB34,757 per sq.m. After undertaking appropriate adjustments, we adopted an AV of RMB21,071 per sq.m. for the Property.

The above market rate adopted by us is consistent with the level of the recent sales of other similar properties within the same district as mentioned above.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2023
2. Development site situated at Beishanwei Road, Chenxiangtun Town Sujiatun District, Shenyang, Liaoning Province, the PRC (Sujiatun Project) 中國遼寧省 瀋陽市 蘇家屯區陳相屯鎮 北山委路 待建土地 (蘇家屯項目)	The Property comprises two parcels of land with a total site area of approximately 1,272,050 sq.m. The immediate locality of the Property is a rural area in Shenyang predominated by residential developments and communal facilities. The Property is held with land use rights for terms due to expire on 23 September 2052 for composite and petrol filling station uses.	As at the Valuation Date, the Property was land with some dilapidated buildings and structures of one to two storeys.	RMB598,000,000 (RENMINBI FIVE HUNDRED NINETY EIGHT MILLION)

Notes:

- (1) According to two State-owned Land Use Rights Certificates issued by 瀋陽市蘇家屯區人民政府 (the People's Government of Shenyang Sujiatun District), the land use rights of the Property located at Beishanwei Road, Chenxiangtun Town, comprising a total site area of approximately 1,272,050 sq.m. have been vested in 瀋陽中廣北方影視城有限公司 (Shenyang Zhongguan North Film and Television City Company Limited) for terms of 50 years due to expire on 23 September 2052 for composite and petrol filling station uses with details as follows:

Certificate No.	Issue Date	Expiry Date of Land		Land Use	Site Area (sq.m.)
		Use Term			
(2000)0000220	19 Nov 2010	23 Sept 2052		Composite	1,254,415
0221	23 Sept 2002	23 Sept 2052		Petrol filling station	<u>17,635</u>
Total					<u><u>1,272,050</u></u>

- (2) According to Grant Contract of State-owned Land Use Rights No. (2002)16 entered into between 瀋陽市蘇家屯區規劃土地管理局 (the Shenyang Sujiatun District Planning and Land Resources Bureau) and 瀋陽中廣北方影視城有限公司 (Shenyang Zhongguan North Film and Television City Company Limited) on 23 August 2002, the land use rights of the property have been contracted to be granted to 瀋陽中廣北方影視城有限公司 (Shenyang Zhong Guan Bei Fang Ying Shi Cheng Co. Ltd.) with details as follows:

Location	:	Beishanwei Road, Chenxiangtun Town, Sujiatun District
Site Area	:	1,473,030.70 sq.m.
Use	:	Composite
Land Use Term	:	50 years for composite use
Land Premium	:	RMB30,491,735.50

(3) According to Business Licence No. 91210111738688040T dated 28 January 2023, 瀋陽中廣北方影視城有限公司 (Shenyang Zhongguan North Film and Television City Company Limited) was established on 8 August 2002 as a limited company with a registered capital of RMB982,530,000.

(4) We have been provided with a legal opinion issued by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

(a) The State-owned Land Use Rights Certificates of the Property are valid, legal and enforceable under the PRC laws; and

(b) 瀋陽中廣北方影視城有限公司 (Shenyang Zhongguan North Film and Television City Company Limited) is the sole legal land user of the Property and has obtained State-owned Land Use Rights Certificates of the Property.

(5) The status of the title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:

State-owned Land Use Rights Certificates	Yes
Grant Contract of State-owned Land Use Rights	Yes
Business Licence	Yes

(6) The major parameter adopted in our valuation is as follows:

Land Use	Unit Rate on Site Area (RMB/sq.m.)
Composite	470

In valuing the Property, we have adopted Market Comparison Method by making reference to comparable sales evidence as available in the relevant market.

In undertaking our valuation, we have made reference to various recent sales of land of similar properties within the same district.

The unit rate on site area of the comparable land sales range from approximately RMB451 per sq.m. to RMB994 per sq.m. After undertaking appropriate adjustments, we adopted a unit rate on site area of RMB470 per sq.m. for the Property.

