



The Directors
Dexin China Holdings Company Limited
Dexin Group
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23 May 2024

Dear Sirs,

INSTRUCTIONS

In accordance with your instructions for us to value the properties situated in the People's Republic of China (the "PRC") in which Dexin China Holdings Company Limited (the "Company") and/or its subsidiaries (hereinafter together referred to as the "Group") have interests, we confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of market value of the properties as at 31 March 2024 (the "valuation date") for incorporation in a circular.

BASIS OF VALUATION

Our valuation of each of the properties 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".

Moreover, 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.

Our valuation has been undertaken in accordance with the HKIS Valuation Standards 2020 of The Hong Kong Institute of Surveyors ("HKIS"), which incorporates the International Valuation Standards ("IVS"), and (where applicable) the relevant HKIS or jurisdictional supplement. We have also complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.



IDENTIFICATION AND STATUS OF THE VALUER

The subject valuation exercise is handled by our Ms. Jennie C.W. Chang. Ms Chang is a Senior Associate Director of Savills Valuation and Professional Services (China) Limited ("SVPSCL") and a Member of the HKIS (General Practice Division) with over 16 years' experience in valuation of properties in the PRC and has sufficient knowledge of the relevant market, the skills and understanding to handle the subject valuation exercise competently.

Prior to your instructions for us to provide this valuation services in respect of the properties, SVPSCL had not been involved in valuation of the properties in the past 12 months.

We are independent of the Company and its subsidiaries. We are not aware of any instances which would give rise to potential conflict of interest from SVPSCL or Ms. Chang in the subject exercise. We confirm SVPSCL and Ms. Chang are in the position to provide objective and unbiased valuation for the properties.

VALUATION METHODOLOGY

In valuing the properties in Group I, we have ascribed no commercial value to these properties which are held by the Group for sale in the PRC as these properties lack valid title documents. For the Group's internal management reference purpose, we have reported the investment value of these properties in the valuation report. According to the IVS, which the HKIS Valuation Standards follows, investment value is defined as "the value of an asset to the owner or a prospective owner for individual investment or operational objectives". Investment value is an entity-specific basis of value which reflects the benefit received by an entity from holding the asset (such as rental income) and therefore, does not necessarily involve a hypothetical exchange. We have primarily adopted the income capitalization method whereby the estimated rents to be generated from the property are capitalized for the residue term of its land use rights.

In valuing the property in Group II, which is held by the Group for operation in the PRC, we have adopted the Discounted Cash Flow ("DCF") method to value this property. DCF method involves discounting the future net cash flow of this property until the expiry date of the land use rights to its present value by using an appropriate discount rate that reflect the rate of return required by a typical investor for an investment of this type. We have undertaken a discounted cash flow on yearly basis over a 5-year investment horizon for this property. In preparing the DCF analysis, we have also made reference to the projected cash flow and budget of this property prepared by the Group.

In the course of our valuation, we have made reference to the historical operating data of the hotel and taken into account of main factors of comparable hotels such as daily room rate and occupancy rate for the 1st year's data. We also referenced to the projected cash flow prepared by the Group on daily room rates growth, departmental revenues/expenses, other operating expenses, etc. and examined the key data with our understanding, experience, and market analysis of city and hotel development in China.

TITLE INVESTIGATION

We have been provided with copies of the title documents relating to the properties. However, we have not searched the original documents to verify ownership or to ascertain the existence of any amendments which may not appear on the copies provided to us. In the course of our valuation, we have relied on the information and advice given by the Group and the legal opinion issued by Beijing Junzhi Law Firm (北京市君致律師事務所) (the “Group’s PRC legal adviser”) regarding the titles to the properties.

