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If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Guorui Properties Limited**, you should at once hand this circular and the proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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GLORY 国瑞

GUORUI PROPERTIES LIMITED

國瑞置業有限公司

*(Incorporated in the Cayman Islands with limited liability
under the name of “Glory Land Company Limited (國瑞置業有限公司)”
and carrying on business in Hong Kong as “Guorui Properties Limited”)
(Stock Code: 2329)*

**DISCLOSEABLE AND CONNECTED TRANSACTIONS:
PROPOSED TERMINATION OF
CAPITAL CONTRIBUTION ARRANGEMENTS
FOR EIGHT REAL ESTATE PROJECT COMPANIES;
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



建泉融資有限公司
VBG Capital Limited

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 6 to 23 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on pages 24 to 25 of this circular. A letter from VBG Capital, the Independent Financial Adviser, containing its advice to the Independent Board Committee and Independent Shareholders in relation to the Termination Agreements and the transactions contemplated thereunder is set out on pages 26 to 42 of this circular.

A notice convening the EGM to be held at 10:30 a.m. at Office of the Chairman, 5 Floor, Zonghe Building, Wanji Industrial Park, Nanshan District, Shenzhen, PRC on Monday, December 14, 2020 was set out on pages 113 to 118 of the circular.

Whether or not you are able to attend and/or vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not later than 10:30 a.m. on Saturday, December 12, 2020. Completion and delivery of the proxy form will not preclude the Shareholders from attending and voting at the EGM or any adjournment thereof if they so wish.

November 27, 2020

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

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| “associate(s)” | has the same meaning ascribed thereto under the Listing Rules |
| “Beijing Guoxing” | Beijing Guoxing Real Estate Limited* (北京國興地產有限公司), a limited liability company incorporated in the PRC |
| “Board” | the board of Directors of the Company |
| “Capital Contribution Arrangements” | the capital contributions in the Target Company(ies) agreed by the Group as elaborated in the announcements of the Company dated August 31, 2017, April 27, 2018, November 23, 2018, January 28, 2019, August 27, 2019, March 31, 2020 and August 31, 2020 and the circular of the Company dated May 10, 2018 (as the case may be), details of which are set out in the letter from the Board of this circular |
| “Chairman Zhang” | Mr. Zhang Zhangsun (張章筭), the controlling Shareholder, Chairman of the Board and president of the Company |
| “Chongqing Guosha” | Chongqing Guosha Real Estate Development Co., Ltd.* (重慶國廈房地產開發有限公司), a limited liability company incorporated in the PRC |
| “Chongqing Longsha” | Chongqing Longsha Real Estate Development Co., Ltd.* (重慶龍廈房地產開發有限公司), a limited liability company incorporated in the PRC |
| “Company” | Guorui Properties Limited (國瑞置業有限公司), an exempted company with limited liability incorporated in the Cayman Islands under the name of “Glory Land Company Limited (國瑞置業有限公司)” and that carries on business in Hong Kong as “Guorui Properties Limited” |
| “connected person(s)” | has the meaning ascribed thereto in the Listing Rules |
| “controlling shareholder” | has the meaning ascribed thereto in the Listing Rules |
| “Director(s)” | director(s) of the Company |

DEFINITIONS

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| “EGM” | the extraordinary general meeting of the Company to be convened and held at 10:30 a.m. at Office of the Chairman, 5 Floor, Zonghe Building, Wanji Industrial Park, Nanshan District, Shenzhen, PRC on Monday, December 14, 2020 or any adjournment thereof (as the case may be). For details, please refer the notice of the EGM, which is set out on pages 113 to 118 of this circular |
| “Garden Group” | Shantou Garden Group Co., Ltd.* (汕頭花園集團有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date |
| “Group” | the Company and subsidiaries of the Company |
| “Guangdong Guosha” | Guangdong Guosha Real Estate Co., Ltd.* (廣東國廈地產有限公司), a limited liability company incorporated in the PRC |
| “Guangdong Guosha Investment” | Guangdong Guosha Investment Holding Group Co., Ltd.* (廣東國廈投資控股集團有限公司), which is formerly known as Shantou Guosha Real Estate Co., Ltd.* (汕頭市國廈地產有限公司), a limited liability company incorporated in the PRC |
| “Guangdong Hongtai Guotong” | Guangdong Hongtai Guotong Real Estate Co., Ltd.* (廣東宏泰國通地產有限公司), a limited liability company incorporated in the PRC |
| “Guoxing Wanxun” | Beijing Guoxing Wanxun Technology and Trade Consulting Co., Ltd.* (北京國興萬訊科貿諮詢有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date |
| “Handan Guoxia” | Handan Guoxia Real Estate Development Co., Ltd.* (邯鄲市國夏房地產開發有限公司), a limited liability company incorporated in the PRC |
| “Heshan Tengyue” | Heshan Tengyue Real Estate Development Co., Ltd.* (鶴山市騰悅房地產開發有限公司), a limited liability company incorporated in the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |

DEFINITIONS

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| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Hong Kong Branch Share Registrar” | Computershare Hong Kong Investor Services Limited, the branch share registrar of the Company in Hong Kong |
| “Independent Board Committee” | the independent committee of the Board, the members of which consist of the independent non-executive Directors, formed to advise the Independent Shareholders with respect to the Termination Agreements and the transactions contemplated thereunder |
| “Independent Financial Adviser” or “VBG Capital” | VBG Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Termination Agreements and the transactions contemplated thereunder |
| “Independent Shareholders” | Shareholders who are not required to abstain from voting on the resolutions proposed at the EGM for approving the Termination Agreements and the transactions contemplated thereunder |
| “Jiangmen Yinghuiwan” | Jiangmen Yinghuiwan Real Estate Co., Ltd.* (江門映暉灣房地產有限公司), a limited liability company incorporated in the PRC |
| “Latest Practicable Date” | November 23, 2020, being the latest practicable date of ascertaining certain information contained in this circular prior to its printing |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “PRC” | the People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Sanya Jingheng” | Sanya Jingheng Properties Co., Ltd.* (三亞景恒置業有限公司), a limited liability company incorporated in the PRC |

DEFINITIONS

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| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.001 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Shijiazhuang Guorui” | Shijiazhuang Guorui Real Estate Development Co., Ltd.* (石家莊國瑞房地產開發有限公司), a limited liability company incorporated in the PRC |
| “Shijiazhuang Guosha” | Shijiazhuang Guosha Real Estate Development Co., Ltd.* (石家莊國廈房地產開發有限公司), a limited liability company incorporated in the PRC |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Companies” | Guangdong Hongtai Guotong, Guangdong Guosha, Tianjin Tianfu Rongsheng, Sanya Jingheng, Handan Guoxia, Chongqing Guosha, Jiangmen Yinghuiwan and Shijiazhuang Guosha, and a Target Company refers to any of them |
| “Termination Agreement I” | the agreement entered into among the Company, Garden Group, Guoxing Wanxun, Guangdong Hongtai Guotong, Beijing Guoxing and Chongqing Longsha dated November 23, 2020 to terminate the Capital Contribution Arrangements for Guangdong Hongtai Guotong |
| “Termination Agreement II” | the agreement entered into among the Company, Garden Group, Guoxing Wanxun, Guangdong Guosha and Guangdong Hongtai Guotong dated November 23, 2020 to terminate the Capital Contribution Arrangements for Guangdong Guosha |
| “Termination Agreement III” | the agreement entered into among the Company, Garden Group, Guoxing Wanxun, Tianjin Tianfu Rongsheng and Tianjin Guoxing dated November 23, 2020 to terminate the Capital Contribution Arrangements for Tianjin Tianfu Rongsheng |

DEFINITIONS

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| “Termination Agreement IV” | the agreement entered into among the Company, Garden Group, Guoxing Wanxun, Sanya Jingheng and Guangdong Guosha Investment dated November 23, 2020 to terminate the Capital Contribution Arrangements for Sanya Jingheng |
| “Termination Agreement V” | the agreement entered into among the Company, Garden Group, Guoxing Wanxun, Handan Guoxia and Shijiazhuang Guorui dated November 23, 2020 to terminate the Capital Contribution Arrangements for Handan Guoxia |
| “Termination Agreement VI” | the agreement entered into among the Company, Garden Group, Guoxing Wanxun, Chongqing Guosha and Chongqing Longsha dated November 23, 2020 to terminate the Capital Contribution Arrangements for Chongqing Guosha |
| “Termination Agreement VII” | the agreement entered into among the Company, Garden Group, Guoxing Wanxun, Jiangmen Yinghuiwan, Heshan Tengyue and Guangdong Guosha Investment dated November 23, 2020 to terminate the Capital Contribution Arrangements for Jiangmen Yinghuiwan |
| “Termination Agreement VIII” | the agreement entered into among the Company, Garden Group, Guoxing Wanxun, Shijiazhuang Guosha and Shijiazhuang Guorui dated November 23, 2020 to terminate the Capital Contribution Arrangements for Shijiazhuang Guosha |
| “Termination Agreement(s)” | Termination Agreement I, Termination Agreement II, Termination Agreement III, Termination Agreement IV, Termination Agreement V, Termination Agreement VI, Termination Agreement VII and Termination Agreement VIII, and a Termination Agreement refers to any of them |
| “Tianjin Guoxing” | Tianjin Guoxing Real Estate Co., Ltd.* (天津國興地產有限公司), a limited liability company incorporated in the PRC |
| “Tianjin Tianfu Rongsheng” | Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd.* (天津天富融盛房地產開發有限公司), a limited liability company incorporated in the PRC |
| “%” | percentage |

