

**IN RESPECT OF LIQUID CHEMICAL BERTH  
NOS.1-6 AND OTHER RELEVANT  
FACILITIES, SANTUDI, DONGYING PORT,  
DONGYING PORT ECONOMIC  
DEVELOPMENT ZONE, DONGYING,  
SHANDONG PROVINCE, THE PEOPLE'S  
REPUBLIC OF CHINA**



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The Directors

**Energy International Investments Holdings Limited**

Units 4307-08, Office Tower,  
Convention Plaza,  
1 Harbour Road,  
Wanchai, Hong Kong

8 April 2025

**Our Ref.: P/HK/2025/VAL/0041b**

Dear Sirs,

**RE: LIQUID CHEMICAL BERTH NOS.1–6 AND OTHER RELEVANT FACILITIES, SANTUDI, DONGYING PORT, DONGYING PORT ECONOMIC DEVELOPMENT ZONE, DONGYING, SHANDONG PROVINCE, THE PEOPLE’S REPUBLIC OF CHINA (THE “PROPERTY”)**

In accordance with the instructions from Energy International Investments Holdings Limited (the “**Company**”) for us to value the Property held by the Company and its subsidiaries (hereinafter together referred to as the “**Group**”) situated in The People’s Republic of China (the “**PRC**”), we confirm that we have 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 January 2025 (the “**Valuation Date**”) for the purpose of incorporation into the circular issued by the Company.

**BASIS OF VALUATION**

Our valuation of the Property is our opinion of its market value which we would define as intended to mean “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”. The definition is in accordance with the “HKIS Valuation Standards 2020” published by the Hong Kong Institute of Surveyors.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

We are independent of the Company and our valuation is prepared in accordance with the “HKIS Valuation Standards 2020” published by the Hong Kong Institute of Surveyors and the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited.



## VALUATION ASSUMPTIONS

No allowance has been made in our valuation report for any charge, mortgage or amount owing on the Property nor for any expense or taxation which may be incurred in effecting a sale. According to the legal opinion dated 8 April 2025 provided to us by the Company's PRC legal adviser, Shandong Lingxian Law Firm, the Property is owned by Shandong Shundong Port Services Company Limited ("**Shundong Port**") and free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

## VALUATION METHODOLOGY

Our valuation has been made on the assumption that the owners sell the Property on the open markets without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the value of the Property.

The Property comprises 6 berths and various ancillary facilities such as harbour basins and gas, refined oil and petrochemical tanks and is leased to various port operators since its full-scale operation in May 2018. According to the information provided by the Company, on 12 July 2023, Shundong Port entered into a lease agreement (the "**Lease Agreement**") with the current operator of the Property (the "**Present Operator**"). Under this agreement, the Present Operator continues to lease the storage and logistics facilities in Dongying Port (the "**Port and Storage Facilities**"), except for the 14 gas tanks (the "**Self-operated Gas Tanks**"), which have been repossessed and are now self-operated by Shundong Port. The lease term is five years, commencing on 1 August 2023. The Present Operator, in turn, subleases individual storage tanks to different end-users. On 20 December 2024, Shundong Port entered into a supplemental agreement (the "**Supplemental Agreement**") with the Present Operator, pursuant to which the

expiry date of the Lease Agreement was extended to 31 July 2030 and the gross monthly rent (including value-added tax ("**VAT**")) has increased from RMB9.6 million to RMB10.6 million with effect from 1 August 2026 until 31 July 2029, and has further increased to RMB11.7 million with effect from 1 August 2029 until 31 July 2030. Under the self-operating model, Shundong Port leases each of the Self-operated Gas Tanks directly to different end-users, being independent third party customers principally including petrochemical industry players, for the periods of at least 3 months to over 1 year (depending on customers' needs) to generate operating income in the form of rental income.

For the valuation of market value of a property, there are three generally adopted approaches, namely Market Approach, Income Approach and Cost Approach. Market Approach involves the analysis of recent market transaction evidence of similar properties to compare with the subject property and appropriate adjustments on the differences between the comparable properties and subject property is allowed. This method is generally adopted for properties with adequate sales evidence, such as residential and office properties. Income Approach is the method converting the income stream of a property into the market value. It is most adopted and accepted for valuation of property creates rental income because purchaser and investor prefer to estimate the market value of an income producing property based on the estimated income. Cost Approach is the method that provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal utility, whether by purchase



or construction. Cost Approach shall not be applied in a valuation unless there is no suitable market information and the subject property is not income producing.