SOURCE OF INFORMATION

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, particulars of occupancy, completion dates, site and floor areas, profit & loss records and projections and all other relevant matters. Dimensions, measurements and areas included in the valuation report are based on the information contained in the documents provided to us and are therefore only approximations. No on-site measurements have been taken. We have no reason to doubt the truth and accuracy of the information provided to us by the Group, which is material to our valuation. We are also advised by the Group that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

VALUATION ASSUMPTIONS

In valuing the properties in the PRC, unless otherwise stated, we have relied on the legal opinion issued by the Group’s PRC legal adviser and prepared our valuation on the basis that transferable land use rights in respect of the properties for their respective specific terms at nominal annual land use fees have been granted and that any land grant premium payable has already been fully paid. Unless otherwise stated, we have also assumed that the owners of the properties have good legal titles to the properties and have free and uninterrupted rights to occupy, use, transfer, lease or assign the properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on any property or 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 outgoings of an onerous nature which could affect their values.

SITE INSPECTION

We have inspected the exterior and where possible, the interior of the properties. Site inspections of the properties were carried out by Mr. Dirk Li and Ms. Alice Yin between 28 August 2023 and 11 May 2024. During the course of our inspections, we did not note any serious defects. However, no structural survey has been

made and we are therefore unable to report that the properties are free from rot, infestation or any other structural defect. No test has been carried out to any of the services.

Relevant experiences for each of the valuers who carried out the site inspections are as below:

Mr. Dirk Li	CREA, senior associate director, Over 16 years' experience in valuation of properties in the PRC
Ms. Alice Yin	CREV, senior manager, Over 16 years' experience in valuation of properties in the PRC

CURRENCY

Unless otherwise stated, all monetary amounts stated are in Renminbi ("RMB").

We enclose herewith our valuation report.

Yours faithfully,

For and on behalf of

Savills Valuation and Professional Services (China) Limited



Jennie C.W. Chang

MRICS MHKIS RPS(GP)

Senior Associate Director

Note: Ms. Jennie C.W. Chang is a professional surveyor who has over 16 years' experience in valuation of properties in Macau and the PRC.

Encl.

SUMMARY OF VALUES

<u>No.</u>	<u>Property</u>	<u>Market value in existing state as at 31 March 2024</u>	<u>Interest attributable to the Group</u>	<u>Market value in existing state attributable to the Group as at 31 March 2024</u>
Group I – Properties held by the Group for sale in the PRC				
1.	195 car parking spaces of Montnorth, Intersection between Xingguo Road and Xingchen Road, Linping District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市臨平區興國路與星辰路交匯處嘉悅府的195個車位)	No commercial value	100%	No commercial value
2.	429 car parking spaces of Yinhu Technology Park, West of the Intersection between Fuxian Road and Chuangyi Road, Fuyang District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市富陽區富閒路與創意路交匯處以西銀湖科技園的429個車位)	No commercial value	90.1%	No commercial value
3.	250 car parking spaces of Heping Dexin Center, Intersection between Shaoxing Road and Desheng Road, Gongshu District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市拱墅區紹興路與德勝路交匯處和平德信中心的250個車位)	No commercial value	90.1%	No commercial value

<u>No.</u>	<u>Property</u>	<u>Market value in existing state as at 31 March 2024</u>	<u>Interest attributable to the Group</u>	<u>Market value in existing state attributable to the Group as at 31 March 2024</u>
4.	1,000 car parking spaces of Dexin Konggang City, East of the Intersection between Jichang Avenue and Kanhong Road, Xiaoshan District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市蕭山區機場大道與坎紅路交匯處以東德信空港城的1,000個車位)	No commercial value	63.07%	No commercial value
	Sub-total:	<u>No commercial value</u>		<u>No commercial value</u>
Group II – Properties held by the Group for operation in the PRC				
5.	Mogan Maison New Century, No. 66 Sanmo Line, Deqing County, Huzhou, Zhejiang Province, PRC (中國浙江省湖州市德清縣三莫線66號莫千山雲谷德信開元名庭酒店)	RMB260,000,000	100%	RMB260,000,000
	Sub-total:	<u>RMB260,000,000</u>		<u>RMB260,000,000</u>
	Grand Total:	<u>RMB260,000,000</u>		<u>RMB260,000,000</u>

