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23 September 2022
Our Ref: HK/2022/VPS/22576(a)/WP/BX/ck

Dear Sirs,

VALUATION OF 100% EQUITY INTEREST IN AOYUAN PROPERTY GROUP (AUSTRALIA) PTY LTD

In accordance with your instructions, we have undertaken a valuation on behalf of Aoyuan Property Group (International) Limited (the "Company") to determine the Market Value and Estimated Realisable Price ("ERP") (as defined below) of 100% equity interest (the "Equity") in Aoyuan Property Group (Australia) Pty Ltd (the "Target") as at 31 March 2022 (the "Valuation Date").

1. BRIEF DESCRIPTION OF THE TARGET

The Target is an investment holding company. Its subsidiaries and affiliates are principally engaged in property development, holding and sales in Australia (together with the Target as the "Group"). The Target is a wholly owned subsidiary of the Company.

2. PURPOSE OF VALUATION AND STANDARD OF VALUE

The purpose of this valuation is to express an independent opinion of the Market Value and ERP of 100% equity interest in the Target as at the Valuation Date stated above for the purpose of your internal reference and potential public disclosure. We understand that the Company is contemplating to dispose of the Equity (the "Contemplated Disposal"), therefore certain special assumptions are required for your internal reference purpose in determining the Market Value and ERP of the Equity.

Our valuation is prepared in accordance with the International Valuation Standards ("IVS") published by International Valuation Standards Council.

According to International Valuation Standards ("IVS"), Market Value is defined 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."

For your internal reference purpose, ERP is defined as "the estimated value for which an asset or liability should exchange on the valuation date assuming a short period, considered less than standard marketing period in which to achieve a sale".

We acknowledge that this report may be made available to the Company for public circulation purpose. We however assume no responsibility whatsoever to any person other than the Company in respect of, or arising out of, the contents of this report. If others choose to rely in any way on the contents of this report, they do so entirely at their own risk.

3. SOURCES OF INFORMATION

For valuation purpose, we have relied on the following major documents and information in the valuation analysis. Certain documents and information have been provided by the Company. Other information is extracted from public sources. We have discussed with the management of the Company to assess the reasonableness and fairness of the documents and information adopted by us. While we have satisfied ourselves with the reasonableness and fairness of the documents and information adopted, we expressly disclaim any responsibility or liability for the accuracy of the said documents and information. The major documents and information include but not limited to the following:

- Background information of the Target's business operations and relevant corporate information;
- Historical financial information of the Group;
- The economic outlook in general and the specific economic environment and elements affecting the Group, industry and market; and
- Property valuation reports ("Property Valuation Reports") for the Company's internal reference purpose issued by Savills Valuations Pty Ltd, a professional property valuation firm based in Australia and independent from the Company and the Target.

4. VALUATION METHODOLOGY AND BASIS

In conducting the valuation, we have considered three generally accepted approaches, including income approach, market approach and cost approach. Each of these approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the specific characteristics of the subject of the valuation and the commonly adopted practice.

4.1 Market approach

According to the IVS, the market approach provides an indication of value by comparing the asset with identical or comparable (that is similar) assets for which price information is available.

In the business valuation context, the market approach valuation shall analyse recent transaction(s) in the equity interest of the valuation subject and/or comparable companies and benchmark the valuation subject with the selected comparable(s).

4.2 Cost approach

According to the IVS, the cost approach 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 by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence

In the business valuation context, cost approach is often presented as summation method, in which value of the business entity is derived from the sum of value of its existing assets less the value of its liabilities.

4.3 Income approach

According to the IVS, the income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset.

In the business valuation context, under income approach, value of the business entity is derived primarily from the present value of its future cash flow, typically through the use of discounted cash flow method.

5. VALUATION ANALYSES OF THE TARGET

The guideline transaction method of market approach is not adopted because there is no comparable transactions matching the characteristics of the Target as a whole, where each of the property held within the Group has specific characteristics that cannot be reflected by a transaction of equity in another company. The guideline company method of market approach using comparable companies is not adopted in this valuation for similar reason as it is difficult to identify appropriate comparable valuation multiples to reflect the characteristics of the properties held in the Group.

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The income approach is not adopted as no detailed future cash flow forecast is available from the Target or the Company for this valuation purpose.

