

25 April 2024

The Directors
Greenland Hong Kong Holdings Limited
No. 193 Xiehe Road
Changning District
Shanghai
the People's Republic of China

Dear Sirs,

Re: Guangzhou International Innovation Driving Center located at the southern starting area of Knowledge City in Guangzhou, south of Knowledge Avenue and east of Yongjiu Expressway, Huangpu District, Guangzhou, Guangdong Province, the People's Republic of China

Instructions, Purpose & Valuation Date

In accordance with the instructions of Greenland Hong Kong Holdings Limited (the "Company") for us to value the property held by 廣州綠控置業有限公司 (Guangzhou Green Holding Real Estate Co., Ltd.) (the "Target Company"), a Company established in the People's Republic of China (the "PRC") with limited liability and owned as to 49% by the Company, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing you with our opinion of the market value in existing state of the property as at 31 January 2024 (the valuation date).

Definition of Market Value

Our valuation of the property represents its market value which in accordance with HKIS Valuation Standards 2020 issued by The Hong Kong Institute of Surveyors ("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".

We confirm that the valuation is undertaken in accordance with The HKIS Valuation Standards 2020 issued by the HKIS.

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 Hong Kong Limited.

Valuation Basis & Assumptions

Our valuation excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, 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 the course of our valuation of the property situated in the PRC, with reference to the PRC legal opinion of the legal adviser, Code Law Firm (廣東科德律師事務所), we have prepared our valuation on the assumptions that transferable land use rights in respect of the property for its specific term at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have relied on the information and advice given by the Company and the PRC legal opinion of the Company's legal adviser, regarding the title to the property and the interest in the property.

In valuing the property, we have prepared our valuation on the assumptions that the owner has enforceable title to the property and have free and uninterrupted rights to use, occupy or assign the property for the whole of the unexpired terms as granted.

No allowance has been made in our valuation for any charges, pledges or amounts owing on the property nor any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is valued on the basis that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Method of Valuation

In valuing the completed portion of Phase I of the property, we have used Market Comparison Method by making reference to comparable sales evidence as available in the relevant market subject to appropriate adjustments including but not limited to floor level, size, time, view and other relevant factors. Given that such portions are strata office units and commercial units, comparable sales transactions are frequent and information about such sales is readily available, we have therefore used Market Comparison Method which is in line with the market practice.

In respect of the under-development portion of Phase I and Phase II of the property, we have valued on the basis that the property is to be developed and completed in accordance with the Company's latest development proposals provided to us. We have assumed that all consents, approvals and licences from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. We have also assumed that the design and construction of the property are in compliance with the local planning regulations and have been approved by the relevant authorities. In arriving at our opinion of value, we have used Market Comparison Method and have also taken into account the expended construction costs and the costs to be expended to reflect

the quality of the completed development. The 'development value as if completed as at the valuation date' represents our opinion of the selling price of the proposed development assuming that they were completed at the valuation date.

Source of Information

In the course of our valuation, we have relied to a considerable extent on the information given by the Company and have accepted advice on such matters as planning approvals or statutory notices, easements, tenure, identification of the property, particulars of occupancy, development scheme, construction cost, development time schedule, site and floor areas and all other relevant matters.

Dimensions, measurements and areas included in the valuation reports are based on the 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 by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration into English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

Title Investigation

We have been provided by the Company with copies of documents in relation to the current title to the property. However, we have not been able to conduct searches to verify the ownership of the property; we have not inspected the original documents to ascertain any amendments 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 Company. All documents have been used for reference only and all dimensions, measurements and areas are approximate.

Site Inspection

Our Guangzhou Office valuer, Ms. Aileen Zhang (9 years of property valuation experience, CIREA), have inspected the exterior and, wherever possible, the interior of the property on 19 December 2023. However, 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 investigation 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 extraordinary costs or delays will be incurred during the construction period.

Unless otherwise stated, we have not carried out on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of the documents handed to us are correct.