VALUATION REPORT

Group I – Properties held by the Group for sale in the PRC

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 March 2024</u>
1.	195 car parking spaces of Montnorth, Intersection between Xingguo Road and Xingchen Road, Linping District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市臨平區興國路與星辰路交匯處嘉悅府的195個車位)	<p>Montnorth (the “Development”) is a residential development erected on a parcel of land with a site area of 77,631.00 sq.m.</p> <p>The Development is situated on the intersection between Xingguo Road and Xingchen Road in Linping District of Hangzhou.</p> <p>Developments in the vicinity are dominated by various residential buildings. It takes about a 50– minute drive from the Development to the city center of Hangzhou.</p> <p>According to the information provided by the Group, the property comprises 195 car parking spaces (including 152 non-civil defence car parking spaces and 43 civil defence parking spaces).</p> <p>As advised by the Group, the Development was completed in 2020.</p> <p>The land use rights of the property have been granted for a term expiring on 7 December 2087 for residential use.</p>	As at the valuation date, the property was vacant.	No commercial value (refer to Note 6)

Notes:

(1) The detailed addresses of the property are as follows:

Car parking spaces Nos.63, 65 to 68, 93, 97 to 99, 119 to 120, 127, 155 to 161, 163, 170, 176, 187 to 193, 195, 239, 305, 318 to 319, 321 to 322, 333, 335 to 336, 351, 367 to 369, 387, 398 to 399, 500, 509 to 510, 521 to 523, 536 to 539, 550, 555 to 563, 569, 572 to 573, 575, 598 to 603, 605 to 607, 613, 615 to 622, 635 to 639, 650 to 653, 655 to

656, 659 to 661, 716 to 721, 723, 725, 727, 751, 761, 804, 838, 867, 891, 893, 898, 921 to 922, 924, 934, 936 to 970, 972, 977, 982, 987 to 988, 992 to 995, 1021, 1024 to 1025, 1028, 1030 to 1041, 1044 to 1045, 1047, 1050 to 1053, 1059 to 1080, 1083, 1087, 1109, 1114 to 1115, 1117 to 1128, 1136 to 1176, 1178, 1184, 1186 to 1187, 1189 to 1244, 1247, 1250, 1257, 1267, 1270, 1273, 1276 to 1277, 1279, 1281 to 1288, 1297 to 1337, 1341 to 1348, 1350 to 1359, 1396 to 1406, 1425 to 1436 on basement 1 floor, Montnorth, Linping District, Hangzhou, Zhejiang Province, PRC.

- (2) Pursuant to the Real Estate Title Certificate – No. Zhe (2017) Yu Kang Qu Bu Dong Chan Quan No. 0196670, the land use rights of a parcel of land of the Development with a site area of 77,631.00 sq.m. have been granted to Hangzhou Yuerong Real Estate Development Co., Ltd. (杭州越榮房地產開發有限公司) for a term expiring on 7 December 2087 for residential use.

- (3) Pursuant to the Completion Inspection and Acceptance Filing Form, the construction work of the Development with a gross floor area of 231,562.38 sq.m. has been examined and such examination has been recorded.

As advised by the Group, the property comprises portion of the buildings as stated in the Completion Inspection and Acceptance Filing Form mentioned above.

- (4) Pursuant to the Transfer Agreement dated 28 December 2020, the right of use for 611 car parking spaces of the Development has been transferred to Hangzhou Kaishen Investment Management Co., Ltd. (杭州凱森投資管理有限公司) (now known as Hangzhou Kaishen Enterprise Management Co., Ltd. 杭州凱森企業管理有限公司) (“Hangzhou Kaishen”), a wholly-owned subsidiary of the Company, at a consideration of RMB66,629,550.

As advised by the Group, the property comprises portion of the car parking spaces as stated in the Transfer Agreement mentioned above.

- (5) We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:

- i. Hangzhou Kaishen is entitled to occupy, use, lease out or transfer the car parking spaces of the property according to the aforesaid transfer agreement. However, as there is no title certificate for the aforesaid car parking spaces, they cannot be used as collateral at the moment.