The summation method of the cost approach is adopted for the Target as an investment holding company as the value of an investment holding company comes from the value of its investment holdings. In the case of the Target, its investments through its subsidiaries are primarily property development companies, their value is mainly driven by the property development projects, hence the use of summation method under cost approach is appropriate to reflect each of their value. We would estimate the value of the investments held using appropriate approach and adopt their values to the line item of long-term investments on the Target's statement of financial position.

We have obtained the statement of financial position of the Target and the Group as at the Valuation Date, and note that the Target's assets and liabilities items are as follows:

Assets	Liabilities
1. Property, plant and equipment;	12. Deferred tax liabilities;
2. Investment in subsidiaries;	13. Other long term liabilities - Grand First;
3. Deferred tax assets;	14. Other long term liabilities – GIC;
4. Intangible assets;	15. Trade and other payables;
5. Deposit for Gresham Fee;	16. Amount due to related parties; and
6. Trade and other receivables;	17. Tax liabilities
7. Amount due from inter-group;	
8. Bank and cash;	
9. Restricted bank deposits;	
10. Unamortised establishment fees; and	
11. Other current assets	

Based on discussion with the Company and our analysis, we understand that except for the investment in subsidiaries, intangible assets, other long term liabilities - Grand First and other long term liabilities – GIC which are discussed below, book value of other assets and liabilities items approximate Market Value and ERP as at the Valuation Date and no adjustment is necessary.

As certain subsidiaries engaging in property development / joint ventures are not wholly owned by the Target, we have adopted a bottom-up approach to calculate the attributable equity value of those companies to the Target where their Market Value is reflected through the line item "Investment in subsidiaries".

We understand from the Company that the Target acted as the financing vehicle for its subsidiaries by making intercompany loans from capital obtained from Grand First Holding Limited ("Grand First"), its parent company, and external parties. As such, there are significant inter-group balances between the Target and its subsidiaries at company level before consolidation adjustments.

For the purpose of valuing the Target and based on your instructions, recoverability of those inter-group balances within the Group are not considered in our valuation as you considered that these inter-group balances will be fully eliminated in the consolidated financial statement of the Target. Please see Item 2) Investment in subsidiaries for more details and the relevant special assumption.

Item 2) Investment in subsidiaries

The investment in subsidiaries of the Target comprises the equity interest of the direct subsidiaries of the Target as follows:

	Name of subsidiaries	Principal activity
1	Prime Development Project Pty Ltd	Investment holding
2	Prime Capital Bluestone Pty Ltd	Investment holding
3	Aoyuan Real Estate Services Pty Ltd	Investment holding
4	Prime Centre Pty Ltd	Investment holding
5	Prime & Famous Pty Ltd	Investment holding
6	Prime Turramurra Pty Ltd	Property development
7	Prime ESP 1 Pty Ltd	Investment holding
8	Prime Gordon Pty Ltd	Property development
9	Prime Burwood Pty Ltd	Property development
10	Prime Hurstville Pty Ltd	Property development
11	Prime Moss Vale Pty Ltd	Property development
12	Prime EBC Pty Ltd	Investment holding
13	Prime Melrose Property Pty Ltd	Investment holding
14	Prime Parramatta Pty Ltd	Investment holding
15	Prime Bargo Pty Ltd	Investment holding

Please refer to Appendix I for the group chart of the Target provided by the Company for the full list which include indirectly held subsidiaries.

The assets and liabilities items held by the above subsidiaries (including their subsidiaries) are in the following categories according to the management account provided by the Company as at the Valuation Date based on the consolidation package as at 31 December 2021 provided by the Target's auditor, and changes between 31 December 2021 and the Valuation Date:

Assets		Liabilities	
I.	Property, plant and equipment;	XX.	Amount due to inter-group;
II.	Investment in joint ventures;	XXI.	Amount due to joint ventures;
III.	Investment in subsidiaries;	XXII.	Amount due to CCH;
IV.	Right of use assets ("ROU Assets");	XXIII.	Deferred tax liabilities;
V.	Interest to Aoyuan;	XXIV.	Income tax payable;
VI.	Property development;	XXV.	Lease liabilities;
VII.	Development fee;	XXVI.	Trade payables;
VIII.	Inventory of finished goods;	XXVII.	Other payables;
IX.	Trade receivables;	XXVIII.	Welfare payable;
X.	Other receivables;	XXIX.	Accrued expenses;
XI.	Amount due from inter-group;	XXX.	Construction retention;
XII.	Amount due from joint ventures;	XXXI.	Bank loans;
XIII.	Bank and cash;	XXXII.	Bank loan interest;
XIV.	Restricted bank deposits;	XXXIII.	SG Loan;
XV.	Prepaid tax;	XXXIV.	Debts;
XVI.	Prepaid income tax;	XXXV.	Shareholder loans;
XVII.	Deferred tax assets;	XXXVI.	Tax liabilities; and
XVIII.	Provision; and	XXXVII.	Provision for income tax
XIX.	Other current assets		