### Adopted Valuation Method

As the Port and Storage Facilities generate rental income from lease agreements and Self-operated Gas Tanks, we have adopted Income Approach – Income Capitalisation Method in the valuation. Market Approach is not suitable for this valuation as there is no market transaction record available to carry out this valuation method. In view of the market condition and characteristic of the Property, we believe Income Approach is the appropriate and widely accepted valuation method for a rental generating assets like the Property in this valuation. This method provides an indication of value by converting future rental income to a current value of a property by capitalising the net rental income derived from the existing tenancies with due provision for any reversionary potential of the property at an appropriate rate. Under the Income Capitalisation Method, the value of a property is arrived by capitalising the annual rental income by a market capitalisation rate, which is based on the analysis of yields of comparable properties of similar type with the following formula:

$$\text{Market capitalisation rate} = \frac{(\text{Annual rental income})}{(\text{Property's value})} \times 100\%$$

Capitalisation rate is estimated by reference to the yields generally expected by the market for comparable properties of the similar type of the Property, which implicitly reflect the type and quality of the comparable properties, the expectation of the potential future rental growth, capital appreciation and relevant risk factors (including but not limited to the change in occupancy rate and vacancy period for the leasing activity of a property). Therefore, the market value of the Property is arrived by capitalising the expected annual rental income derived from the Port and Storage Facilities (i.e. annual rental income derived from the lease under the Lease Agreement, the Supplemental Agreement and the self-operation of the Self-operated Gas Tanks) by a capitalisation rate. The Company has provided a forecast of the rental income and costs and expenses of the Property ending at 31 March 2030 to us.

### Income Forecast

As explained by the Company, the estimation of the rental income is based on: (a) the rent willing to be paid by a willing tenant (being independent third party) for the entire Port and Storage Facilities following arm's length negotiation, such rent being comparable to historical rent paid by tenant (being independent third party) in the past; (b) the rent willing to be paid by the same willing tenant for the Port and Storage Facilities (with the exception of the Self-operated Gas Tanks) following arm's length negotiation; (c) the Company's research on the actual range of market rental of gas, refined oil and petrochemical tanks which is obtainable through self-operation, which is higher than the rental obtainable through leasing to the said willing tenant even assuming the lower range for the sake of prudence; (d) the Company's projection of the rental trend, based on inflation; and (e) the Company's projection of the occupancy, based on historical occupancy made known to the Company by the tenant during the tenure of the previous leasing of the Property and the Lease Agreement. After considering the trend of rental income of the Property, the current market condition and the Lease Agreement, we are in the opinion that the estimation of the rental income in the forecast is fair and reasonable.



## Operating Costs and Expenses Forecast

The forecast also comprises the estimation of operating costs and expenses of the Property. As explained by the Company, the estimation of the costs and expenses is based on the historical figures with allowance of inflation. We have checked the estimation of the costs and expenses in the forecast with the historical figures and found that the estimation of the costs and expenses in the forecast is in line with the historical costs and expenses. In view of the current market condition and no significant change in the status of the Property, we believe the estimation of the costs and expenses in the forecast is fair and reasonable. We have deducted the estimated costs and expenses from the estimated rental income to arrive at the annual net rental income.

## Net Operating Income (“NOI”) and NOI Ratio

The Company has provided a forecast of the rental income and costs and expenses of the Property for the period from 1 February 2025 to 31 March 2030 to us. The NOI and NOI ratio (defined as the proportion of NOI to rental income (excluded VAT)) were calculated as below.

	<b>Total rental income (excluded VAT) (RMB'000)</b>	<b>Total costs and expenses (RMB'000)</b>	<b>NOI (RMB'000)</b>	<b>NOI ratio</b>
1 February 2025–31 March 2025	24,190	8,905	15,285	63.2%
1 April 2025–31 March 2026	146,321	54,287	92,034	62.9%
1 April 2026–31 March 2027	154,880	55,251	99,629	64.3%
1 April 2027–31 March 2028	159,805	56,199	103,606	64.8%
1 April 2028–31 March 2029	161,098	57,133	103,965	64.5%
1 April 2029–31 March 2030	170,503	58,185	112,318	65.9%

By averaging the NOI ratio from 1 February 2025 to 31 March 2030, a NOI ratio of 64.3% was derived.