* for identification purpose only

LETTER FROM THE BOARD



GLORY 国瑞

GUORUI PROPERTIES LIMITED
國瑞置業有限公司

*(Incorporated in the Cayman Islands with limited liability
under the name of “Glory Land Company Limited (國瑞置業有限公司)”
and carrying on business in Hong Kong as “Guorui Properties Limited”)*
(Stock Code: 2329)

Executive Directors:

Mr. Zhang Zhangsun (張章筭) (*Chairman*)
Ms. Ruan Wenjuan (阮文娟)
Ms. Zhang Jin (張瑾)
Mr. Lin Yaoquan (林耀泉)
Ms. Dong Xueer (董雪兒)
Mr. Li Bin (李斌)

Independent non-executive Directors:

Mr. Luo Zhenbang (羅振邦)
Mr. Lai Siming (賴思明)
Ms. Chen Jingru (陳靜茹)

Registered office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*

RM2802, 28/F, Harbour Centre
25 Harbour Road, Wan Chai
Hong Kong

November 27, 2020

To the Shareholders

Dear Sirs or Madams,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS:
PROPOSED TERMINATION OF
CAPITAL CONTRIBUTION ARRANGEMENTS
FOR EIGHT REAL ESTATE PROJECT COMPANIES**

I. INTRODUCTION

Reference is made to the announcement of the Company dated November 23, 2020 in relation to the Termination Agreements and the transactions contemplated thereunder.

The purpose of this circular is (i) to provide the Shareholders with further information on the Termination Agreements and the transactions contemplated thereunder; (ii) to set out the recommendations from the Independent Board Committee to the Independent Shareholders in relation to the Termination Agreements and the transactions contemplated thereunder; (iii) to set out the letter from VBG Capital to the Independent Board Committee and the Independent Shareholders in relation to the Termination Agreements and the transactions contemplated thereunder; and (iv) a notice of the EGM setting out the resolutions in relation to the Termination Agreements and the transactions contemplated thereunder.

LETTER FROM THE BOARD

II. PROPOSED TERMINATION OF CAPITAL CONTRIBUTION ARRANGEMENTS FOR EIGHT REAL ESTATE PROJECT COMPANIES

1. Capital Contribution Arrangements for Eight Real Estate Project Companies

On August 31, 2017, Garden Group signed seven agreements to subscribe for/acquire 10% equity interest in each of the seven Target Companies (other than Shijiazhuang Guosha). On April 27, 2018, the Company signed seven additional capital contribution agreements with these Target Companies and their existing shareholders, respectively, to (i) acquire 10% equity interest held by Garden Group in the seven Target Companies (other than Shijiazhuang Guosha); (ii) make further capital contributions in the seven Target Companies (other than Shijiazhuang Guosha); and (iii) cooperate in their real estate projects.

On November 23, 2018, Guoxing Wanxun signed a capital contribution agreement to subscribe for 51% equity interest in Shijiazhuang Guosha.

For details of the Capital Contribution Arrangements, please refer to the announcements of the Company dated August 31, 2017, April 27, 2018, November 23, 2018, January 28, 2019, August 27, 2019, March 31, 2020 and August 31, 2020 and the circular of the Company dated May 10, 2018.

A summary of the Capital Contribution Arrangements is set out in the table below:

| Target Company | Equity interest in the Target Company held by the Company through Guoxing Wanxun as at the Latest Practicable Date | Consideration payable by the Company |
|---------------------------|---|---|
| Guangdong Hongtai Guotong | 35% | RMB434 million |
| Guangdong Guosha | 51%* | RMB58.14 million |
| Tianjin Tianfu Rongsheng | 35% | RMB215.95 million |
| Sanya Jingheng | 35% | RMB320.95 million |
| Handan Guoxia | 35% | RMB118.65 million |
| Chongqing Guosha | 51% | RMB84.66 million |
| Jiangmen Yinghuiwan | 51%* | RMB204.51 million |
| Shijiazhuang Guosha | 51% | RMB356.10 million |
| Total: | | <u>RMB1,792.96 million</u> |

* Guangdong Guosha is directly owned as to 51% by Guoxing Wanxun and 49% by Guangdong Hongtai Guotong. As the Company holds 35% equity interests in Guangdong Hongtai Guotong, the Company's total interest in Guangdong Guosha is 68% from accounting perspective as set out in the Company's previous accountant's report. Similarly, the Company's total interest in Jiangmen Yinghuiwan is 52% from accounting perspective as set out in the Company's previous accountant's report. Save as disclosed above, the Company's total interest in other Target Companies are all held through Guoxing Wanxun, an indirect wholly-owned subsidiary of the Company.

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After signing of the definitive agreements under the Capital Contribution Arrangements, as approved by the shareholders of each of the Target Companies, the articles of association and the register of members of each of the Target Companies have been changed in 2018 to reflect the Company's direct equity interest, voting power and board seat in the Target Company as follows:

| Target Company | Direct equity interest in the Target Company | Voting power in the Target Company | Board seat in the Target Company |
|---------------------------|---|---|---|
| Guangdong Hongtai Guotong | 35% | 67% | The Company via Guoxing Wanxun is entitled to appoint two out of three directors at the board of each Target Company. |
| Guangdong Guosha | 51% | 51% | |
| Tianjin Tianfu Rongsheng | 35% | 67% | |
| Sanya Jingheng | 35% | 67% | |
| Handan Guoxia | 35% | 67% | |
| Chongqing Guosha | 51% | 67% | |
| Jiangmen Yinghuiwan | 51% | 67% | |
| Shijiazhuang Guosha | 51% | 51% | |

Upon completion of the amendments to the articles of association and the update of the register of members in 2018, the Company has been entitled to control each of the Target Companies as elaborated in the table above. Therefore, each of the Target Companies is recorded as a non-wholly-owned subsidiary of the Company by virtue of the Company's significant control over the Target Company in terms of voting power and board seat. The Group has participated in the Target Companies' operation and development through appointment of a majority of directors in an ordinary and normal manner as agreed in the capital contribution agreements since it entered into the Capital Contribution Arrangements.

As at the Latest Practicable Date, apart from Guangdong Hongtai Guotong, all other seven Target Companies have completed the change of registration with the market regulation department in the PRC in relation to the Capital Contribution Arrangements. Although the change of registration with the market regulation department in relation to Guangdong Hongtai Guotong is not completed, the Company is legally entitled to control Guangdong Hongtai Guotong as elaborated in the above table.

Under the Capital Contribution Arrangements, apart from the capital contribution in Shijiazhuang Guosha, which shall be paid by the Group in cash by December 17, 2020, the capital contributions in the other seven Target Companies shall be paid by the Group in cash by December 31, 2020. As at the Latest Practicable Date, the Group has not paid any of the considerations for the Capital Contribution Arrangements.

Due to the commercial reasons as elaborated in "5. Reasons for and Benefits of the Termination Agreements" below, the Company proposes to terminate the Capital Contribution Arrangements. On November 23, 2020, the Company entered into eight Termination Agreements with the Target Companies and their respective existing shareholders.

LETTER FROM THE BOARD

2. Termination Agreements

The principal terms of the Termination Agreements are substantially the same, which are summarized as below:

Date:

November 23, 2020

Parties:

| Termination Agreement | Target Company | Existing shareholder on behalf of the Company | Other existing shareholder(s) | Other signing parties to the capital contribution agreements |
|----------------------------|---------------------------|---|---|--|
| Termination Agreement I | Guangdong Hongtai Guotong | Guoxing Wanxun | Beijing Guoxing, Chongqing Longsha | the Company and Garden Group |
| Termination Agreement II | Guangdong Guosha | | Guangdong Hongtai Guotong | |
| Termination Agreement III | Tianjin Tianfu Rongsheng | | Tianjin Guoxing | |
| Termination Agreement IV | Sanya Jingheng | | Guangdong Guosha Investment | |
| Termination Agreement V | Handan Guoxia | | Shijiazhuang Guorui | |
| Termination Agreement VI | Chongqing Guosha | | Chongqing Longsha | |
| Termination Agreement VII | Jiangmen Yinghuiwan | | Heshan Tengyue, Guangdong Guosha Investment | |
| Termination Agreement VIII | Shijiazhuang Guosha | | Shijiazhuang Guorui | |

Termination of Capital Contribution Arrangements:

The parties have unconditionally agreed that the Capital Contribution Arrangements shall be terminated from the respective effective date of the Termination Agreement, and all rights and obligations of each party under the Capital Contribution Arrangements shall cease to be binding.

None of the Company, Garden Group and Guoxing Wanxun is required to pay any consideration for the Capital Contribution Arrangements, and they will cease to be a shareholder of the Target Company. In addition, they assume no responsibility on the Target Company and its other existing shareholder(s) in connection with the Capital Contribution Arrangements.