Based on discussion with the Company and our investigation, we understand that except for the investment in subsidiaries, interest to Aoyuan, property development and inventory of finished goods which are discussed below, book value of other assets and liabilities items approximate Market Value and ERP as at the Valuation Date and no adjustment is necessary.

III. Investment in subsidiaries

According to the information provided by the Company, investment in subsidiaries are held by Prime ESP 1 Pty Ltd, Prime EBC Pty Ltd and Prime Parramatta Pty Ltd which are property development companies. We adopt the same summation method described herein to value the assets and liabilities of the subsidiaries to calculate the Market Value and ERP of investment in subsidiaries.

V. Interest to Aoyuan

Based on discussion with the Company, the nature of this item is interest on amount due to the Target by the respective subsidiaries pertain to the property development which are capitalized as part of the cost of inventory or property development. As the value of properties are to be considered separately (see below), we do not assign any Market Value and ERP for these items as at the Valuation Date to avoid double counting.

VI. Property Development

The property development held by the subsidiaries are separately valued by Savills Valuations Pty Ltd., we have relied on the Property Valuation Reports as we are not experts in Australian property and adopted the Market Value and ERP from the Property Valuation Reports for property development.

Summary of the Market Value and ERP of property development held by the subsidiaries according to the Property Valuation Reports is as follows:

Name of subsidiaries	Project name	Address	Book value (in AUD million)	Market value (in AUD million)	ERP (in AUD million)
Prime Hurstville Pty Ltd	Mesa	61-75 Forest Road & 126 Durham Street, Hurstville	57.01	43.00	38.50
Prime Moss Vale Pty Ltd	Ashbourne Estate	141 Yarrawa Road and 32 Lovelle Street, Moss Vale	111.65	93.00	86.70
Prime Woolooware 4 Pty Ltd.	Woolooware Bay Town Centre	461 Captain Cook Drive, Woolooware	199.91	120.40	110.60

Please refer to the Property Valuation Reports for details of the relevant properties and valuation.

VIII. Inventory of finished goods

The inventory of finished goods held by the subsidiaries are separately valued by Savills Valuations Pty Ltd., we have relied on the Property Valuation Reports as we are not experts in Australian property and adopted the Market Value and ERP from the Property Valuation Reports for inventory of finished goods.

Summary of the Market Value and ERP of inventory of finished goods held by the subsidiaries according to the Property Valuation Reports is as follows:

Name of subsidiaries	Project name	Address	Book value (in AUD million)	Market value (in AUD million)	ERP (in AUD million)
Prime Burwood Pty Ltd	Adela	1A Gloucester Avenue, Burwood NSW	31.16	28.70	25.80

Name of subsidiaries	Project name	Address	Book value (in AUD million)	Market value (in AUD million)	ERP (in AUD million)
Prime Gordon Pty Ltd	Altessa	888 Pacific Highway, Gordon NSW	11.76	10.90	9.85
Prime Parramatta Development Pty Ltd	The Lennox	12-14 Phillip Street & 331A-339 Church Street, Parramatta NSW	194.95	135.45	121.35

Summary of the Market Value of Investment in subsidiaries held by the Target is as follows:

	Name of subsidiaries	Market Value (AUD)	ERP (AUD)
1	Prime Development Project Pty Ltd	(2,007,652)	(2,007,652)
2	Prime Capital Bluestone Pty Ltd	(14,000,810)	(14,000,810)
3	Aoyuan Real Estate Services Pty Ltd	-	-
4	Prime Centre Pty Ltd	6,925,661	6,925,661
5	Prime & Famous Pty Ltd	1,095,705	1,095,705
6	Prime Turramurra Pty Ltd	490,949	490,949
7	Prime ESP 1 Pty Ltd	25,483,247	25,483,247
8	Prime Gordon Pty Ltd	(2,710,003)	(3,760,003)
9	Prime Burwood Pty Ltd	(6,345,060)	(9,245,060)
10	Prime Hurstville Pty Ltd	(20,958,604)	(25,458,604)
11	Prime Moss Vale Pty Ltd	(35,511,006)	(41,811,006)
12	Prime EBC Pty Ltd	(76,053,593)	(83,403,593)
13	Prime Melrose Property Pty Ltd	(2,511,814)	(2,511,814)
14	Prime Parramatta Pty Ltd	(66,469,995)	(80,569,995)
15	Prime Bargo Pty Ltd	(3,857,238)	(3,857,238)
Subtotal		(196,430,212)	(232,630,212)