## Capitalisation Rate

The value of the Property within the forecast period is the annual net rental income capitalised by a capitalisation rate of 7.3%, which is based on analyses of the yields of comparable properties of similar type in the subject location after due adjustments. Such capitalisation rate is estimated by reference to the yields generally expected by the market for comparable properties of similar type, which implicitly reflected the expectation of rental growth, capital appreciation and relevant risks.

The comparable property data used in the valuation were primarily sourced from local real estate agency websites and listing platforms (58.com), which are widely regarded in the market as reliable sources of transactional and asking price information. As Shundong Port is located in the northeastern part of Dongying



City, an area primarily designated for self-operated chemical plants, petroleum companies, and new materials manufacturing, there are no directly leasable comparable properties in the immediate vicinity. As a result, it was necessary to extend the search radius to include comparable properties located within approximately 70 kilometres of the Property. Nevertheless, the selected comparables were all situated in locations with similar industrial functions and, where possible, within the same administrative district as the Property to ensure geographic and economic relevance. Each of these comparable properties was designated for industrial use, consistent with the usage classification of the Property. The asking rents and sale prices across these comparables were found to be generally consistent, without significant outliers or volatility, indicating a stable and transparent local market.

In arriving at the capitalisation rate, we have made reference to market prices and rent information of appropriate comparable properties situated within close proximity to the Property and noted that the implied market capitalisation rate, where total rental income excluded VAT was used in the calculation, was approximately 9.8%.

Due adjustment to the market capitalisation rate of these comparable properties has then been made to reflect difference between the Property and these comparable properties in terms of marketability and uniqueness, and the inherent risk associated with investment in the Property. An additional adjustment of 1.5% was applied to the market yield of industrial property to reflect asset-specific risk compensation, considering the non-standard industrial use nature of the Property. Unlike standard industrial warehouses or logistics facilities, port storage facilities involve additional operational complexities, regulatory compliance factors, and market liquidity risks, which justify a risk premium. The adjustment was determined by referencing historical yield spreads between standard industrial assets and specialised port-related assets, ensuring that the adopted rate reasonably reflects market expectations.

The capitalisation rate is then adjusted by the NOI ratio, which is rounded at 64.3% based on the forecast and represents the ratio between the NOI (the difference between the total rental income excluded VAT and the total annual costs and expenses) and the total rental income excluded VAT.

The capitalisation rate adopted in the valuation was calculated as follow:

Capitalisation rate

= (market capitalisation rate + adjustment) × NOI ratio

= (9.8% + 1.5%) × 64.3%

= 7.3%

Therefore, we have adopted a capitalisation rate of 7.3% in our valuation.



Item	31 October 2024	31 January 2025
Market yield of industrial property	10.8%	9.8%
Risk adjustment	2.0%	1.5%
NOI Ratio	62.5%	64.3%
Capitalisation rate	8.0%	7.3%

By comparing the valuation inputs adopted as at 31 January 2025 with those used as at 31 October 2024, it is evident that the inputs applied remain fair and reasonable, and reflect updated market observations and forecasts.

As at 31 January 2025, the market yield of industrial property decreased from 10.8% to 9.8%, based on updated market data collected from reliable local real estate platforms such as 58.com. This downward movement in market yield reflects a modest softening in market expectations, partly due to a reduction in the average asking rents of leasable comparables in nearby regions. Despite this, the market remains stable, with comparable properties continuing to show consistency in asking prices and yields.

In terms of operating performance, the NOI ratio increased slightly from 62.5% to 64.3%, primarily due to the rental increment stipulated in the Supplemental Agreement entered into on 20 December 2024, which led the Company to revise its income and expense forecasts. This improvement reflects supporting the stronger income-generating potential of the Property over the forecast period.

The capitalisation rate, derived from the market yield adjusted for property-specific risks and the NOI ratio, decreased from 8.0% to 7.3% over the period. This reduction is a result of (i) a lower market yield, (ii) an improved NOI ratio, and (iii) a risk premium of 1.5% was applied to account for the non-standard nature of the Property as a port logistics facility. This premium represents a downward adjustment from the previous 2.0%, justified by the improved income visibility and maturing operations of the Property following the execution of the Supplemental Agreement. The resulting capitalisation rate of 7.3% is considered reasonable, as it reflects updated income expectations, risk-adjusted market benchmarks, and capital market sentiment toward similar assets.