LETTER FROM THE BOARD

The Target Company and its other existing shareholder(s) waive any right of action against the Company, Garden Group and/or Guoxing Wanxun in relation to the Capital Contribution Arrangements.

Considerations:

None of the Company, Garden Group and Guoxing Wanxun will receive any additional consideration under the Termination Agreements after offsetting the total consideration payable by the Group under the Capital Contribution Arrangements.

None of the Target Companies have declared any dividend to the Company, Garden Group and/or Guoxing Wanxun as of the Latest Practicable Date. Each of the Company, Garden Group and Guoxing Wanxun has agreed to forfeit its dividend entitlement, and all past and future dividends of the Target Company will be enjoyed by its then shareholder(s) after the Termination Agreement takes effect.

Resignation of directors and senior management of the Target Companies nominated by the Group:

Pursuant to the capital contribution agreements, the Group through Guoxing Wanxun is entitled to nominate two out of three directors at the board of the Target Company, and the CEO and CFO of the Target Company shall be nominated by Guoxing Wanxun too.

When the Termination Agreement becomes effective, the directors, supervisors and senior management nominated by Guoxing Wanxun shall resign from the respective Target Companies.

Condition:

The Termination Agreement will take effect upon obtaining the approval from the Independent Shareholders in respect of the Termination Agreement and the transaction contemplated thereunder pursuant to the Listing Rules.

For the avoidance of doubt, each Termination Agreement is inter-conditional to each other.

3. Information on the Target Companies

Each of the Target Companies is a limited liability company established in the PRC and is principally engaged in real estate development business.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Target Companies are primarily developing the following real estate projects:

(i) Elegant Mansion (藏瓏華府)

Guangdong Hongtai Guotong has been principally engaged in the real estate development of Elegant Mansion and property management since its establishment in 2012. Elegant Mansion is a developing composite development located at south of Weiye Avenue (偉業大道), Chencun Town (陳村鎮), Shunde District (順德區), Foshan. It comprises three neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 202,610.67 sq.m. According to the development plan, Elegant Mansion will be developed into high-rise residential, apartment, retail and underground car park. Elegant Mansion comprises the unsold portion of completed portion and construction in progress with a total proposed sellable gross floor area (GFA) of 356,553.25 sq.m. and 3,493 car spaces (3,472 unsold). As at the Latest Practicable Date, other than the completed portion of the project, the other portion is under construction.

(ii) Four Season Spring City (四季泉城)

Guangdong Guosha has been principally engaged in the real estate development of Four Season Spring City and property management since its establishment in 2017. Four Season Spring City is a developing residential community located at south of No. 369 Provincial Road, Sanshan Village (三山村), Shengtang Town (聖堂鎮), Enping, Jiangmen. It comprises two neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 225,029.64 sq.m. According to the development plan, Four Season Spring City will be developed into high-rise residential, townhouse, retail and underground car park with a sellable GFA of 206,520.00 sq.m and 1,620 car spaces. As at the Latest Practicable Date, it is under construction.

(iii) Brown Stone Town (融泰城)

Tianjin Tianfu Rongsheng has been principally engaged in the real estate development of Brown Stone Town and property management since its establishment in 2013. Brown Stone Town is a developing residential community located at east of Xiuchuan Road (秀川路), Xiqing District (西青區), Tianjin. It comprises an irregular-shaped land lot with a total site area of 137,816.40 sq.m. According to the development plan, Brown Stone Town will be developed in three phases and comprise high-rise residential, garden house and underground car park. Brown Stone Town comprises the unsold portion of completed portion and construction in progress with a sellable GFA of 132,725.80 sq.m. and 1,616 car spaces. As at the Latest Practicable Date, other than the completed portion of the project, the other portion is under construction.

LETTER FROM THE BOARD

(iv) *Glory Hongtang Bay* (國瑞紅塘灣)

Sanya Jingheng has been principally engaged in the real estate development of Glory Hongtang Bay and property management since its establishment in 2016. Glory Hongtang Bay is a developing residential community located at Hongtangwan Tourism Resort (紅塘灣旅遊度假區), Tianya District, Sanya. It comprises five neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 96,736.87 sq.m. According to the development plan, Glory Hongtang Bay will be developed into mid-rise residential, apartment, townhouse and underground car park with a total proposed GFA of 106,232.79 sq.m. and 76,074.57 sq.m. of car spaces. As at the Latest Practicable Date, it is under construction.

(v) *Glory Pinnacle* (國瑞瑞城)

Handan Guoxia has been principally engaged in the real estate development of Glory Pinnacle since its establishment in 2016. Glory Pinnacle is a developing large-scale residential community located at south of Lingyuan Road (陵園路) and west of Fuhe Avenue (滄河大街), Hanshan District (邯山區), Handan. It comprises four neighbouring pieces of land grouping an irregular-shaped land lot with a total site area of 161,735.80 sq.m. According to the development plan, Glory Pinnacle will comprise high-rise residential, shopping mall, retail podium, kindergarten, underground car park and other facilities with a total proposed sellable GFA of 647,828.36 sq.m. and 3,659 car spaces. As at the Latest Practicable Date, it is under construction.

(vi) *Elegant Villa* (書香溪墅)

Chongqing Guosha has been principally engaged in the real estate development of Elegant Villa and property management since its establishment in 2013. Elegant Villa is a developing residential community located at south of Daxuecheng South 2nd Road (大學城南二路), Shapingba District (沙坪壩區), Chongqing. It comprises three neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 205,947.00 sq.m. According to the development plan, Elegant Villa will be developed into high-rise residential, garden house, townhouse and underground car park. Elegant Villa comprises the unsold portion of completed portion and construction in progress with a total proposed sellable GFA of 102,492.08 sq.m. and 2,323 car spaces. As at the Latest Practicable Date, other than the completed portion, the other portion is under construction.

(vii) *Lake Manor Villa* (山湖海)

Jiangmen Yinghuiwan has been principally engaged in the real estate development of Lake Manor Villa and property management since its establishment in 2009. Lake Manor Villa is a developing residential community located at Gonghe Ecological Park, Gonghe Avenue, Gonghe Town, Heshan, Jiangmen. It comprises twelve neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 407,456.91

LETTER FROM THE BOARD

sq.m. According to the development plan, Lake Manor Villa will be developed into high-rise residential, townhouse and retail with a total proposed sellable GFA of 569,339.98 sq.m. and 3,191 car spaces. As at the Latest Practicable Date, it is under construction.

(viii) Fugui City (富貴城)

Shijiazhuang Guosha has been principally engaged in the real estate development of Fugui City and property management since its establishment in 2011. Fugui City is a developing residential community located at north of Xinhua Road (新華路) and west of West 2nd Ring Road (西二環路), Qiaoxi District (橋西區), Shijiazhuang. It comprises an irregular-shaped land lot with a total site area of 128,299.60 sq.m., of which, 62,861.36 sq.m. is allocated. According to the development plan, Fugui City will comprise high-rise residential, retail podiums and underground car park with a total proposed sellable GFA of 787,371.41 sq.m and 1,454 car spaces. Besides, Fugui City also includes a portion of resettlement housing (回遷房) with a total GFA of 482,050.00 sq.m. As at the Latest Practicable Date, it is under construction.

For details of the above real estate projects operated by the Target Companies, please refer to the property valuation reports in **Appendix I** to this circular.

Apart from the property valuation, the Company engaged an independent professional valuer to conduct equity valuation on the Target Companies. The aggregate value of the Target Companies held by the Group as of August 31, 2020 is RMB2,332.08 million. For details of the equity valuation, please refer to the equity valuation reports in **Appendix II** to this circular.

The table below sets forth the unaudited financial information of the Target Companies:

RMB' million

| | Net asset as of June 30, 2020 | Net profit (loss) before tax | | | Net profit (loss) after tax | | |
|-----------------------------|-------------------------------------|---|---|---|---|---|---|
| | | for the six months ended June 30, 2020 | for the year ended December 31, 2019 | for the year ended December 31, 2018 | for the six months ended June 30, 2020 | for the year ended December 31, 2019 | for the year ended December 31, 2018 |
| Target Company | | | | | | | |
| Guangdong Hongtai | | | | | | | |
| Guotong | 1,776.10 | 109.47 | 57.70 | 730.42 | 90.11 | 49.13 | 413.86 |
| Guangdong Guosha | 118.19 | (5.69) | (6.58) | (1.19) | (4.27) | (4.94) | (0.89) |
| Tianjin Tianfu Rongsheng | 788.90 | 204.14 | (45.18) | (19.14) | 121.10 | (33.49) | (14.48) |
| Sanya Jingheng | 1,052.93 | (9.15) | (20.91) | (17.95) | (7.05) | (15.68) | (13.46) |