The negative values above are primarily driven by the amount due to the Target by the respective subsidiary and the mark down of property development / inventory. We have adopted the special assumption for your internal reference purpose that these negative values are to be reflected to the line item of investment in subsidiaries in the Target's statement of financial position as is, in spite of the typical floor value of equity being nil owing to the limited liability nature of a limited company.

Item 3) Deferred tax assets

For the valuation of deferred tax asset of the Target, it is the after-tax losses allowed to carry forward to offset with the future tax benefits. The Target is of the opinion that there will be profits assessable for tax in future for the utilization of the deferred tax asset, the validity of this view is confirmed by the recognition of deferred tax asset on the audited financial statement, therefore we have adopted the book value in the management account as their Market Value and ERP as at the Valuation Date.

Item 4) Intangible assets

For the valuation of the intangible asset of the Target, it is related to certain non-refundable preliminary expenses paid. Given the nature as a non-monetary asset with no further economic benefit, this amount is written off for the valuation purpose.

Item 5) Deposit for Gresham Fee

The deposit for Gresham Fee is a non-refundable deposit payment with no expected further economic benefit, this amount is written off for the valuation purpose.

Item 10) Unamortised establishment fees

Based on the discussion with the Company, the unamortised establishment fees related to prepayment towards the minimum return of the other long-term liabilities - GIC ("GIC Loans"). This amount shall be utilisable against the liability arising from the GIC Loans to be discussed below and we have adopted the book values in the management account as their Market Value and ERP as at the Valuation Date.

Item 13) Other long term liabilities - Grand First

As at the Valuation Date, the outstanding principal and interest of the Target due to Grand First ("GF Loans") is at the sum of AUD381,852,487, with various maturities and interest rate ranging from 0% to 12%.

For your internal reference purpose pertain to the Contemplated Disposal, you have instructed us to adopt the special assumption that the other long-term liabilities – Grand First (the "GF Loans") are to be immediately due as at the Valuation Date. Therefore, the value of the GF Loans is assumed to be AUD381.85 million for the purpose of this valuation, in lieu of the book value of AUD349 million which has reflected time value of the original repayment schedule.

On the other hand, as we understand from you that the GF Loans shall be assigned to the buyer in the Contemplated Disposal, you have instructed us to adopt the special assumption to remove the GF Loans from liabilities of the Target and treat it as equity for the purpose of our valuation of the Equity. We have therefore excluded the GF Loans in reporting the value of the Equity based on your instruction and special assumption.

Item 14) Other long term liabilities - GIC

Major terms and conditions of the GIC Loans are extracted from the facility agreement ("Facility Agreement") between the Target, Gresham Property Funds Management Limited as trustee of GPF No.8 (i.e. "GIC" for the purpose of this report) dated 20 December 2021 and set out as follows.

Principal Amount	AUD200,000,000
Terms	12 months from the date of Financial Close (1st Draw of Facility), unless extended
Minimum Return	AUD35,000,000 ("Minimum Return") to be paid with the principal repayment
Interest Rate	Aggregate of Base Rate plus Margin, where: • Base Rate refers to benchmark interest rate typically used by financial institutions or corporations engaging in interest rate swaps and related transaction quoted in Australian financial market. • Margin refers to: o 12.75% when no Event of Default or Public Market Event occurs. o 15.75% when no Event of Default, but Public Market Event occurs. o 17.75% when Event of Default occurs, but no Public Market Event occurs. o 20.75% when both Event of Default and Public Market Event occur.
Public Market Event (PME)	PME arises if any bonds or similar Debt issued by the Target in or to a public market either: (a) Become due and payable, or capable of being declared due and payable, before their stated maturity, expiry, or repayment date (other than in the case of a voluntary prepayment at the election of the Target); or (b) Are not paid when due or written any applicable grace period.