Overall, the movement in valuation inputs is supported by market evidence, updated lease forecasts, and a consistent valuation methodology. The changes observed are incremental and directionally consistent with market and operational developments during the period from 1 November 2024 to 31 January 2025. Accordingly, the capitalisation rate and NOI assumptions adopted as at 31 January 2025 are considered fair, reasonable, and reflective of prevailing market conditions.

#### **Terminal Capitalisation Rate and Terminal Value**

The value of the Property after the forecast period and until the end of the tenure of the Property (the “**Reversionary Period**”) is estimated by capitalising the estimated net annual rental income of the year following the forecast period using a terminal capitalisation rate of 4.3%, and then further discounting the resulting value to its present value.





The terminal capitalisation rate of 4.3% was derived by subtracting the long-term inflation rate of 3.0% from the initial capitalisation rate of 7.3%. The rationale for this adjustment is that, over a long-term investment horizon, rental income and property value typically appreciate in line with inflation, which justifies a lower discount rate for the reversionary value of the property. The applied inflation rate reflects historical economic trends and market expectations, ensuring that the terminal value represents a realistic exit yield for similar port infrastructure investments.

Although the terminal capitalisation rate was calculated using a long-term inflation adjustment, the terminal value itself does not assume perpetual operations. Instead, it was calculated over the remaining unexpired term from 31 March 2030 to 13 November 2064, which aligns with the earliest expiry date of the sea use rights of Shundong Port. The valuation fully reflects the finite nature of the sea use right and does not assume any extension or perpetual use beyond 2064 or 2066. As such, the adoption of a terminal capitalisation rate and terminal value in this context is considered fair and reasonable.

We have carried out the following procedures to examine the forecast provided by the Company.

- (i) We have collected and studied the historical, existing and new lease agreements (including agreements for the Self-operated Gas Tanks) and discussed with the Company regarding the previous and current operation status of the Property.
- (ii) We have obtained the historical and market information regarding the rental information for the Self-operated Gas Tanks, and considered that the expected rental revenue to be derived from the Self-operated Gas Tanks is comparable to the market figures.
- (iii) We have collected the financial documents of the operation of the Property for the 3 years ended 31 March 2024 and 10 months period ended 31 January 2025 to understand the previous rental revenue, and costs and expenses of the Property.
- (iv) We have conducted personal interview with senior staff of the Group to analysis and understand the rationale of the forecast prepared by the Company and checked against the provided information.
- (v) We have observed the operation of the Property during the site inspection.

To sum up, we have made the following assumptions in the course of our valuation.

1. the Lease Agreement dated 12 July 2023 and the Supplemental Agreement dated 20 December 2024 for a term of 7 years commencing from 1 August 2023 and ending on 31 July 2030 in relation to the Port and Storage Facilities (excluding the Self-operated Gas Tanks) will not be terminated before the expiry of the lease period;
2. the Group will continue to maintain all the necessary licenses for the self-operation of part of the Port and Storage Facilities;
3. the operation mode of the Port and Storage Facilities, including the ratio between the self-operation part and the leased out part will not materially change;





4. there will be no major changes in the existing political, legal, fiscal and economic conditions in the PRC in which the Property is located;
5. there will be no major changes in the current taxation law in the PRC, that the rates of tax payable will remain unchanged and that all applicable laws and regulations will be complied with;
6. exchange rates, inflation rates and interest rates will not differ materially from those presently prevailing;
7. the availability of finance will not be a constraint on the forecast growth of the operations of the Port and Storage Facilities and the repayment of debts and liabilities when they fall due;
8. the Group will successfully maintain the competitiveness and utilisation of the Port and Storage Facilities after the self-operation of part of the Port and Storage Facilities;
9. the Group can keep abreast of the latest development of the industry such that its competitiveness and profitability can be sustained;
10. the Group will retain and has competent management, key personnel, and specialist team to support the ongoing operations of the Port and Storage Facilities;
11. any management changes or changes in ownership of the Group in the future will not have material adverse effects on the long-term profitability of the operations of the Port and Storage Facilities;
12. the labour market conditions will not differ materially from those presently prevailing; and
13. the covered, unexposed or inaccessible parts of the Property which could not be inspected by us are assumed to be in reasonable condition.