LETTER FROM THE BOARD

| Target Company | Net asset as of June 30, 2020 | Net profit (loss) before tax | | | Net profit (loss) after tax | | |
|---------------------|-------------------------------|------------------------------|--------------------|--------------------|-----------------------------|--------------------|--------------------|
| | | for the six months ended | for the year ended | for the year ended | for the six months ended | for the year ended | for the year ended |
| | | June 30, 2020 | December 31, 2019 | December 31, 2018 | June 30, 2020 | December 31, 2019 | December 31, 2018 |
| Handan Guoxia | 394.82 | 20.31 | 7.77 | (7.30) | 15.13 | 5.45 | (5.48) |
| Chongqing Guosha | 374.80 | 65.79 | 154.83 | 55.94 | 36.71 | 94.63 | 39.48 |
| Jiangmen Yinghuiwan | 457.34 | (11.05) | (11.00) | (12.42) | (4.51) | (8.25) | (9.31) |
| Shijiazhuang Guosha | 849.13 | (16.05) | (43.95) | (1.89) | (12.13) | (33.32) | (1.47) |

The table below illustrates the shareholding structure of the Target Companies as at the Latest Practicable Date and immediately upon completion of the Termination Agreements:

| Target Company | As at the Latest Practicable Date | Upon completion of the Termination Agreement* |
|---------------------------|--|--|
| Guangdong Hongtai Guotong | Guoxing Wanxun: 35% Beijing Guoxing and Chongqing Longsha: 65% | Beijing Guoxing and Chongqing Longsha: 100% |
| Guangdong Guosha | Guoxing Wanxun: 51% Guangdong Hongtai Guotong: 49% | Guangdong Hongtai Guotong: 100% |
| Tianjin Tianfu Rongsheng | Guoxing Wanxun: 35% Tianjin Guoxing: 65% | Tianjin Guoxing: 100% |
| Sanya Jingheng | Guoxing Wanxun: 35% Guangdong Guosha Investment: 65% | Guangdong Guosha Investment: 100% |
| Handan Guoxia | Guoxing Wanxun: 35% Shijiazhuang Guorui: 65% | Shijiazhuang Guorui: 100% |
| Chongqing Guosha | Guoxing Wanxun: 51% Chongqing Longsha: 49% | Chongqing Longsha: 100% |
| Jiangmen Yinghuiwan | Guoxing Wanxun: 51% Heshan Tengyue and Guangdong Guosha Investment: 49% | Heshan Tengyue and Guangdong Guosha Investment: 100% |
| Shijiazhuang Guosha | Guoxing Wanxun: 51% Shijiazhuang Guorui: 49% | Shijiazhuang Guorui: 100% |

* Upon completion of the Termination Agreements, Mr. Zhang Zhangqiao will hold 100% equity interest in each of the Target Companies through his controlled entities listed in the above column or any other third party entity designated by him.

LETTER FROM THE BOARD

4. Financial Effect of the Termination Agreements

Upon completion of the Termination Agreements, as the Company will cease to hold any equity interest in the Target Companies, the financial results of each of the Target Companies will cease to be consolidated into those of the Group.

Taking into account the difference between (i) the total consideration payable by the Group under the Capital Contribution Arrangements (i.e. RMB1,792.96 million), and (ii) the aggregate value of the net assets of the Target Companies held by the Group as of June 30, 2020 (i.e. RMB2,346.85 million), which is calculated based on the Group's equity interest in the respective Target Companies and the net assets of the Target Companies as shown in the table at pages 13 and 14, the Group anticipates that the completion of the Termination Agreements will record a loss of approximately RMB553.89 million.

Following the completion of the Termination Agreements, each of the net assets and profit of the Group will decrease due to the de-consolidation of the Target Companies.

Shareholders and potential investors should note that the above expectation is for illustrative purpose only. The actual accounting gain or loss in connection with the transactions may be different from the above.

5. Reasons for and Benefits of the Termination Agreements

The Group, as an integrated property developer, is principally engaged in the property development business in cities such as Beijing, Shenzhen, Haikou, Wanning and Langfang.

After due and deliberate consideration, the Directors have decided to terminate the Capital Contribution Arrangements based on the following reasons:

(1) The proposed termination of the Capital Contribution Arrangements is in line with the Group's business development strategy.

Real estate is a highly policy-oriented industry in China. The Company has been adhering to its overall business development strategy, which is that the business operations of the Group needs to be constantly adjusted to adapt to the ever-changing market environment and industry policies.

As stated in the section headed "3. Information on the Target Companies", the real estate projects that are being developed by the Target Companies are mainly located in the third- and fourth-tier cities. At the time of entering into the Capital Contribution Arrangements, given that the then real estate market and policies were favorable for real estate companies to develop and operate in third- and fourth-tier cities and many real estate companies focused on land acquisitions in those cities, the Company also wished

LETTER FROM THE BOARD

to explore potential development and boost the brand awareness of “Guorui Properties” in such new cities. Thus, the Company entered into the Capital Contribution Arrangements, which is in line with the Group’s then business development strategy.

However, the outbreak of the COVID-19 which began in December 2019 and intensified in the first half of 2020 poses a new downside risk to China and global economy. With the impact of the COVID-19, for real estate companies, the pressure to deleverage has been increasing, the sales volume has been recovering slowly, and cash flow has been hampered. Many market players recorded a decrease in profit or even a loss during the first half of 2020.

Meanwhile, the Ministry of Housing and Urban-Rural Development of the PRC (MOHURD) and the People’s Bank of China (PBOC) held a meeting with key real estate companies in late August 2020 to discuss a long-term mechanism for regulation of the real estate market. As indicated at the meeting, MOHURD and PBOC will form capital and financing management rules for key real estate companies. Although the relevant rules are currently only applied to some key real estate companies as pilot companies, the real estate industry has been greatly affected due to the policy orientation indicated by the rules. Therefore, the Company considers that it is essential for a real estate company to maintain a healthy cash flow and sufficient funds in the coming years.

Against the backdrop elaborated above, the Company expects that the COVID-19 and the potential financing policies will bring the challenges and uncertainties on its business operation and has adapted to such challenges and uncertainties as follows:

- (i) The Company has decided to maintain sufficient funds for the time being to meet unexpected capital expenditure in the future and unpredictable financing requirements imposed by MOHURD and PBOC; and
- (ii) Similar to other industries and market competitors in real estate industry, the progress of some of the Company’s projects this year has slowed down as compared to that of the previous years due to the impact of the pandemic, thus the Company prefers focusing on its existing projects so as to keep up with schedule.

Therefore, the Company’s current business development strategy is to maintain a healthy cash flow, have sufficient funds and exercise caution for significant investment, so as to ensure capital flexibility for tackling with the potential challenges and opportunities it may encounter for post COVID-19 recovery and future policy changes, which is unpredictable for now.

Meanwhile, the fulfillment of the Capital Contribution Arrangements requires the Company to make payment of the total consideration thereunder (i.e. approximately RMB1.79 billion) by end of 2020, taking up a significant portion of the Company’s funds this year. Furthermore, the property market in the third- and fourth-tier cities may be under more pressure and faces higher uncertainties due to the outbreak of the COVID-19

LETTER FROM THE BOARD

and the potential new financing policies. Therefore, the Company considers that the Capital Contribution Arrangements are not in line with the Company's current business development strategy, and it decides to terminate the Capital Contribution Arrangements pursuant to the Termination Agreements.

(2) The increase in the appraised value of the Target Companies and the estimated financial effect of the Termination Agreements do not indicate that the Termination Agreements are not in the interest of the Company and its Shareholders as a whole.

As disclosed in the circular in 2018 relating to the Capital Contribution Arrangements, the appraised value of the seven Target Companies (other than Shijiazhuang Guosha) as of February 28, 2018 is RMB3,794.00 million, while that of those companies as at August 31, 2020 is RMB4,752.90 million. The difference between the above-mentioned appraised values is mainly because the valuer has taken into account the consideration payable by the Group under the Capital Contribution Arrangements for those Target Companies (i.e. RMB1,436.86 million) when preparing the appraised value as at August 31, 2020 pursuant to the applicable valuation requirements. If the contribution of the consideration payable by the Company under the Capital Contribution Arrangements were excluded from the valuation factors, the appraised value of the seven Target Companies (other than Shijiazhuang Guosha) as at August 31, 2020 would be RMB3,316.04 million (i.e. the product of the appraised value of RMB4,752.90 million minus the consideration of RMB1,436.86 million payable by the Company), representing a decrease of RMB477.96 million or approximately 12.6% as compared to that as of February 28, 2018. Such decrease in the appraised value is mainly resulted from the change in the value of inventories, which is primarily due to the facts that the area of the projects has changed according to the gradually improved construction planning, and the sales price of some projects has decreased compared with that of the year 2018 due to market changes. Thus, the Company considers that the actual market value of the Target Companies has decreased and is likely to continue to decrease as compared with that at the time of the Capital Contribution Arrangements given the property market in the third- and fourth-tier cities may be under more pressure and faces higher uncertainties due to the outbreak of the COVID-19 and the potential new financing policies as elaborated above.