Event of Review	Event of Review occurs if: (a) (change of ownership) without the GIC's prior consent there is any change in the legal and beneficial ownership of the Target or its Subsidiaries; or (b) (change in Control) there is a change (from that prevailing at the date of this document) in the persons who Control, or one or more persons acquire Control of the Target or its Subsidiaries.
Consequences upon Event of Review	The Target must: (a) provide all necessary information to, and as requested by, the Finance Parties in order for the GIC to complete the know-your-client checks in respect of the Target; (b) promptly meet and consult in good faith with the GIC concerning the Event of Review to agree a strategy to rectify or restructure (including as to the GIC' credit exposure treatment of the Target) the circumstances giving rise to the Event of Review, including (but not limited to) a restructure of the terms of the Facility to the satisfaction of the GIC; and (c) determine one of the followings: a. change any of the terms or conditions of the loan agreement and require the provision of additional Security Interests or Guarantees as Security, and; Cancel the agreement and immediately repay the principal, minimum return, and accrued interests (if any).

The above is extract only. Please refer to the Facility Agreement for full terms and conditions.

As a change of ownership of the Target would trigger the Event of Review clause above, which gives GIC the right to cancel the Facility Agreement and demand the Target to repay the principal and Minimum Return at the total of AUD235,000,000, you have instructed us to adopt the special assumption that the value of GIC Loans is to be AUD235,000,000 to the Target as at the Valuation Date for your internal reference purpose.

Please refer to Appendix II for the adjustments made to the assets and liabilities of the Target.

6. REMARKS

Unless otherwise stated, all monetary amounts are stated in Australian Dollar.

Figures may not sum due to rounding.

This report is issued subject to our Assumptions and Limiting Conditions as attached.

7. SPECIAL ASSUMPTIONS

A number of special assumptions have been made in the preparation of the reported figures. The major special assumptions are set out below:

- Negative values of the subsidiaries are to be reflected to the line item of investment in subsidiaries in the Target's statement of financial position as is, in spite of the typical floor value of equity being nil owing to the limited liability nature of a limited company;

- The value of the GF Loans is AUD381.85 million and is to be excluded from the value of the Equity as at the Valuation Date; and

- The value of the GIC Loans is AUD235 million, being the sum of outstanding principal and the Minimum Return as at the Valuation Date.

8. SPECIFIC ASSUMPTIONS

A number of specific assumptions have been made in the preparation of the reported figures. The major specific assumptions are set out below:

- The property valuation by Savills Valuations Pty Ltd as set out in the Property Valuation Reports are adopted as the Market Value and ERP of the relevant property for the purpose of this valuation;

- There is no contingent liability, off book liabilities and/or ongoing investigation which may significantly affect the value of the Target;

- The design and construction of the land and properties held by the Group are in compliance with local planning regulations and have been approved by relevant government departments;

- Unless otherwise stated, we assume that the Group has valid legal title to the property and land and has a free and uninterrupted right to occupy, use, assign, lease or assign the property for all unexpired periods granted; and

- The financial and operational information provided and confirmed by the Company are accurate and correctly recorded. The Target will have sufficient financial support as required to remain operating as a going concern.

9. GENERAL ASSUMPTIONS

A number of general assumptions have been made in the preparation of the reported figures. The assumptions are:

- There will be no major changes in existing political, legal, technological, tax, fiscal or economic conditions in the country or district where the business is in operation;
- The long term inflation rate, interest rates and currency exchange rate will not differ materially from those presently prevailing;
- The Target will retain sufficient management and technical personnel to maintain their ongoing operations;
- There will be no major business disruptions through disease, international crisis, industrial disputes, industrial accidents or severe weather conditions that will significantly affect the existing business;
- The Target's businesses are unaffected by any statutory notice and the operation of the business gives, or will give, no rise to a contravention of any statutory requirements. All applicable laws and regulations have been and will be complied with;
- The business is not and will not be subject to any unusual or onerous restrictions or encumbrances which may render the Target's default against their outstanding commitment or obligations; and
- Any potential bad debt of the Target will not materially or significantly affect the value of the Target.

10. LIMITING CONDITIONS

We understand that you will perform additional separate due diligence before making any transaction decision related to the Target. You will not solely rely on our opinion regarding any transaction related to the Target. Our report will be used for internal reference purpose only and cannot replace any managerial decision or judgment of the Company's management. Our work does not constitute any buy or sell recommendation.