Confirmation of Independence

We hereby confirm that Cushman & Wakefield Limited and the valuers conducting the valuation have no pecuniary or other interests that could conflict with the proper valuation of the property or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We also confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Intended Use and User of Report

This valuation report is issued for the use of the Company for incorporation into its circular.

Currency

Unless otherwise stated, all monetary amounts indicated herein our valuation are in Renminbi ("RMB") which is the official currency of the PRC.

We attach herewith the 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:

- (1) Ms. Grace S.M. Lam is a member of a 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 national knowledge of the market, and the skills and understanding to undertake the valuations competently and has been working in Cushman & Wakefield Limited for over 30 years.

VALUATION REPORT

Property held under development by the Target Company in the PRC

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 January 2024
Guangzhou International Innovation Driving Center located at the southern starting area of Knowledge City in Guangzhou, south of Knowledge Avenue and east of Yongjiu Expressway, Huangpu District, Guangzhou, Guangdong Province, the PRC	<p>Guangzhou International Innovation Driving Center occupies two parcels of land with a total site area of 142,627.00 sq. m, which is being developed into an office and commercial development in Phase I and Phase II.</p> <p>Portions of the development were completed in 2023 and the unsold portions were vacant for sale as at the valuation date. Portions of the development were under construction and Phase I and Phase II of the development are scheduled to be completed in 2026 and 2027 respectively.</p> <p>The property comprises the unsold completed units of Phase I with a total gross floor area of approximately 33,068.25 sq.m. The portions of Phase I and Phase II under construction has a total planned gross floor area of approximately 684,823.79 sq.m.</p> <p>The property is located at Huangpu District, Guangzhou. Developments nearby are office buildings and residential buildings. Various modes of public transportation are conveniently accessible to the property.</p> <p>The land use rights of the property have been granted for terms of 40 years due to expire on 19 June 2059 for commercial use.</p>	As at the valuation date, the unsold units of the property were vacant while portions of the property were under construction.	<p>RMB3,612,000,000</p> <p>(RENMINBI THREE BILLION SIX HUNDRED TWELVE MILLION)</p> <p>(49% interest attributable to the Group: RMB1,769,880,000</p>

Notes:

- (1) According to the information provided by the Company, the gross floor area of the property is list as below:

Group	Use	Gross Floor Area (sq.m.)
Group I – Completed portion		
Phase I	Office	31,024.74
	Commercial	<u>2,043.51</u>
Sub-total:		<u>33,068.25</u>
Group II – Under Development		
Phase I and Phase II	Office	441,786.28
	Commercial	50,986.16
	Ancillaries	35,088.83
	Basement (Carpark:)	<u>156,962.52</u>
Sub-total:		<u>684,823.79</u>
Total:		<u>717,892.04</u>

- (2) According to two Real Estate Title Certificates Nos. (2021) 06019064 and (2021) 06019062 dated 22 March 2021, the land use rights of the property with a total site area of 142,627.00 sq.m. are vested in the Target Company for terms of 40 years due to expire on 19 June 2059 for commercial use.
- (3) According to State-owned Land Use Rights Grant Contract No. 440116-2019-000023 dated 20 May 2019, the land use rights of the property are contracted to be granted as below:

Grantee:	廣東綠地投資有限公司 (Guangdong Greenland Investment Co., Ltd.) and 廣州永龍建設投資有限公司 (Guangzhou Yonglong Construction Investment Co., Ltd.)
Site Area:	142,627.00 sq.m.
Uses:	Commercial
Land Use Term:	40 years for commercial use
Land Premium:	RMB2,282,040,000
Plot Ratio:	Not greater than 3.8
Building Covenant:	Construction to commence before 30 June 2020 Construction to complete before 31 December 2023

According to a supplementary contract dated 17 June 2019, the grantee changed from Guangdong Greenland Investment Co., Ltd. and Guangzhou Yonglong Construction Investment Co., Ltd. to the Target Company.