As disclosed in the paragraph headed "4. Financial Effect of the Termination Agreements", the Company will record a loss of RMB553.89 million upon completion of the Termination Agreements. Such financial effect is calculated under the applicable accounting treatment, which is the product of the net assets of the Target Companies held by the Group as of June 30, 2020 (i.e. RMB2,346.85 million, which have included the contribution of consideration) minus the consideration payable by the Company (i.e. RMB1.79 billion). The loss of RMB553.89 million recorded in the financial statements mainly results from (i) the cumulative net profits (after tax) attributable to the equity interest held by the Group in the Target Companies during the period commencing from the consolidation of the Target Companies into the Group in 2018 and ending on June 30, 2020, which amounts to approximately RMB256.63 million; (ii) the aggregate amount of

LETTER FROM THE BOARD

RMB308.71 million recognized at the time of the Capital Contribution Arrangements (“**Valuation Related Premium**”), comprising (a) the gain from bargain purchase under the Capital Contribution Arrangements (i.e. RMB187.46 million) and (b) the difference between the fair value of the 10% equity interests in the Target Companies previously held by the Group (through Garden Group) and the carrying amounts of such interests (i.e. RMB121.25 million), which have been disclosed in Note 44 to the consolidated financial statements of the Company’s 2018 annual report at page 396.

Although the Group would record a one-off loss of RMB553.89 million as a result of the Termination Agreements in its financial statements, from the perspective of long-term development strategy, the Group is still of the view that the Termination Agreements are fair and reasonable and in the interest of the Company and its Shareholders as a whole for the following reasons:

- (i) From the cash flow perspective, the Group has not made any capital contribution in the Target Companies under the Capital Contribution Arrangements as at the Latest Practicable Date. Whereas, according to the Capital Contribution Arrangements, the Group shall pay the total consideration (i.e. RMB1.79 billion) in cash by end of 2020. Furthermore, it is expected that even after the Company pays for the significant consideration under the Capital Contribution Arrangements by end of 2020, the Target Companies will still require additional funds for their current development and operation. In light of the possible real estate financing policies in China imposed by MOHURD and PBOC, the shareholders of the Target Companies (in particular the Group as the controlling shareholder) may need to support such funding demands if no external source of funding is available. As elaborated above, the Company currently plans to maintain sufficient cash resources for its own business operation, rather than making further significant investments in the Target Companies. Therefore, the termination of the Capital Contribution Arrangements is beneficial for the Company to maintain a healthy cash flow.
- (ii) If the Group would pay the consideration (i.e. RMB1.79 billion) and any further capital support in the Target Companies as mentioned in the above paragraph, the Company reasonably expects that the financing costs would be high in light of (a) the fixed borrowing rates ranged from 4.75% to 13.65% per annum as at June 30, 2020 as disclosed in the Company’s 2020 interim report; (b) the possible real estate financing policies in China imposed by MOHURD and PBOC. For illustration purpose only, if the borrowing rate is 9.2% per annum (the mid-point of the abovementioned range), the interests payable by the Company would be RMB164.68 million per year for financing the consideration of RMB1.79 billion, the cumulative amount of which is expected to be higher than that of the net profits (after tax) of the Target Companies attributable to the Group (i.e. RMB256.63 million during the period commencing from the consolidation of the Target Companies into the Group in 2018 and ending on June 30, 2020). For the Valuation Related Premium of

LETTER FROM THE BOARD

RMB308.71 million, as elaborated above, the Company considers that the actual market value of the Target Companies has decreased and is likely to continue to decrease as compared with that at the time of the Capital Contribution Arrangement.

- (iii) Taking into account the current market situation and economic environment, even if the projects of the Target Companies are completed as scheduled, there is still uncertainty on whether the property could be sold on time to return gains to the Group, as property sales have slowed down and the adverse impacts posed by the outbreak of the COVID-19 on China's economy remain highly unpredictable, in particular for the third- and fourth-tier cities.
 - (iv) The loss of RMB553.89 million recorded in the Group's financial statements upon completion of the Termination Agreements is solely due to the applicable accounting treatment based on the fact that the Target Companies have been consolidated into the Group since 2018 as a result of obtaining the control over the Target Companies under the Capital Contribution Arrangements while the Target Companies will cease to be consolidated into the Group upon completion of the Termination Agreements. The arrangement contemplated under the Termination Agreements is not a disposal in nature from commercial perspective. Instead, it is just a termination of the previous transaction entered into by the Group where it has not paid any consideration or additional expenses due to the change of its business development strategy. In addition, the Group has not made any other investment in the Target Companies since it entered into the Capital Contribution Arrangements. In this regard, the commercial substance is that (if compared with the situation that the Target Companies had not been consolidated into the Group's financial statements) the Group does not bear any monetary loss for the termination of the Capital Contribution Arrangements.
- (3) *The termination of the Capital Contribution Arrangements is a more practicable method for the Company as compared with disposal of the Target Companies to third parties.*

The Company had considered the possibility of selling all the equity interest held by the Company in the the Target Companies to third parties after payment of the consideration for the Capital Contribution Arrangements.

LETTER FROM THE BOARD

Based on the internal assessment of the Company and rounds of discussions with Mr. Zhang Zhangqiao (the other ultimate owner of the Target Companies), the parties eventually agreed to terminate the Capital Contribution Arrangements pursuant to the Termination Agreements due to the following reasons:

- (i) Mr. Zhang Zhangqiao has a right of first refusal in the Target Companies pursuant to the PRC Company Law, i.e. to acquire the equity interest in the Target Companies held by the Group based on the same terms and conditions offered by a potential buyer. He prefers operating the Target Companies as the sole ultimate beneficial owner. In light the paragraphs (ii) and (iii) below, the termination of the Capital Contribution Arrangements is more beneficial to the Group as compared with the exercise of the right of first refusal by Mr. Zhang Zhangqiao based on the same terms and conditions (including acquisition price) offered by a potential buyer;
- (ii) Most of the property developers in the market are very cautious about property acquisitions in light of the possible capital and financing management rules to be formed by MOHURD and PBOC and economic environment affected by the COVID-19, while the aggregate amount of the consideration of the Capital Contribution Arrangements (i.e. RMB1.79 billion) is significant. Thus, it is very difficult to find a suitable buyer who is interested in the Target Companies in a short period;
- (iii) Even if such buyer could be identified, the buyer would require additional time to conduct due diligence, make business assessment and negotiate with the Company on favorable commercial terms. In addition, as mentioned above, the actual market value of the Target Companies has decreased and is likely to continue to decrease as compared with that at the time of the Capital Contribution Arrangements. It is reasonably expected by the Company that the potential buyer will offer a price which is lower than the amount of the consideration of the Capital Contribution Arrangements (i.e. RMB1.79 billion) based on the current actual market value of the Target Companies.

Taking the above into account, it would not only save the Company time but also more practicable for the Group to enter into the Termination Agreements, which in turn is beneficial for the Company and its Shareholders as a whole. Thus, the Company and Mr. Zhang Zhangqiao reached a consensus on the termination of the Capital Contribution Arrangements upon arm's length negotiations.

In light of the above factors, the Directors (including the independent non-executive Directors) are of the view that the terms of the Termination Agreements are determined after arm's length negotiation by the parties, and the transactions contemplated thereunder are conducted on normal commercial terms which are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

6. Information on the Parties

The Company is principally engaged in property development and investment business in the PRC.

Each of Garden Group and Guoxing Wanxun is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company as at the Latest Practicable Date, which is mainly engaged in real estate operation business.

Each of Beijing Guoxing, Chongqing Longsha, Tianjin Guoxing, Guangdong Guosha Investment, Shijiazhuang Guorui and Heshan Tengyue is a limited liability company established in the PRC and is principally engaged in real estate development business. The ultimate beneficial owners of all these companies are Mr. Zhang Zhangqiao (張章僑) and Ms. Zhang Hong (張泓). Mr. Zhang Zhangqiao controls these companies and is the younger brother of Chairman Zhang and father of Ms. Zhang Hong.

7. Listing Rules Implication

The Target Companies are associates of Mr. Zhang Zhangqiao by virtue of holding over 30% equity interests. Mr. Zhang Zhangqiao is the younger brother of Chairman Zhang. Therefore, pursuant to Chapter 14A of the Listing Rules, the Target Companies are all connected persons of the Company, and the Termination Agreements and the transactions contemplated thereunder all constitute connected transactions of the Company.

The applicable highest percentage ratio with respect to the transactions under the Termination Agreements on an aggregation basis exceeds 5% but is less than 25%. Therefore, these transactions are connected transactions which are subject to the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, and are discloseable transactions which are subject to the announcement requirement under Chapter 14 of the Listing Rules.

Chairman Zhang, Ms. Ruan Wenjuan (spouse of Chairman Zhang), Ms. Zhang Jin (daughter of Chairman Zhang) and Mr. Lin Yaoquan (brother-in-law of Chairman Zhang) have abstained from voting on the relevant resolutions on approving the Termination Agreements at the board meeting in accordance with the requirements of the Listing Rules. Save as disclosed above, no other Directors are materially interested in the Termination Agreements or are required to abstain from voting at the board meeting.

LETTER FROM THE BOARD

III. NOTICE OF THE EGM AND PROXY FORM

The notice convening the EGM of the Company to be held at 10:30 a.m. at Office of the Chairman, 5 Floor, Zonghe Building, Wanji Industrial Park, Nanshan District, Shenzhen, PRC on Monday, December 14, 2020 is set out on pages 113 to 118 of this circular.