#### **TITLE AND ASSUMPTIONS**

We have been provided with copies of extracts of title documents relating to the Property. However, we have not caused title searches to be made for the Property at the relevant government bureaus in the PRC and have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the Property in the PRC, we have relied on the legal opinion dated 8 April 2025 provided by the Company's PRC legal adviser, Shandong Lingxian Law Firm, regarding the title and other legal matters to the Property.



## **SOURCES OF INFORMATION**

We have relied to a very considerable extent on information given by the Company and have accepted advice given to us on such matters as specifications of the port, area information, tenancy agreements and all other relevant matters. As per instruction, we have prepared our valuation based on the area information provided by the Company. Dimensions, measurements and areas included in the valuation report are based on information contained in the documents provided to us by the Company and therefore are only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Company and have been advised by the Company that no material facts have been omitted from the information provided.

We relied upon completeness, accuracy and fair representation of operational, financial information and business plans in relation to the Property provided by the Company. The market value of the Property is subject to numerous assumptions adopted in the prospective financial information provided by the Company. To the extent that any of these assumptions or facts changed, the result of the market value conclusion would be changed accordingly. Regarding the prospective financial information, it has been represented by the management of the Company and was assumed for the purposes of this opinion that such analysis and forecast were reasonably prepared based on assumptions reflecting the best currently available estimates and judgments of their management. We can give no assurance that such financial analysis and forecast can be realised or that actual result will not vary materially from those projected. The Company has reviewed the forecast provided to us and considered that it is achievable and reasonable. The Company understood that if the actual result is significantly different from the forecast provided, our valuation result will be changed significantly and we have relied significantly on the forecast provided to arrive our opinion of value.



## **SITE INSPECTIONS**

Site inspection of the Property was carried out in May 2023. Subsequently, a virtual site inspection was performed by Joe Z.H. Zhang in February 2025. During the virtual inspection, no significant changes were observed compared to the previous inspection. We have inspected the exterior and, where possible, the interior of the Property. We have not inspected those parts of the Property which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition. We have not carried out detailed measurements to verify the correctness of the areas in respect of the Property but have assumed that the areas shown on the title documents handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

In the course of our inspections, we did not notice any serious defects. However, no structural survey has been made and we are therefore unable to report whether the Property is free of rot, infestation or any other structural defects. No tests have been carried out on any of the services.

## **POTENTIAL TAX LIABILITY**

As provided by the Company, the potential tax liability at an amount of approximately RMB333 million would arise if the Property was to be sold at the market value as at the valuation date. As the Company has no intention or plan to sell the Property, the likelihood for this tax liability to be crystallised is very low.

## **INDEPENDENCY**

We do not have any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, or which are proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2024 (being the date to which the latest published audited financial statements of the Company were made up) and do not have any securities or direct or indirect shareholding interest in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.



## CURRENCY

Unless otherwise stated, all monetary amounts in our valuation are in Renminbi (“RMB”).

Our valuation report is attached.

Yours faithfully,  
For and on behalf of

**APAC Asset Valuation and Consulting Limited**



**Sam K.S. Lo** MRICS, CPA, CFA, FRM  
**Director**



**Joe Z.H. Zhang** MRICS  
**Associate Director**

Note: Mr. Sam, K.S. Lo is a member of the Royal Institution of Chartered Surveyors (MRICS). He is also a CPA, CFA and FRM member/charterholder. He has 18 years of extensive and diversified valuation experience on properties, companies, and financial instruments over Asia Pacific.

Mr. Joe Z.H. Zhang is a member of the Royal Institution of Chartered Surveyors (MRICS) and an Associate of CPA Australia (ASA). He has 13 years of extensive and diversified valuation and consultancy experience in the real estate related industries in Hong Kong, Mainland China and Southeast Asia.



