

Valuation Report

Coastal Greenland Limited

A Parcel of Land located in Longwangmiao Village,
Youyi Street Sub-District, Jinzhou District, Dalian,
Liaoning Province, the People's Republic of China
中國遼寧省大連市金州區友誼街道龍王廟村的一幅土地

Valuation as at 31 December 2024

14 February 2025

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: A Parcel of Land located in Longwangmiao Village, Youyi Street Sub-District, Jinzhou District,
Dalian, Liaoning Province, the People's Republic of China**
中國遼寧省大連市金州區友誼街道龍王廟村的一幅土地

INSTRUCTIONS, PURPOSE AND VALUATION DATE

In accordance with the instructions by Coastal Greenland Limited (referred to as the “**Company**”) and its subsidiaries (together referred to as the “**Group**”) for us to value the captioned property in the People's Republic of China (the “**PRC**”) (as more particularly described in the valuation report) (the “**Property**”), 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 value of the Property as at 31 December 2024 (the “**Valuation Date**”).

DEFINITION OF MARKET VALUE

Our valuation of the Property represents its market value which in accordance with the HKIS Valuation Standards 2024 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 valuation excludes 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 Property, 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 2024 published by the HKIS.

In the course of our valuation of the Property in the PRC, we have relied on the information and advice given by the Group and its legal adviser, Jia Yuan Law Offices (嘉源律師事務所) regarding the title of the Property. We have prepared our valuation on the basis that the owner of the Property has an enforceable title to the Property and has free and uninterrupted rights to use, occupy or assign the Property for the whole of the unexpired land use term as granted.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses 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 any onerous nature which could affect its value.

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

METHOD OF VALUATION

In valuing the Property in the PRC, we have adopted the 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-driven method showing what price levels that the buyers are likely to pay for properties in the market. However, this method has limitation for application especially in the event that relevant property transactions are few and the nature of properties are not uniform. Market comparison method is a method of valuation based on comparing the property to be assessed directly with other comparable properties which recently changed hands. These properties are generally located in the surrounding areas or in another market 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. There are sufficient transactions in the relevant market and market comparison method is a suitable method for valuing the Property.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information given to us by the Group regarding the title of the Property. We have accepted advice given by the Group 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 valuation. We were also advised by the Group 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 Property 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 Property in the PRC and we have therefore relied on the advice given by the Group and the PRC legal opinion prepared by the Group's legal adviser regarding the Property.

SITE INSPECTION

Our valuer inspected the exterior of the Property. No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report that the Property is free of rot, infestation or any other structural defects. No tests were carried out to any of the services. Moreover, we have not carried out investigations on site to determine the suitability of the soil conditions and the services etc. for any future development. Our valuation is prepared on the assumption that these aspects are satisfactory and that no unexpected 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 Property and we have assumed that the areas shown on the documents handed to us are correct.

Name of valuer	Position	Experience in property valuation (years)	Qualification	Date of inspection
Mr. Guangyi Zhang (張廣毅)	Senior valuer	12	Registered China Real Estate Appraiser	16 January 2025

CURRENCY

Unless otherwise stated, all monetary sums stated in our valuation 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 Lam
MRICS, MHKIS, R.P.S. (GP)
Senior Director
Valuation & Advisory Services

Note: Ms. Grace 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 valuation competently.

VALUATION REPORT

Property held by the Group for future development in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as
			at 31 December 2024
A parcel of land located in Longwangmiao Village, Youyi Street Sub-District, Jinzhou District, Dalian, Liaoning Province, the PRC 中國遼寧省 大連市金州區 友誼街道 龍王廟村的一幅土地	<p>The Property comprises a parcel of land with a site area of 246,091.00 sq. m.</p> <p>The immediate locality of the Property is a sub-urban area in Dalian predominated by villages and hills with communal facilities.</p> <p>As advised by the Group, a proposed sanitarium will be developed on the Property with a total planned gross floor area of approximately 123,045.50 sq. m.</p> <p>The Property is held with land use rights for a term due to expire on 17 February 2055 for medical use.</p>	As at the Valuation Date, the Property was bare land.	<p>RMB132,000,000</p> <p>(RENMINBI ONE HUNDRED THIRTY TWO MILLION ONLY)</p>