By multiplying the adopted unit rate of RMB470 per sq.m. and the site area of 1,272,050 sq.m., we arrive at the market value of the Property of RMB598 million.

The above market unit rate adopted by us is consistent with the level of the recent sales of other similar lands within the same district as mentioned above.

VALUATION REPORT

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2023
<p>3. Development site situated at south of Chuangye Road, north of Renmin West Road, Xiangzhou District, Zhuhai, Guangdong Province, the PRC (Shangchong Project)</p> <p>中國廣東省 珠海市香洲區 人民西路北側、 創業路南側 開發土地(上衝項目)</p>	<p>The Property comprises a parcel of land with a site area of approximately 333,882.01 sq.m.</p> <p>As advised by the Company, a proposed composite development is planned to be developed on the Property with a total gross floor area of approximately 1,030,000 sq.m.</p> <p>The immediate locality of the Property is an urban area in Zhuhai predominated by residential and commercial developments and communal facilities.</p> <p>As advised by the Company, the Property is held with land use rights as “Collectively owned by villagers” for various uses.</p>	<p>As at the Valuation Date, the Property was land with dilapidated buildings.</p>	<p>No commercial value</p> <p>(See Note (1))</p>

Notes:

- In the course of our valuation, we have ascribed no commercial value to the Property as the nature of the land is ‘Collectively owned by villagers’. However, had the Company obtained valid State-owned Land Use Rights Certificate (the “Certificate”), all land premium and related fees for the grant of the certificate been fully settled, the market value of the Property as at the Valuation Date would be RMB2,679,000,000 (Renminbi Two Billion Six Hundred Seventy Nine Million). The requirement to obtain the Certificate involves land premium to be made to the Land Bureau of Zhuhai in the aggregate sum of approximately RMB3,839,231,000. As at the date of this valuation, Zhuhai Coastal Greenland Real Estate Company Limited has settled an amount of RMB1,029,542,000. The Company does not intend to make further payments prior to Completion.
- According to a Co-operation Agreement entered into among 珠海市香洲區城市更新局 (Zhuhai Xiangzhou Urban Redevelopment Bureau) (“Party A”), 珠海市香洲區梅華街道辦事處 (Zhuhai Xiangzhou Meihua Street Office) (“Party B”), 珠海市沿海綠色家園房地產開發有限公司 (Zhuhai Coastal Greenland Real Estate Company Limited) (“Party C”) and 珠海市香洲上衝股份合作公司 (Zhuhai Xiangzhou Shangchong Share Cooperation Company) (“Party D”) on 16 June 2022, Party C agreed to co-operate with Parties A, B and D for the development of the Property.

- (3) According to the Business Licence dated 2 December 2022, 珠海市沿海綠色家園房地產開發有限公司 (Zhuhai Coastal Greenland Real Estate Company Limited) was established on 1 March 2013 as a limited company with a registered capital of RMB150,000,000.
- (4) We have been provided with a legal opinion issued by the Company's PRC legal adviser, which contains, *inter alia*, the following information:

(a) The Co-operation Agreement of the Property is valid, legal and enforceable under the PRC laws.

- (5) The status of title and grant of major approvals and licences in accordance with the information provided by the Company are as follows:

State-owned Land Use Rights Certificate	No
Co-operation Agreement	Yes
Business Licence	Yes

- (6) The major parameter adopted in our valuation is as follows:

Land Use	Accommodation Value (RMB/sq.m.)
Composite	2,601

In valuing the Property, we have adopted Market Comparison Method by making reference to comparable sales evidence as available in the relevant market.

In undertaking our valuation, we have made reference to various land sales of other similar commercial land within the same district.

The AV of the comparable land sales range from approximately RMB1,600 per sq.m. to RMB8,937 per sq.m. After undertaking appropriate adjustments, we adopted an AV of RMB2,601 per sq.m. for the Property.

The above market unit rate adopted by us is consistent with the level of the recent sales of other similar properties within the same district as mentioned above.