## VALUATION REPORT

<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Fair value in existing state as at 31 January 2025</u>
Liquid Chemical Berth Nos. 1–6 and other relevant facilities, Santudi, Dongying Port, Dongying Port Economic Development Zone, Dongying, Shangdong Province, the PRC	<p>The Property commenced full-scale operations in May 2018, making it approximately seven years old as of the valuation date.</p> <p>Given its relatively recent development, the infrastructure remains in good operational condition, with no immediate need for major capital expenditures or renovations beyond regular maintenance.</p> <p>The Property includes 6 liquid chemical berths and their relevant harbour basins, fairways and oil tank areas, ancillary buildings and structure and their corresponding sea area use rights.</p> <p>According to the information provided by the Company, the total area of the sea area of the Property is 66.6328 ha., which comprises construction reclamation land (建設填海造地) of 28.0939 ha., permeable structures (透水構築物) of 3.4988 ha. and harbour basin (港池、蓄水) and water retaining area of 35.0401 ha.</p>	<p>As at the valuation date, the Property, excluding the Self-operated Gas Tanks, was subject to a tenancy for a term expiring on 31 July 2030 with a monthly rent of RMB9,600,000 as at the valuation date. The monthly rent will increase from RMB9,600,000 to RMB10,600,000 from 1 August 2026 and further increase to RMB11,700,000 from 1 August 2029, according to the Supplemental Agreement dated 20 December 2024. The Self-operated Gas are being leased directly to different end-users for the periods of at least 3 months to over 1 year to generate operating income in the form of rental income.</p>	RMB1,901,000,000



The expiry dates of the sea area use rights will be 13 November 2064 and 22 February 2066 respectively.

Notes:

1. Pursuant to the following two Reality Title Certificates issued by 東營市自然資源及規劃局, the owner of the sea area use rights is 山東順東港務有限公司 (“Shundong Port”). The details are listed as follows:

Location	Registration No.	Type of Right	Area of Sea Plot	Expiry Date
Northeastern area of Dongying, southwestern coastal area of Bohai	魯(2022)東營市不動權第 0001553 號	Rights to use sea area	28.0939 ha.	13 November 2064
Northeastern area of Dongying, southwestern coastal area of Bohai	魯(2022)東營市不動權第 0014765 號	Rights to use sea area	38.5389 ha.	22 February 2066

2. Pursuant to the Port Operational Registration Form (港口服務經營備案登記表) – 370502-2021-008 issued by 東營市交通運輸局 dated 26 March 2024, Shundong Port is permitted to carry on the rental business of port facilities, equipment and machinery for the Property. The expiry date is 25 March 2026.
3. We have been provided with a legal opinion on the Property dated 8 April 2025 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
  - i. Shundong Port has legally obtained the sea area use rights of the Property and is the registered owner of sea area use rights and the fixture, ancillary facilities and equipment located thereon;
  - ii. Shundong Port is entitled to occupy, use, earn from, dispose of (including but not limited to transfer or lease) the Property legally; and
  - iii. there is no restriction for Shundong Port to sell, transfer and mortgage of the Property and the Property is free from other encumbrances such as sealing, freezing, compulsory expropriation and litigation.
4. As advised by the Company, the license for Shundong Port to carry out rental business is valid for two years and is subject to renewal. Shundong Port has successfully renewed such license in the



history without any material cost and obstacles. Therefore, no cost of renewal of the license was considered.

5. The Property is subject to two sea use right certificates, set to expire in 2064 and 2066, respectively. The valuation was conducted under the assumption that Shundong Port would generate cash flows only up to 2064, and no operations would continue beyond this period. Therefore, no cost of renewing the sea use rights beyond 2064 was considered in the valuation.
6. The increase in the valuation of the Property between 31 October 2024 and 31 January 2025 was the result of a combined effect of upward rental income projections and a slight reduction in the capitalisation rate, both of which significantly enhanced the Property's value under the Income Capitalisation Approach.

The most notable driver of the increase is the contractually agreed rental escalations, as set out in the Supplemental Agreement dated 20 December 2024. Under the revised lease terms, the gross monthly rental will rise from RMB9.6 million to RMB10.6 million (effective from 1 August 2026 to 31 July 2029, representing a 10% increase), and further increase to RMB11.7 million (effective from 1 August 2029 to 31 July 2030, another 10% increase). These adjustments have led to a higher projected NOI, which directly strengthens the Property's income-generating capacity.

In parallel, the capitalisation rate adopted in the valuation decreased slightly to 7.3%, based on prevailing market benchmarks. This minor downward adjustment in the capitalisation rate, combined with the upward revision in rental income, results in a compounded uplift in the Property's implied value, reflecting both stronger income expectations and market yield trends.

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