- (6) We have ascribed no commercial value to the property as the property lacks valid title documents. For the Group’s internal management reference purpose, we have reported the investment value of these properties in the valuation report. According to the IVS, which the HKIS Valuation Standards follows, investment value is defined as “the value of an asset to the owner or a prospective owner for individual investment or operational objectives”. Investment value is an entity-specific basis of value which reflects the benefit received by an entity from holding the asset (such as rental income) and therefore, does not necessarily involve a hypothetical exchange. Therefore, we are of the opinion that the investment value of the property was RMB17,100,000 (Renminbi Seventeen Million and One Hundred Thousand) (100% interest attributable to the Group: RMB17,100,000 (Renminbi Seventeen Million and One Hundred Thousand)) as at the valuation date.

- (7) We have prepared our valuation on the following basis and analysis:

- i. in undertaking our valuation of the property, we have made reference to the similar properties which are located within the vicinity of the subject property. The monthly unit rents of these comparables ranged from RMB250 to RMB350 per car parking space. Appropriate adjustments have been made to reflect the difference in factors between the property and comparable properties such as time, location, size, floor difference and quality in arriving at our key assumptions; and

- ii. Based on our market research, the market yields of comparable car parking spaces in the vicinity ranged from 2.5% to 3.5% as at the valuation date.

Since the property was vacant as at the valuation date, we have capitalized the estimated rent to be generated from the property for the remaining land use right term. In our valuation, we have adopted an average market rent of RMB260 per car parking space and a capitalisation rate of 3.0%.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2024
2.	<p>429 car parking spaces of Yinhu Technology Park, West of the Intersection between Fuxian Road and Chuangyi Road, Fuyang District, Hangzhou, Zhejiang Province, PRC</p> <p>(中國浙江省杭州市富陽區富閒路與創意路交匯處以西銀湖科技園的429個車位)</p>	<p>Yinhu Technology Park (the "Development") is a commercial development erected on a parcel of land with a site area of 77,030.00 sq.m.</p> <p>The Development is situated on West of the intersection between Fuxian Road and Chuangyi Road in Fuyang District of Hangzhou.</p> <p>Developments in the vicinity are dominated by various commercial and residential buildings. It takes about a 40-minute drive from the Development to the city center of Hangzhou.</p> <p>According to the information provided by the Group, the property comprises 429 car parking spaces (including 292 non-civil defence car parking spaces and 137 civil defence parking spaces).</p> <p>As advised by the Group, the Development was completed in 2020.</p> <p>The land use rights of the property have been granted for a term expiring on 1 September 2053 for commercial use.</p>	<p>As at the valuation date, the property was vacant.</p>	<p>No commercial value (refer to Note 6)</p>

Notes:

- (1) The detailed addresses of the property are as follows:

Car parking spaces Nos. 63, 65 to 68, 93, 97 to 99, 119 to 120, 127, 155 to 161, 163, 170, 176, 187 to 193, 195, 239, 305, 318 to 319, 321 to 322, 333, 335 to 336, 351, 367 to 369, 387, 398 to 399, 500, 509 to 510, 521 to 523,

536 to 539, 550, 555 to 563, 569, 572 to 573, 575, 598 to 603, 605 to 607, 613, 615 to 622, 635 to 639, 650 to 653, 655 to 656, 659 to 661, 716 to 721, 723, 725, 727, 751, 761, 804, 838, 867, 891, 893, 898, 921 to 922, 924, 934, 936 to 970, 972, 977, 982, 987 to 988, 992 to 995, 1021, 1024 to 1025, 1028, 1030 to 1041, 1044 to 1045, 1047, 1050 to 1053, 1059 to 1080, 1083, 1087, 1109, 1114 to 1115, 1117 to 1128, 1136 to 1176, 1178, 1184, 1186 to 1187, 1189 to 1244, 1247, 1250, 1257, 1267, 1270, 1273, 1276 to 1277, 1279, 1281 to 1288, 1297 to 1337, 1341 to 1348, 1350 to 1359, 1396 to 1406, 1425 to 1436 on basement 1 floor, Yinhu Technology Park, Fuyang District, Hangzhou, Zhejiang Province,, PRC.