Chairman Zhang and his associates (Mr. Lin Yaoquan & his spouse) hold an aggregate of 3,422,340,070 Shares as at the Latest Practicable Date, representing approximately 77.00% of the total issued share capital of the Company. They control the voting power attaching to the above Shares and shall abstain from voting on the resolutions in relation to the Termination Agreements and the transactions contemplated thereunder. Save for the above-said and to the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholders was interested in the Termination Agreements and the transactions contemplated thereunder.

For the purpose of determining shareholders who are entitled to attend and vote at the EGM to be held on Monday, December 14, 2020, the register of members of the Company will be closed from Wednesday, December 9, 2020 to Monday, December 14, 2020, both days inclusive. In order to qualify for attending and voting at the EGM, all transfer documents should be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, December 8, 2020.

A form of proxy is enclosed with this circular for use at the EGM. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.glorypty.com), respectively. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the Company's Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not later than 10:30 a.m. on Saturday, December 12, 2020. Completion and delivery of the form of proxy will not preclude the Shareholders from attending and voting at the EGM or any adjournment thereof if they so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the EGM shall therefore demand voting on all resolutions set out in the notice of the EGM by way of poll pursuant to Article 13.6 of the Articles of Association.

LETTER FROM THE BOARD

IV. RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 24 to 25 of this circular, which contains its recommendations to the Independent Shareholders in respect of the Termination Agreements and the transactions contemplated thereunder.

Your attention is also drawn to the letter from VBG Capital as set out on pages 26 to 42 of this circular, which contains its independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Termination Agreements and the transactions contemplated thereunder.

The Directors (including independent non-executive Directors) consider that although the Termination Agreements and the transactions contemplated thereunder are not in the ordinary course of business, their terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the relevant resolutions.

V. OTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By order of the Board
Guorui Properties Limited
Zhang Zhangsun
Chairman



GLORY 国瑞
GUORUI PROPERTIES LIMITED
國瑞置業有限公司

*(Incorporated in the Cayman Islands with limited liability
under the name of “Glory Land Company Limited (國瑞置業有限公司)”
and carrying on business in Hong Kong as “Guorui Properties Limited”)*
(Stock Code: 2329)

November 27, 2020

To the Independent Shareholders

Dear Sirs or Madams,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS:
PROPOSED TERMINATION OF
CAPITAL CONTRIBUTION ARRANGEMENTS
FOR EIGHT REAL ESTATE PROJECT COMPANIES**

We refer to the circular of the Company dated November 27, 2020 to the Shareholders of the Company (the “**Circular**”), of which this letter forms part (terms defined in the Circular shall have the same meanings when used in this letter, unless the context requires otherwise).

We have been appointed by the Board as the Independent Board Committee to advise you as to the fairness and reasonableness of the Termination Agreements and the transactions contemplated thereunder.

VBG Capital has been appointed by the Company as the Independent Financial Adviser to advise you and us in this regard. Details of its independent advice, together with the principal factors and reasons it has taken into consideration in arriving at its recommendations are set out in its letter set out on pages 26 to 42 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 6 to 23 of the Circular and the additional information set out in the appendices to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the details of the Termination Agreements and the transactions contemplated thereunder, and having considered the interests of the Company and the Independent Shareholders, as well as the advice of VBG Capital, we consider that the Termination Agreements and the transactions contemplated thereunder, although they are not conducted in the ordinary or usual course of business of the Company, are on normal commercial terms or better, and the terms and details thereof are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM approving the Termination Agreements and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Independent Board Committee

Guorui Properties Limited

Mr. Luo Zhenbang

Mr. Lai Siming

Ms. Chen Jingru

Independent non-executive Directors

LETTER FROM VBG CAPITAL

Set out below is the text of a letter received from VBG Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Termination Agreements for the purpose of inclusion in this circular.



建泉融資有限公司
VBG Capital Limited

18/F., Prosperity Tower
39 Queen's Road Central
Hong Kong

27 November 2020

*To: The independent board committee and the independent shareholders
of Guorui Properties Limited*

Dear Sirs,

**DISCLOSEABLE AND CONNECTED TRANSACTIONS:
PROPOSED TERMINATION OF CAPITAL CONTRIBUTION ARRANGEMENTS
FOR EIGHT REAL ESTATE PROJECT COMPANIES**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Termination Agreements, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 27 November 2020 issued by the Company to the Shareholders (the “**Circular**”), of which this letter of advice forms part. Capitalised terms used in this letter of advice shall have the same meanings as ascribed to them under the section headed “Definitions” in the Circular unless the context requires otherwise.

References are made to the announcements of the Company dated 31 August 2017, 27 April 2018, 23 November 2018, 28 January 2019, 27 August 2019, 31 March 2020 and 31 August 2020 (the “**Previous Announcements**”) and the circular of the Company dated 10 May 2018. On 31 August 2017, Garden Group entered into seven agreements to subscribe for/acquire 10% equity interest in each of the seven Target Companies (other than Shijiazhuang Guosha). On 27 April 2018, the Company further entered into seven capital contribution agreements to (i) acquire 10% equity interest held by Garden Group in each of those seven Target Companies (other than Shijiazhuang Guosha); (ii) make further capital contributions into those seven Target Companies (other than Shijiazhuang Guosha); and (iii) cooperate in their real estate projects. On 23 November 2018, the Group entered into another capital contribution agreement to subscribe for 51% equity interest in Shijiazhuang Guosha. As at the Latest Practicable Date, the Group's shareholding interests in the eight Target Companies ranged from 35% to 51%, and each of the Target Companies has been recorded as a non-wholly owned subsidiary of the Company.

LETTER FROM VBG CAPITAL

On 23 November 2020, the Company entered into eight Termination Agreements with the Target Companies and their respective existing shareholders to terminate the Capital Contribution Arrangements due to commercial reasons.

According to the Letter from the Board, the transactions contemplated under the Termination Agreements constitute discloseable and connected transactions for the Company under Chapters 14 and 14A of the Listing Rules respectively, and shall be subject to the reporting, announcement and independent shareholders' approval requirements.

The Independent Board Committee comprising Mr. Luo Zhenbang, Mr. Lai Siming and Ms. Chen Jingru (all being the independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Termination Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the transactions contemplated under the Termination Agreements are in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolutions to approve the Termination Agreements and the respective transactions contemplated thereunder at the EGM. We, VBG Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any business relationship with the Company within the past two years. Save for the normal fees payable to us in connection with this appointment, no arrangement exists whereby we shall receive any fees or benefits from the Company and its subsidiaries or the Directors, chief executive or substantial shareholders of the Company (as defined in the Listing Rules) or any of their associates. We consider ourselves independent to form our opinion in respect of the Termination Agreements.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Termination Agreements, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Previous Announcements and the relevant circular of the Company, and the Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or advisers, which have been provided to us.

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The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or future prospects of the Group, the Target Companies, the existing shareholders of the Target Companies or their respective shareholders, subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Termination Agreements. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter of advice should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Where information in this letter of advice has been extracted from published or otherwise publicly available sources, we have ensured that such information has been correctly and fairly extracted, reproduced or presented from the relevant sources while we did not conduct any independent investigation into the accuracy and completeness of such information.

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PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Termination Agreements, we have taken into consideration the following principal factors and reasons:

1. Background of and reasons for the Termination Agreements

Financial and business overview of the Group

The Group is principally engaged in the property development and investment business in the PRC. Set out below is a summary of the audited consolidated financial information on the Group for the two years ended 31 December 2019 as extracted from the annual report of the Company for the year ended 31 December 2019 (the “2019 Annual Report”):

| | For the year ended 31 December 2019 | For the year ended 31 December 2018 |
|---------------------|--|--|
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Revenue | 8,093,176 | 6,612,485 |
| Profit for the year | 1,219,613 | 1,569,231 |

For the year ended 31 December 2019, the total revenue of the Group was approximately RMB8,093.2 million, of which the revenues from property development and property leasing were approximately RMB7,256.7 million and RMB608.5 million respectively. The Group's profit for the year was approximately RMB1,219.6 million in 2019, decreasing by approximately 22.3% as compared to the prior year. The decrease was mainly attributable to increasing costs of sales and services, increasing distribution and selling expenses coupled with a substantial surge in finance costs.

The Group derives a majority of its revenue from property development. With reference to the 2019 Annual Report, the total contracted sales of the Group amounted to approximately RMB23,915.4 million in 2019, representing an increase of approximately 9.1% as compared to the prior year. The contracted gross floor area (“GFA”) sold stayed relatively constant at approximately 1,278,010 square meters (“sq.m.”) in 2019. In terms of contribution by cities, performance in Beijing, Foshan and Suzhou was brilliant, demonstrating a month-by-month growth trend. Their annual contracted sales were approximately RMB11,040.0 million, RMB2,307.5 million and RMB2,040.9 million respectively, accounting for approximately 46.2%, 9.7% and 8.5%, respectively, of the Group's total contracted sales.