Notes:

- According to State-owned Land Use Rights Certificate No. (2005) 0621003 issued by 大連市金州區人民政府 (the People's Government of Jinzhou District, Dalian) on 27 February 2005, the land use rights of the Property located in Longwangmiao Village, Youyi Street Sub-District, Jinzhou District, Dalian with a site area of 246,091.00 sq. m. have been vested in 大連金日君健樂園 (Dalian Jinrijunjian Paradise) for a term due to expire on 17 February 2055 for medical use.
- According to Grant Contract of State-owned Land Use Rights No. 2005-027 entered into between 遼寧省大連市金州區規劃和國土資源局 (Jinzhou District Planning and Land Resources Bureau, Dalian City, Liaoning Province) (the "Grantor") and 大連金日君健樂園 (Dalian Jinrijunjian Paradise) (the "Grantee") on 18 February 2005, the Grantor has granted the land use rights of the Property to the Grantee with particulars as follows:-

Location	:	Longwangmiao Village, Youyi Street Sub-District, Jinzhou District (金州區友誼街道龍王廟村)
Granted site area	:	246,091.00 sq. m.
Plot ratio	:	0.50
Use	:	Sanitarium (療養院)
Land Use Term	:	50 years
Land Premium	:	RMB1,968,728

- (3) According to Business Licence No. 91210213759931660R dated 28 November 2017, 大連金日君健樂園 (Dalian Jinrijunjian Paradise) was established on 18 February 2005.
- (4) We have been provided with a legal opinion issued by the Group's PRC legal adviser, which contains, *inter alia*, the following information:
- (a) The State-owned Land Use Rights Certificate of the Property is valid, legal and enforceable under the PRC laws;
 - (b) 大連金日君健樂園 (Dalian Jinrijunjian Paradise) is the legal land user of the Property and has obtained the State-owned Land Use Rights Certificate of the Property; and
 - (c) 大連金日君健樂園 (Dalian Jinrijunjian Paradise) has the right to freely use, lease, transfer and dispose of the real estate title of the Property.

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

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

- (6) In valuing the Property, we have adopted the market comparison method by making reference to comparable land sales evidence as available in the relevant market.

We have made reference to various land sale transactions within the same district. The unit price on site area levels of those land sale transactions range from approximately RMB545 per sq. m. to RMB705 per sq. m.

The details of the exhaustive list of the land sale evidence gathered are tabulated below:

	Comparable no. 1	Comparable no. 2	Comparable no. 3
District	Jinzhou District	Jinzhou District	Jinzhou District
Address	臨港工業區南10號路 (South Road No. 10 in Harbour Industrial Area)	鑄造園6-1號 (Casting area Nos. 6-1)	金石灘街道 (Jinshitan Sub-district)
Land use	Science research	Education	Education
Date of transaction	31 March 2023	12 May 2023	30 October 2024
Transaction price	RMB25,980,000	RMB22,530,000	RMB63,850,000
Site area	39,868.40 sq. m.	41,329.00 sq. m.	90,564.00 sq. m.
Unit price on site area	RMB652 per sq. m.	RMB545 per sq. m.	RMB705 per sq. m.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to reflect the differences in several aspects including but not limited to location, size, floor and other physical characteristics between the Property and the comparable properties. The general basis of adjustment is that if the Property is better than the comparable properties, an upward adjustment is made. Alternatively, if the Property is inferior or less desirable than the comparable properties, a downward adjustment is made.

The adjustments made to arrive at our valuation are as follows:

In terms of size, the site area of the Property is much larger than that of the three comparables. Usually, a property with larger size can fetch a lesser unit price. Downward adjustment hence was applied to the unit price on site area of the three comparables.

Comparable no.	Adjustment factor	Adjustment made
Comparable no. 1	Size of site area	-20%
Comparable no. 2	Size of site area	-16%
Comparable no. 3	Size of site area	-10%

We have assigned equal weighting to the three comparables after due adjustments. As a result, we have adopted an average unit rate of approximately RMB537 per sq. m. on site area for the Property.

By adopting this unit rate (RMB537 per sq. m.) and multiplying the site area of the Property (246,091 sq. m), our opinion of the market value of the Property was approximately RMB132,000,000.