- (2) Pursuant to the State-owned Land Use Certificate - No. Fu Guo Yong (2016) No. 009288, the land use rights of a parcel of land of the Development with a site area of 77,030.00 sq.m. have been granted to Hangzhou Wangxin Yinhu Real Estate Co., Ltd. (杭州網新銀湖置業有限公司) (now known as Hangzhou Deyin Real Estate Co., Ltd. (杭州德銀置業有限公司) (“Hangzhou Deyin”)), a 90.1%-owned subsidiary of the Company, for a term expiring on 1 September 2053 for commercial use.
- (3) Pursuant to the Completion Inspection and Acceptance Filing Form, the construction work of the Development with a gross floor area of 136,674.80 sq.m. has been examined and such examination has been recorded.
- (4) As advised by the Group, the property comprises portion of the buildings as stated in the Completion Inspection and Acceptance Filing Form mentioned above.
- (5) We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alias, the following information:
 - i. Hangzhou Deyin is entitled to occupy, use, lease out or transfer the car parking spaces of the property. However, as there is no title certificate for the aforesaid car parking spaces, they cannot be used as collateral at the moment.
- (6) We have ascribed no commercial value to the property as the property lacks valid title documents. For the Group’s internal management reference purpose, we have reported the investment value of these properties in the valuation report. According to the IVS, which the HKIS Valuation Standards follows, investment value is defined as “the value of an asset to the owner or a prospective owner for individual investment or operational objectives”. Investment value is an entity-specific basis of value which reflects the benefit received by an entity from holding the asset (such as rental income) and therefore, does not necessarily involve a hypothetical exchange. Therefore, we are of the opinion that the investment value of the property was RMB21,700,000 (Renminbi Twenty One Million and Seven Hundred Thousand) (90.1% interest attributable to the Group: RMB19,551,700 (Renminbi Nineteen Million Five Hundred Fifty One Thousand and Seven Hundred)) as at the valuation date.
- (7) We have prepared our valuation on the following basis and analysis:
 - i. in undertaking our valuation of the property, we have made reference to the similar properties which are located within the vicinity of the subject property. The monthly unit rents of these comparables ranged from RMB200 to RMB300 per car parking space. Appropriate adjustments have been made to reflect the difference in factors between the property and comparable properties such as time, location, size, floor difference and quality in arriving at our key assumptions; and
 - ii. Based on our market research, the market yields of comparable car parking spaces in the vicinity ranged from 3.0% to 4.0% as at the valuation date.

Since the property was vacant as at the valuation date, we have capitalized the estimated rent to be generated from the property for the remaining land use right term. In our valuation, we have adopted an average market rent of RMB230 per car parking space and a capitalisation rate of 3.5%.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2024
3.	250 car parking spaces of Heping Dexin Center, Intersection between Shaoxing Road and Desheng Road, Gongshu District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市拱墅區紹興路與德勝路交匯處和平德信中心的250個車位)	<p>Heping Dexin Center (the "Development") is a commercial development erected on a parcel of land with a site area of 16,895.00 sq.m.</p> <p>The Development is situated on the intersection between Shaoxing Road and Desheng Road in Gongshu District of Hangzhou.</p> <p>Developments in the vicinity are dominated by various commercial and residential buildings. It takes about a 20-minute drive from the Development to the city center of Hangzhou.</p> <p>According to the information provided by the Group, the property comprises 250 car parking spaces (including 234 non-civil defence car parking spaces and 16 civil defence parking spaces).</p> <p>As advised by the Group, the Development was completed in 2023.</p> <p>The land use rights of the property have been granted for a term expiring on 21 July 2060 for commercial use.</p>	As at the valuation date, the property was vacant.	No commercial value (refer to Note 5)

Notes:

- (1) The detailed addresses of the property are as follows:

Car parking spaces Nos.78 to 82, 85 to 129, 204 to 226, 243 to 266, 268 to 342, on basement 1 floor and Nos. 358 to 363, 466 to 471, 475 to 478, 512 to 523, 526 to 532, 535 to 541, 544 to 550, 553 to 567, 595 to 608 on basement 2 floor, Heping Dexin Center, Gongshu District, Hangzhou, Zhejiang Province, PRC.