- (4) We note that the completion date for construction works stated in the building covenant has lapsed. As at the valuation date, portions of Phase I and the whole of Phase II were under construction, and the Completion Certificate for Construction Works has not yet been obtained.

According to the Company's PRC legal adviser, in view of the overdue completion of the project, there is a legal risk of the grantor terminating the State-owned Land Use Rights Grant Contract and its Supplementary Contract and reclaiming to portions of the land that were in breach of the building covenant.

As per the instruction of the Company, the development of the land associated with such legal risk had been jointly managed by the seller and the purchaser prior to the signing of the agreement and the purchaser was aware of such legal risk when it entered into the agreement. Hence, the Company is of the view that the Company will not be exposed to any potential liability to the purchaser should the legal risk materialize subsequent to completion. Therefore, in valuing the property, we have disregarded it in our valuation and have assumed that no additional premium is required to be paid to the relevant government authorities or penalty has been fully settled for this issue.

- (5) Completed portion of Phase I – According to the information provided by the Company, as at the valuation date, various office units of the property with a total gross floor area of approximately 771.47 sq.m. have been committed for sale at a total consideration of approximately RMB9,981,651 (exclusive of value-added tax ("VAT")). We have included such portions and taken into account the consideration in our valuation.

Under development portion of Phase I and Phase II – According to the information provided by the Company, as at the valuation date, various office and commercial units of the property with a total gross floor area of approximately 5,222.68 sq.m. have been committed for sale at a total consideration of approximately RMB101,981,072 (exclusive of VAT). We have included such portions and taken into account the consideration in our valuation.

Under development portions of Phase I and Phase II – According to the information provided by the Company, the estimated total construction cost to complete the development was approximately RMB3,313,000,000; a construction cost of approximately RMB841,000,000 has been expended for the development of the property as at the valuation date. In the course of our valuation, we have taken into account the above expended construction cost.

- (6) According to Construction Land Planning Permit No. (2019)23, the planning of two parcels of land with a total site area of 142,627.00 sq.m. is in compliance with the requirement of urban planning and has been permitted.
- (7) According to ten Construction Works Planning Permits, the construction works of the property with a total gross floor area of 630,589.75 sq.m. are in compliance with the requirement of urban planning and have been permitted.
- (8) According to ten Construction Works Commencement Permits, the construction works of the property with a total gross floor area of 472,232.48 sq.m. are in compliance with the requirement of works commencement and have been permitted.
- (9) According to three Pre-sale Permits of Commodity Housing Nos. 20210638-1, 20211129 and 20211362, a total of 33 commercial units and 1,212 office units of a total gross floor area of approximately 90,856.5602 sq.m. were permitted for pre-sale.
- (10) According to the Certificates of Completion Acceptance in favour of the Target Company, the portions of the property with a gross floor area of 72,782.24 sq.m. has been completed and passed the inspection acceptance.

- (11) We have been provided with a legal opinion on the title to the property issued by the Group's PRC legal adviser which contains, inter-alia, the following information:-
- (a) 廣州綠控置業有限公司 (Guangzhou Green Holding Real Estate Co., Ltd.) is the legal owner of the property and has obtained the relevant rights certificates and entity approval from the government;
 - (b) Guangzhou Green Holding Real Estate Co., Ltd. has the right to freely transfer, lease or dispose of the property;
 - (c) Guangzhou Green Holding Real Estate Co., Ltd. has obtained all necessary authorisations and permits in respect of the construction works of the property;
 - (d) In view of the overdue completion of the project, there is a legal risk of the grantor terminating the State-owned Land Use Rights Grant Contract and its Supplementary Contract and reclaiming to portions of the land that were in breach of the building covenant;
 - (e) There are no mortgages, seizures, pre-registrations or objection registrations on the property; and
 - (f) The profit or loss of the Target Company shall be shared or borne by its shareholders in proportion to their respective shareholding interests in the Target Company.
- (12) In valuing the market value in existing state of the completed portions of the property and the market value as if completed of the property, we have adopted Market Comparison Method. We have made reference to sales evidence in nearby developments. The sales evidence selected by us are considered exhaustive in terms of relevance and representativeness.