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On the other hand, the total rental income of the Group (i.e. the revenue from property leasing) was approximately RMB608.5 million for the year ended 31 December 2019, representing an increase of approximately 19.3% as compared to the prior year. The Directors expected the rental income to maintain steady growth over the next two to five years, which is benefited from the Group's 11 investment properties situated at the prime locations of seven core cities including Beijing and Shenzhen with total planned GFA of approximately 981,630 sq.m.

As advised by the Directors, in 2019, due to continued market uncertainty and pressure on financing of real estate enterprises, investors in the industry tended to be more cautious, and the Group's land investment also slowed down. Under the strategy of "quality improvement and pace control", the Group adopted stricter requirements on profit margins and risk control of project investments, and actively slowed down its pace for stability, and moved towards high-quality and steady growth. Amid the tightened real estate financing policies and the substantial surge in finance costs of the Group, the Company will continue to give priority to the assurance of cash flows, strengthen control over investment risks, and carefully select high quality projects for investment in order to strike a balance among scale, profit and risk.

Information on the Target Companies

Each of the Target Companies is a limited liability company established in the PRC and is principally engaged in real estate development business. The Target Companies hold various real estate projects for residential and/or retail purposes that are located in Foshan, Jiangmen, Tianjin, Sanya, Handan, Chongqing and Shijiazhuang of the PRC. As at the Latest Practicable Date, all of these real estate projects were still under construction. For details of the real estate projects held by the Target Companies, please refer to the section headed "Information on the Target Companies" of the Letter from the Board.

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The table below sets forth the unaudited financial information on the Target Companies as extracted from the Letter from the Board:

| Target Company | Net assets as at 30 June 2020 <i>(RMB million)</i> | Net profit after tax/(Net loss) | | |
|---------------------|--|--|--|--|
| | | For the six months ended 30 June 2020 <i>(RMB million)</i> | For the year ended 31 December 2019 <i>(RMB million)</i> | For the year ended 31 December 2018 <i>(RMB million)</i> |
| | | 2020 | 2019 | 2018 |
| | | <i>(RMB million)</i> | <i>(RMB million)</i> | <i>(RMB million)</i> |
| Guangdong Hongtai | | | | |
| Guotong | 1,776.10 | 90.11 | 49.13 | 413.86 |
| Guangdong Guosha | 118.19 | (4.27) | (4.94) | (0.89) |
| Tianjin Tianfu | | | | |
| Rongsheng | 788.90 | 121.10 | (33.49) | (14.48) |
| Sanya Jingheng | 1,052.93 | (7.05) | (15.68) | (13.46) |
| Handan Guoxia | 394.82 | 15.13 | 5.45 | (5.48) |
| Chongqing Guosha | 374.80 | 36.71 | 94.63 | 39.48 |
| Jiangmen Yinghuiwan | 457.34 | (4.51) | (8.25) | (9.31) |
| Shijiazhuang Guosha | 849.13 | (12.13) | (33.32) | (1.47) |

As depicted by the above table, most of the Target Companies have been loss making for the two consecutive years ended 31 December 2019. As we noted from their unaudited management accounts, the loss was mainly due to sales and other operating and management expenses.

As confirmed by the Directors, except for Guangdong Hongtai Guotong, all other seven Target Companies have completed the change of registration with the market regulation department in the PRC in relation to the Capital Contribution Arrangements. Although the change of registration with the market regulation department in the PRC in relation to Guangdong Hongtai Guotong has not yet been completed, the Directors advised us that the Company is legally entitled to control Guangdong Hongtai Guotong. Under the Capital Contribution Arrangements, apart from the capital contribution in Shijiazhuang Guosha, which shall be paid by the Group in cash by 17 December 2020, the capital contributions in the other seven Target Companies shall be paid by the Group in cash by 31 December 2020. Upon our enquiry with the Directors, we understand that as at the Latest Practicable Date, the Group had not yet paid any of the considerations which sum up to approximately RMB1,793.0 million in total for the Capital Contribution Arrangements (the “**Total Considerations**”).

The Group’s existing shareholding interests in the eight Target Companies range from 35% to 51%. After signing of the definitive agreements under the Capital Contribution Arrangements, as approved by the respective shareholders of the Target Companies, the articles of association and the register of members of each of the Target Companies have been changed in 2018 to reflect the Company’s direct equity interest, voting power and board seat in the Target Company. Upon completion of the amendments to the articles of association and the

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update of the register of members in 2018, the Group owns 67% voting rights at the shareholders' meeting of the Target Companies (except for Guangdong Guosha and Shijiazhuang Guosha of which the Group enjoys 51% of the voting rights) and has the right, through Guoxing Wanxun, to appoint two out of three directors at their board of directors. Based on the foregoing, each of the Target Companies has been recorded as a non-wholly owned subsidiary of the Company by virtue of the Company's significant control over the Target Company in terms of voting right and board seat.

Information on other existing shareholders of the Target Companies

As also referred to in the Letter from the Board, each of the other existing shareholders of the Target Companies is a limited liability company established in the PRC and is principally engaged in real estate development business.

Overview of real estate financing in the PRC

Based on our independent research, in 2018, supervision on real estate financing was further strengthened in the PRC. In January 2018, the "Notice of the China Banking Regulatory Commission on Further Deepening and Reconciling the Banking Market" (《中國銀監會關於進一步深化整治銀行業市場亂象的通知》), the "Management Measures for Entrusted Loans of Commercial Banks" (《商業銀行委託貸款管理辦法》) and the "Notice on Regulating the M&A Loan Business" (《關於規範開展並購貸款業務的通知》) were issued. Under the close supervision by the PRC government, small and medium-sized real estate enterprises are further restricted in credit and standardised bond financing. In May 2018, the National Development and Reform Commission ("NDRC") and the Ministry of Finance jointly issued the "Notice on Perfecting Market Constraint Mechanism Strictly Preventing External Debt Risk and Local Debt Risk" (《關於完善市場約束機制嚴格防範外債風險和地方債務風險的通知》), restricting the investment of foreign debt funds of real estate enterprises in domestic and overseas property projects. During the same month, the Banking Regulatory Commission issued the "Management Measures for Joint Credit Grants of Banking Financial Institutions (Trial)" (《銀行業金融機構聯合授信管理辦法(試行)》) and deployed the pilot work. With the launch of the pilot work, real estate enterprises with large debts, high leverage and insufficient solvency are prohibited in bank credit. Furthermore, the Ministry of Housing and Urban-Rural Development ("MOHURD") also issued the "Notice on Further Improving the Relevant Issues Concerning the Regulation and Control of the Real Estate Market" (《關於進一步做好房地產市場調控工作有關問題的通知》) in May 2018, reiterating that the goal of real estate regulation and control is unwavering, and curbs any land purchase by enterprises using borrowed funds.

In 2019, the PRC government's supervision on real estate financing has not shown any sign of relaxation. In May 2019, the China Banking and Insurance Regulatory Commission issued the "Notice on Launching the Work of Consolidating the Achievements in Rectification of Chaotic Practices and Promoting the Compliance Construction (No. 23 [2019] of the China Banking and Insurance Regulatory Commission)" (《關於開展“鞏固治亂象成果促進合規建設”工作的通知》(銀保監發[2019]23號文)) which prohibits commercial banks, trusts, leasing and other financial institutions from conducting any non-compliant real estate financing. Since

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then, the PRC government has continually introduced restrictive policies on trust loans, development loans and overseas debts which make the debt financing environment of the real estate industry inactive. In July 2019, NDRC clearly stated that the issue of foreign debt by real estate enterprises can only be applied to replace the mid- and long-term overseas bonds due within the next year.

As a result of the aforesaid stringent government control, the cost of debt financing of real estate enterprises in the PRC rose persistently from approximately 6.23% in 2017, to approximately 6.53% in 2018, and to approximately 7.07% in 2019 based on the data released by China Real Estate Information Corp (“CRIC”), a leading reporting and market analysis provider for the real estate industry in the PRC with coverage over 350 cities and 95% clients on the top-100 enterprise list. With reference to a research report titled “2019 年中國房地產總結與展望 | 融資篇” published by CRIC, resulting from the tightened financing policies, real estate enterprises have experienced difficulties in cash flows. Many sizeable real estate enterprises have tried to reduce investment and accelerate sales of real estate projects in order to ease their liquidity concern; whilst the real estate enterprises operating in smaller scale would have no choice and face bankruptcy in the worst case scenario.

In 2020, the outbreak of the COVID-19 pandemic poses a new downside risk to the PRC and the global economy. With the impact of the pandemic, for many real estate enterprises, the pressure to deleverage has been accumulating, the sales volume has been recovering slowly, and cash flow has been hampered. A number of real estate enterprises recorded a decrease in profit or even a loss during the first half of 2020. In late August 2020, MOHURD and the People’s Bank of China (“PBOC”) held a meeting with the key real estate enterprises to discuss a long-term mechanism for regulation of the real estate market. After the meeting, MOHURD and PBOC introduced several capital and financing management rules, commonly known as the “three red lines”, to regulate the real estate market, requiring real estate enterprises to maintain (i) a debt-to-asset ratio of less than 70% after exclusion of the deposits received; (ii) a net debt ratio of less than 100%; and (iii) a cash to short-term debt ratio of greater than one.