No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is beyond what is customarily expected on valuers' capacity or expertise. We are not in a position to, nor have been instructed to, comment on the lawfulness of the businesses and the Target's possession of the assets. In the course of our valuation, we have assumed that the assets have obtained all required registration and are freely transferable in the market without any significant obstacles.

We have been provided with extracts of copies of relevant documents and financial information relating to the Target. We have relied upon the aforesaid information and certain data from various databases in forming our opinion of the Market Value. However, we have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. Our work has relied to a considerable extent on the information provided by the Company and does not constitute an audit and no assurance is given by us to the information supplied to us. Details of our principal information sources are set out in the report and we have satisfied ourselves, so far as possible, that the information presented in our report is consistent with other information which was made available to us in the course of our work. We have made relevant inquiries and obtained further information as we considered necessary for the purpose of this valuation, we however cannot guarantee the reliability or accuracy of the information sources. We have no responsibility to doubt the truthfulness and accuracy of the said information which is material to the valuation. We have also been confirmed by the Company that no material facts related to this valuation have been omitted from the information provided.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Furthermore, the assumptions adopted are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company, the Target and us. While we have exercised our professional knowledge and cautions in adopting assumptions and other relevant key factors in our valuation, those factors and assumptions are still vulnerable to the change of the business, economic environment, competitive uncertainties or any other abrupt alternations of external factors. We must emphasise that the realisation of any prospective financial information set out within our report is dependent on the continuing validity of the assumptions on which it is based. We accept no responsibility for the realisation of any prospective financial information. Actual results are likely to be different from those shown in the prospective financial information because events and circumstances frequently do not occur as expected, and the differences may be material.

In accordance with our standard practice, we must state that this report and valuation is for the purpose of incorporation into the public announcement of the Company and the use only of the party to whom it is addressed and no responsibility is accepted to any third party for the whole or any part of its contents.

Neither the whole, nor any part of this report and valuation, nor any reference thereto may be included in any documents, circular or statement without our written approval of the form and context in which it will appear.

We shall be under no obligation to update our report in respect of events or information which come to our attention subsequent to the date of this report. Notwithstanding this, we reserve the right, should we consider it necessary, to revise our valuation in light of any information which existed at the Valuation Date but which becomes known to us subsequent to the date of this report.

We shall not testify or attend in court due to this exercise, with reference to the valuation described herein. Should there be any further services required, the corresponding expenses and provision of services will be reimbursed from the Company and such additional work may incur without prior notification.

11. MANAGEMENT CONFIRMATION OF FACTS

A draft of this report and our calculation has been sent to management of the Company. They have reviewed and orally confirmed to us that facts as stated in this report and calculation are accurate in all material respects and that they are not aware of any material matters relevant to our engagement which have been excluded.

12. CONFIRMATION OF INDEPENDENCE

We hereby confirm that we have neither present nor prospective interests in the Company, the Target and their respective holding companies, subsidiaries and associated companies, or the value reported herein.

13. OPINION OF VALUE

Based on the method employed and analysis stated above and in the appendices, we are of the opinion that the value of the Equity as at the Valuation Date for the two value bases defined above is estimated as follows:

AUD million	Market Value	ERP
The Equity	169	132

For your reference purpose, if we do not adopt the special assumption of removing the GF Loans from liabilities of the Target and do not treat it as equity for the purpose of our valuation of the Equity, the balance of GF Loans at AUD381.85 million will have to be deducted from the above, resulting in a negative amount and a net liability position for the Target upon the adjustments above. Due to the limited liability nature of the Target, the lower bound of Equity is zero, therefore Market Value and the ERP of the Equity would be nil without such special assumption.

Please refer to Appendix II for the calculation.

The outbreak of the COVID-19, declared by the World Health Organisation as a 'Global Pandemic' on the 11 March 2020, has impacted many aspects of daily life and the global economy. Our valuation of 100% equity interest in the Target is therefore reported as being subject to 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary *circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation. Given the unknown future impact that COVID-19 might have on the financial market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation contained within this report under frequent review.*

Our opinion of value is made as at the Valuation Date only. Any value changes subsequent to the Valuation Date could be material depending on facts and circumstances.