The details of the exhaustive list of sales evidence of three commercial units gathered are tabulated below for reference.

Comparable No.	Comparable 1	Comparable 2	Comparable 3
Name of property	Guangzhou Knowledge City Tower	Vanke Li Xiangjia	Poly Jinshang
District in Guangzhou	Huangpu	Huangpu	Huangpu
Address	Jiulong Avenue	Xinye Road	Kaiyuan Avenue
Type of property	Commercial	Commercial	Commercial
Floor level	Level 1	Level 1	Level 1
Gross floor area (sq m)	568	40	42
Unit price (RMB/sq m)	26,200	26,300	26,200

The details of the exhaustive list of sales evidence of three medium rise office units gathered are tabulated below for reference :

Comparable No.	Comparable 1	Comparable 2	Comparable 3
Name of property	Hi Park	Guangzhou Knowledge City Ascendas Park	International Creative Valley
District in Guangzhou	Huangpu	Huangpu	Huangpu
Address	Lingchuang Street	Jiulong Avenue	Kexue Avenue
Type of property	Office	Office	Office
Floor level	Level 5	Level 6	Level 5
Gross floor area (sq m)	572	3,300	1,320
Unit price (RMB/sq m)	14,200	13,700	13,700

The details of the exhaustive list of sales evidence of three high rise office units gathered are tabulated below for reference.

Comparable No.	Comparable 1	Comparable 2	Comparable 3
Name of property	Convergence Media Center	International Seaway Center Phase II	Intelligent Media Center
District in Guangzhou Address	Huangpu Huangpu East Avenue	Huangpu Huangpu East Avenue	Huangpu Huangpu East Avenue
Type of property	Office	Office	Office
Floor level	Level 21	Level 16	Level 15
Gross floor area (sq m)	564	1,600	1,000
Unit price (RMB/sq m)	23,000	23,000	22,000

The details of the exhaustive list of sales evidence of three car park units gathered are tabulated below for reference.

Comparable No.	Comparable 1	Comparable 2	Comparable 3
Name of property	Yunchuang Park	Chuangyi Plaza	Intelligent Media Center
District in Guangzhou Address	Huangpu Jiulong Avenue	Huangpu Jiulong Avenue	Huangpu Huangpu East Avenue
Type of property	Car park	Car park	Car park
Floor level	B2	B1	B1
Unit price (RMB/lot)	105,000	101,000	95,000

In arriving at the key assumption, appropriate adjustments and analysis are considered to reflect the differences in several aspects including but not limited to time, location and physical characteristics between the property and the comparables. The general basis of adjustment is if the property is better than the comparable, an upward adjustment is made. Alternatively, if the property is inferior or less desirable than the comparable, a downward adjustment is made. We have adopted RMB26,000 per sq.m. for level 1 for retail units; RMB13,000 per sq.m. for medium rise office units; RMB20,000 per sq.m. for high rise office units; and RMB100,000 per car park.

The market value in existing state of the completed portions of Phase I as at the valuation date was **RMB446,000,000**.

The development value as if completed of the portions of Phase I and the whole of Phase II under development as at the valuation date was RMB7,568,000,000.

The reconciliation between development value as if completed and market value in existing state:

Under development portions of Phase I and Phase II	RMB
Development value as if completed (a)	7,568,000,000
Adjustments made below:	
Estimated total construction cost	3,313,000,000
Expended construction cost as at the valuation date	<u>841,000,000</u>
Allowance for outstanding construction cost (b)	2,472,000,000
Allowance for marketing fee, professional fee and management fee (c)	301,000,000
Allowance for interest cost (d)	685,000,000
Allowance for developer's profit and risk to further complete the development (e)	<u>944,000,000</u>
Market value in existing state (a) – (b) – (c) – (d) – (e)	3,166,000,000