- (2) Pursuant to the Real Estate Title Certificate No. Zhe (2020) Hang Zhou Shi Bu Dong Chan Quan No. 0164484, the land use rights of a parcel of land of the Development with a site area of 16,895.00 sq.m. have been granted to Hangzhou Desheng Real Estate Co., Ltd. (杭州德昇置業有限公司) (“Hangzhou Desheng”), a 90.1%-owned subsidiary of the Company, for a term expiring on 21 July 2060 for commercial use.
- (3) Pursuant to the Completion Inspection and Acceptance Filing Form, the construction work of the Development with a gross floor area of 75,045.00 sq.m. has been examined and such examination has been recorded.

As advised by the Group, the property comprises portion of the buildings as stated in the Completion Inspection and Acceptance Filing Form mentioned above.

- (4) We have been provided with a legal opinion regarding the title to the property issued by the Group’s PRC legal adviser, which contains, inter alia, the following information:
- i. Hangzhou Desheng is entitled to occupy, use, lease out or transfer the car parking spaces of the property. However, as there is no title certificate for the aforesaid car parking spaces, they cannot be used as collateral at the moment.

- (5) We have ascribed no commercial value to the property as the property lacks valid title documents. For the Group’s internal management reference purpose, we have reported the investment value of these properties in the valuation report. According to the IVS, which the HKIS Valuation Standards follows, investment value is defined as “the value of an asset to the owner or a prospective owner for individual investment or operational objectives”. Investment value is an entity-specific basis of value which reflects the benefit received by an entity from holding the asset (such as rental income) and therefore, does not necessarily involve a hypothetical exchange. Therefore, we are of the opinion that the investment value of the property was RMB52,600,000 (Renminbi Fifty Two Million and Six Hundred Thousand) (90.1% interest attributable to the Group: RMB47,392,600 (Renminbi Forty Seven Million Three Hundred Ninety Two Thousand and Six Hundred)) as at the valuation date.

- (6) We have prepared our valuation on the following basis and analysis:
- i. in undertaking our valuation of the property, we have made reference to the similar properties which are located within the vicinity of the subject property. The monthly unit rents of these comparables ranged from RMB1,000 to RMB1,500 per car parking space. Appropriate adjustments have been made to reflect the difference in factors between the property and comparable properties such as time, location, size, floor difference and quality in arriving at our key assumptions; and
 - ii. Based on our market research, the market yields of comparable car parking spaces in the vicinity ranged from 3.5% to 4.5% as at the valuation date.

Since the property was vacant as at the valuation date, we have capitalized the estimated rent to be generated from the property for the remaining land use right term. In our valuation, we have adopted an average market rent of RMB1,090 per car parking space and a capitalisation rate of 4.0%.

VALUATION REPORT

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 March 2024
4.	1,000 car parking spaces of Dexin Konggang City, East of the Intersection between Jichang Avenue and Kanhong Road, Xiaoshan District, Hangzhou, Zhejiang Province, PRC (中國浙江省杭州市蕭山區機場大道與坎紅路交匯處以東德信空港城的1,000個車位)	<p>Dexin Konggang City (the "Development") is a commercial development erected on a parcel of land with a site area of 99,078.04 sq.m.</p> <p>The Development is situated on East of the intersection between Jichang Avenue and Kanhong Road in Xiaoshan District of Hangzhou. Developments in the vicinity are dominated by various commercial and residential buildings. It takes about a 30-minute drive from the Development to the city center of Hangzhou.</p> <p>According to the information provided by the Group, the property comprises 1,000 non-civil defence car parking spaces.</p> <p>As advised by the Group, the Development was completed in 2023.</p> <p>The land use rights of the property have been granted for a term expiring on 10 September 2053 for commercial use.</p>	As at the valuation date, the property was vacant.	No commercial value (refer to Note 5)

Notes:

- (1) The detailed addresses of the property are as follows:

Car parking spaces Nos.B1-191 to B1-198, B1-272 to B1-333, B1-591 to B1-699, B1-810 to B1-907, B1-929 to B1-990, B1-1009 to B1-1045, B1-1070 to B1-1126, B1-1128 to B1-1194, on basement 1 floor and Nos B2-544 to B2-649, B2-683 to B2-791, B2-834 to B2-930, B2-960 to B2-965, B2-968 to B2-969, B2-971 to B2-1025, B2-1047 to B2-1069, B2-1071 to B2-1082, B2-1107 to B2-1119, B2-1124 to B2-1136, B2-1138 to B2-1145, B2-1147 to B2-1166, B2-1205, B2-1207, B2-1211 to B2-1234, B2-1237 to B2-1238, B2-1240 to B2-1247 on basement 2 floor, Dexin Konggang City, Xiaoshan District, Hangzhou, Zhejiang Province, PRC.