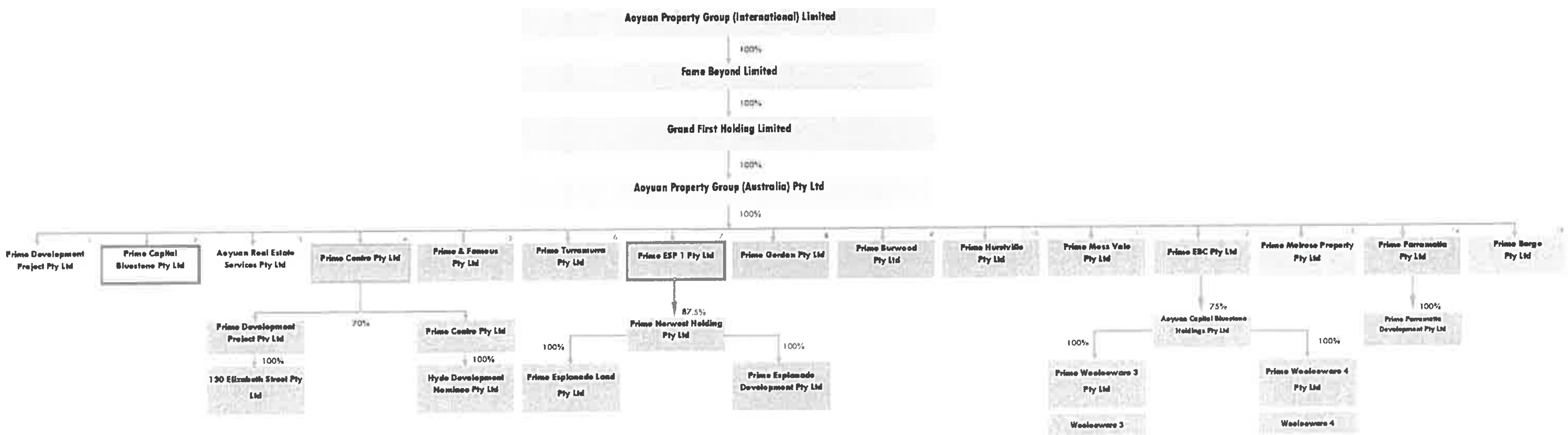
Yours faithfully,
For and on behalf of
Savills Valuation and Professional Services Limited

Wiley W.F. Pun
HKICPA CICPA (non-practising) PRM
Director
Encl.

Benjamin Y. Xu
CFA FRM CMA
Valuation Manager

Appendix I – Group chart

Group Structure Chart



Source: The Company

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Appendix II – Adjustment made to the assets and liabilities of the Target

	31 March 2022 in AUD Book value	31 March 2022 in AUD Market Value Adjustment	31 March 2022 in AUD Market Value	31 March 2022 in AUD ERP
Assets				
Property, plant and equipment	20,075	-	20,075	20,075
Investment in subsidiaries	31,210	(197,861,422)	(196,430,212)	(232,630,212)
Deferred tax assets	96,980,536	-	96,980,536	96,980,536
Intangible assets	262,057	(262,057)	-	-
Trade and other receivables	52,815	-	52,815	52,815
Amount due from inter-group	435,776,160	-	435,776,160	435,776,160
Bank and cash	11,854,962	-	11,854,962	11,854,962
Restricted bank deposits	52,180,927	-	52,180,927	52,180,927
Unamortised Establishment Fees	-	3,647,260	3,647,260	3,647,260
Other current assets	54	-	54	54
Total assets	**597,158,797**	**(194,476,220)**	**404,082,577**	**367,882,577**
Liabilities				
Deferred tax liabilities	86,764	-	86,764	86,764
Other long term liabilities - Grand First	348,996,799	32,855,688	381,852,487	381,852,487
Other long term liabilities - GIC	212,008,671	22,991,329	235,000,000	235,000,000
Trade and other payables	64,624	-	64,624	64,624
Unamortised Establishment Fees	(3,647,260)	3,647,260	-	-
Amount due to related parties	264,358	-	264,358	264,358
Tax liabilities	119,787	-	119,787	119,787
Total liabilities	**557,893,741**	**59,494,277**	**617,388,019**	**617,388,019**
Net assets (liabilities) before adjustment	39,265,055	(253,970,497)	(213,305,441)	(249,505,441)
Add: GF Loans			381,852,487	381,852,487
Net assets after exclusion of GF Loans			**168,547,045**	**132,347,045**
Rounded to			**169,000,000**	**132,000,000**