- (2) Pursuant to the State-owned Land Use Certificate - No. Hang Xiao Guo Yong (2013) No. 1200019, the land use rights of a parcel of land of the Development with a site area of 99,078.04 sq.m. have been granted to Hangzhou Konggang Real Estate Co., Ltd. (杭州空港置業有限公司) (“Hangzhou Konggang”), a 63.07%- owned subsidiary of the Company, for a term expiring on 10 September 2053 for commercial use.
- (3) Pursuant to the Completion Inspection and Acceptance Filing Form, the construction work of the Development with a gross floor area of 393,821.50 sq.m. has been examined and such examination has been recorded.

As advised by the Group, the property comprises portion of the buildings as stated in the Completion Inspection and Acceptance Filing Form mentioned above.

- (4) We have been provided with a legal opinion regarding the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
- i. Hangzhou Konggang is entitled to occupy, use, lease out or transfer the car parking spaces of the property. However, as there is no title certificate for the aforesaid car parking spaces, they cannot be used as collateral at the moment.
- (5) We have ascribed no commercial value to the property as the property lacks valid title documents. For the Group's internal management reference purpose, we have reported the investment value of these properties in the valuation report. According to the IVS, which the HKIS Valuation Standards follows, investment value is defined as “the value of an asset to the owner or a prospective owner for individual investment or operational objectives”. Investment value is an entity-specific basis of value which reflects the benefit received by an entity from holding the asset (such as rental income) and therefore, does not necessarily involve a hypothetical exchange. Therefore, we are of the opinion that the investment value of the property was RMB118,000,000 (Renminbi One Hundred and Eighteen Million) (63.07% interest attributable to the Group: RMB74,422,600 (Renminbi Seventy Four Million Four Hundred Twenty Two Thousand and Six Hundred)) as at the valuation date.
- (6) We have prepared our valuation on the following basis and analysis:
- i. In undertaking our valuation of the property, we have made reference to the similar properties which are located within the vicinity of the subject property. The monthly unit rents of these comparables ranged from RMB300 to RMB600 per car parking space. Appropriate adjustments have been made to reflect the difference in factors between the property and comparable properties such as time, location, size, floor difference and quality in arriving at our key assumptions; and
 - ii. Based on our market research, the market yields of comparable car parking spaces in the vicinity ranged from 2% to 3% as at the valuation date.

Since the property was vacant as at the valuation date, we have capitalized the estimated rent to be generated from the property for the remaining land use right term. In our valuation, we have adopted an average market rent of RMB470 per car parking space and a capitalisation rate of 2.5%.

VALUATION REPORT

<u>No.</u>	<u>Property</u>	<u>Description and tenure</u>	<u>Particulars of occupancy</u>	<u>Market value in existing state as at 31 March 2024</u>
5.	Mogan Maison New Century, No. 66 Sanmo Line, Deqing County, Huzhou, Zhejiang Province, PRC (中國浙江省湖州市德清縣三莫線66號莫干山雲谷德信開元名庭酒店)	<p>Mogan Maison New Century (the "Development") is a hotel development erected on a parcel of land with a site area of 17,819.66 sq.m.</p> <p>The Development is situated on the northeastern side of Sanmo Line in Deqing County of Huzhou.</p> <p>Developments in the vicinity are dominated by various resorts and tourist facilities. It takes about a 60-minute drive from the Development to the city center of Huzhou.</p> <p>According to the information provided by the Group, the property comprises a hotel building with a total gross floor area of approximately 31,955.09 sq.m.</p> <p>As advised by the Group, the Development was completed in 2021.</p> <p>The land use rights of the property have been granted for a term expiring on 24 March 2059 for commercial use.</p>	<p>As at the valuation date, the property was held for hotel operation.</p>	<p>RMB260,000,000 (Renminbi Two Hundred and Sixty Million)</p> <p>(100% interests attributable to the Group: RMB260,000,000 (Renminbi Two Hundred and Sixty Million))</p>

Notes:

- (1) Pursuant to the Land Grant Contract No. 3305212019A210004 dated 4 January 2019, the land use rights of a parcel of land of the Development have been agreed to be granted to Deqing Moganshan Dexin Movie City Development Co., Ltd. (德清莫干山德信影視城開發有限公司) ("Dexin Movie City"), a wholly-owned subsidiary of the Company, at a consideration of RMB31,249,460.
- (2) Pursuant to the Real Estate Title Certificate – No. Zhe (2021) De Qing Xian Bu Dong Chan Quan No. 0024577, the building ownership rights of the buildings of the property with a gross floor area of 31,955.09 sq.m. together with their corresponding land use rights of a parcel of land with a site area of 17,819.66 sq.m. have been granted to Deqing Moganshan Ruijing Real Estate Co., Ltd. (德清莫干山瑞璟置業有限公司) ("Deqing Moganshan Ruijing"), a wholly-owned subsidiary of the Company, for a term expiring on 24 March 2059 for commercial use.

- (3) We have been provided with a legal opinion regarding the title to the property issued by the Group's PRC legal adviser, which contains, inter alia, the following information:
- i. the property is subject to mortgages;
 - ii. Deqing Moganshan Ruijing has obtained the legal rights of the property under the existing mortgages. If the existing mortgages on the property have been discharged, Deqing Moganshan Ruijing will be entitled to own, use, lease out, occupy, transfer/sell or mortgage the property; and
 - iii. Deqing Moganshan Ruijing has confirmed that the property is not subject to other mortgages, leases, debts or pre-emptive rights.
- (4) In undertaking our valuation of the property, we have made reference to the historical operating data of the hotel and cross-check the data by comparing various market comparables of similar developments which have characteristics comparable to the property. We have identified and analyzed various relevant asking average room rate evidence in the locality which have similar characteristics as the property. The selected comparables were based on criteria such as scale, location, usage, and star rating. In undertaking our valuation of the Property, we have made reference to the following comparable properties:

	Comparable 1	Comparable 2	Comparable 3	Comparable 4
Property	Landison Joykie Resort Moganshan	Moganshan Kaiyuan Life Resort Hotel	Moganshan Mountain Villa	Mogan Valley Resort
Location	No. 99 Hecun Village, Deqing, Zhejiang, China	No. 9, Moganshan Gaonan Line, Deqing, Zhejiang, China	Building 7, Wuling Village, Deqing, Zhejiang, China	Building 18, Moganxiguyue Mansion, Fuxi Street, Deqing, Zhejiang, China
Usage	Hotel	Hotel	Hotel	Hotel
Completion year	2017	2022	2014	2021
Facilities	Restaurant, Outdoor Swimming Pool, Meeting Room and Car Parking Facilities	Restaurant, Outdoor Swimming Pool, Meeting Room and Car Parking Facilities	Restaurant, Outdoor Swimming Pool, Meeting Room and Car Parking Facilities	Restaurant, Outdoor Swimming Pool, Meeting Room and Car Parking Facilities
Average daily room rate (ADR)	598	590	918	720
Linear distance to the subject property	4km	1km	6km	6km

All of the four selected comparable properties are operated under as a hotel and located within 10 kilometres with similar operating nature as the subject property. The average daily room rate of these comparable properties ranges from RMB590 to RMB920. Appropriate adjustments have been made to reflect the difference in factors between the

property and comparable properties including location and accessibility, facilities and quality to arrive at the assumed room rate. The general basis of adjustment is that if the comparable property is superior to the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. For the occupancy rate, we have made reference to the 4 - 5-star hotels that situated in tier 2-3 cities of the PRC, which ranged from approximately 46-72%.

(5) The main parameters of the valuation are listed as below:

Average Daily Room Rate in the 1st Year:	RMB765
Occupancy Rate in the 1st Year	50%
Stabilized Occupancy Rate	60%
Discount Rate	8%