Reasons for and possible benefits of the Termination Agreements

As extracted from the Letter from the Board, after due and deliberate consideration, the Directors have decided to terminate the Capital Contribution Arrangements based on the following reasons:

- (1) The proposed termination of the Capital Contribution Arrangements is in line with the Group’s business development strategy*

Real estate is a highly policy-oriented industry in the PRC. The Company has been adhering to its overall business development strategy, which is that the business operations of the Group need to be constantly adjusted to adapt to the ever-changing market environment and industry policies.

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As stated under the sub-section headed “Information on the Target Companies” of this letter of advice, the real estate projects that are held by the Target Companies are mainly located in the third- and fourth-tier cities. At the time of entering into the Capital Contribution Arrangements, given that the then real estate market and policies were favorable for real estate enterprises to develop and operate in third- and fourth-tier cities and many real estate enterprises focused on land acquisitions in those cities, the Company also wished to explore potential development and boost the brand awareness of “Guorui Properties” in such new cities. Thus, the Company entered into the Capital Contribution Arrangements, which was in line with the Group’s then business development strategy.

However, the outbreak of the COVID-19 pandemic poses a new downside risk to the PRC and the global economy. With the impact of the pandemic, for many real estate enterprises, the pressure to deleverage has been accumulating, the sales volume has been recovering slowly, and cash flow has been hampered. A number of real estate enterprises recorded a decrease in profit or even a loss during the first half of 2020.

Meanwhile, MOHURD and PBOC held a meeting with key real estate enterprises in late August 2020 to discuss a long-term mechanism for regulation of the real estate market. After the meeting, MOHURD and PBOC introduced several capital and financing management rules, commonly known as the “three red lines”, to regulate the real estate market, requiring real estate enterprises to maintain (i) a debt-to-asset ratio of less than 70% after exclusion of the deposits received; (ii) a net debt ratio of less than 100%; and (iii) a cash to short-term debt ratio of greater than one. The Directors advised us that the real estate industry has been greatly affected due to the policy orientation indicated by the rules. Therefore, the Company considers that it is essential for a real estate enterprise to maintain a healthy cash flow and sufficient funds in the coming years.

Against the backdrop elaborated above, the Company expects that the COVID-19 pandemic and the tightened real estate financing policies will bring challenges and uncertainties to the Group’s business operations and has adapted to such challenges and uncertainties in the following manner:

- (i) The Company has decided to maintain sufficient funds for the time being to meet the unexpected capital expenditure in the future and the financing requirements imposed by MOHURD and PBOC.
- (ii) Similar to other industries and market competitors in the real estate industry, progress of some of the Group’s real estate projects in 2020 has slowed down due to the impact of the pandemic, thus the Company prefers focusing on the Group’s existing real estate projects so as to keep up with schedule.

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As advised by the Directors, the Company's current business development strategy is to maintain a healthy cash flow, have sufficient funds and exercise caution for significant investment, so as to ensure capital flexibility for tackling with the potential challenges and opportunities it may encounter during the post COVID-19 recovery and future policy changes, which are unpredictable for now. The fulfilment of the Capital Contribution Arrangements requires the Group to make Total Considerations of approximately RMB1,793.0 million by the end of 2020. Furthermore, the real estate market in the third- and fourth-tier cities may be under heavier pressure and faces higher uncertainties due to the outbreak of the COVID-19 pandemic and the financing requirements imposed by MOHURD and PBOC. Hence, the Company considers that the Capital Contribution Arrangements are not in line with the Company's current business development strategy, and decides to terminate the Capital Contribution Arrangements pursuant to the Termination Agreements.

(2) *The increase in the appraised value of the Target Companies and the estimated financial effect of the Termination Agreements do not indicate that the Termination Agreements are not in the interests of the Company and the Shareholders as a whole*

As disclosed in the circular of the Company in 2018 relating to the Capital Contribution Arrangements, the aggregate appraised value of the seven Target Companies (other than Shijiazhuang Guosha) as at 28 February 2018 was approximately RMB3,794.0 million, while that of those companies as at 31 August 2020 was approximately RMB4,752.9 million. The difference between the aforesaid appraised values is mainly because the valuer has taken into account the consideration payable by the Group under the Capital Contribution Arrangements for those Target Companies (i.e. approximately RMB1,436.9 million) when preparing the appraised value as at 31 August 2020 following the applicable valuation requirements. As advised by the valuer, if the contribution of the consideration payable by the Company under the Capital Contribution Arrangements was excluded from the valuation factors, the aggregate appraised value of the seven Target Companies (other than Shijiazhuang Guosha) as at 31 August 2020 would be approximately RMB3,316.0 million (i.e. the balance of the appraised value of approximately RMB4,752.9 million minus the consideration of approximately RMB1,436.9 million payable by the Company), representing a decrease of approximately RMB478.0 million or approximately 12.6% as compared to that as at 28 February 2018. Such decrease in the appraised value is mainly resulted from the change in the value of inventories, which is primarily due to the facts that the area of the real estate projects has changed according to the gradually improved construction planning, and the sales price of some real estate projects has decreased as compared to that of 2018 due to market change. Thus, the Company considers that the actual market value of the Target Companies has decreased and is likely to continue to decrease as compared to that at the time of the Capital Contribution Arrangements given the real estate market in the third- and fourth-tier cities may be under more pressure and faces higher uncertainties due to the outbreak of the COVID-19 pandemic and the tightened real estate financing policies as said above.

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On the other hand, as being disclosed under the section headed “Possible financial effects of the Termination Agreements” of this letter of advice, it is expected that the Group will record a loss of approximately RMB553.9 million upon completion of the Termination Agreements. Such financial effect is calculated under the applicable accounting treatment, which is the difference between the Total Considerations and the aggregate value of the net assets of the Target Companies held by the Group as at 30 June 2020 (which have included the contribution of the Total Considerations). The loss of approximately RMB553.9 million mainly results from (i) the cumulative net profits (after tax) attributable to the equity interest held by the Group in the Target Companies during the period commencing from the consolidation of the Target Companies into the Group’s financial statements in 2018 and ending on 30 June 2020, which amounted to approximately RMB256.6 million (the “**Attributable Profits**”); and (ii) the aggregate amount of approximately RMB308.7 million recognised at the time of the Capital Contribution Arrangements (the “**Valuation Related Premium**”), comprising (a) the gain from bargain purchase under the Capital Contribution Arrangements (i.e. approximately RMB187.5 million) and (b) the difference between the fair value of the 10% equity interests in the Target Companies previously held by the Group (through Garden Group) and the carrying amounts of such interests (i.e. approximately RMB121.3 million).

The Directors are of the view that the aforesaid possible one-off loss of approximately RMB553.9 million as a result of the Termination Agreements in the financial statements of the Group is acceptable having balanced against the following factors stemming from the perspective of the Group’s long-term development strategy:

- (i) From the cash flow perspective, the Group had not made any capital contribution in the Target Companies under the Capital Contribution Arrangements as at the Latest Practicable Date. Whereas, according to the Capital Contribution Arrangements, the Group shall pay the Total Considerations in cash by the end of 2020. Furthermore, it is expected that even after the Company pays for the significant consideration under the Capital Contribution Arrangements by the end of 2020, the Target Companies will still require additional funds for their current development and operations. In light of the tightened real estate financing policies in the PRC, shareholders of the Target Companies (in particular the Group as the controlling shareholder) may need to support such funding demands if no external source of funding is available. As elaborated above, the Company currently plans to maintain sufficient cash resources for its own business operations, rather than making further significant investments in the Target Companies. Therefore, the termination of the Capital Contribution Arrangements is beneficial for the Company to maintain a healthy cash flow.
- (ii) In the event that the Group pays the Total Considerations and any further capital support in the Target Companies as mentioned in the above paragraph, the Company reasonably expects that the financing costs would be high in view of (a) the fixed borrowing rates ranged from approximately 4.8% to 13.7% per annum as at 30 June 2020 as disclosed in the interim report of the Company for the six months ended 30 June 2020 (the “**2020 Interim Report**”); and (b) the tightened real estate financing

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policies in the PRC. For illustration purpose only, if the borrowing rate is 9.2% per annum (the mid-point of the above mentioned range) (the “**Mid-point Rate**”), the interests payable by the Company would be approximately RMB165.0 million per year for financing the Total Considerations, the cumulative amount of which is expected to be higher than the Attributable Profits. As for the Valuation Related Premium of approximately RMB308.7 million, the Company considers that the actual market value of the Target Companies has decreased and is likely to continue to decrease as compared to that at the time of the Capital Contribution Arrangements.

- (iii) Taking into account the current market situation and economic environment, even if the real estate projects of the Target Companies are completed as scheduled, there is still uncertainty on whether the property could be sold on time to return gains to the Group, as property sales have slowed down and the adverse impact posed by the outbreak of the COVID-19 pandemic on the PRC’s economy remains highly unpredictable, in particular for the third- and fourth-tier cities.
- (iv) The possible loss of approximately RMB553.9 million in the Group’s financial statements upon completion of the Termination Agreements is due to the applicable accounting treatment based on the fact that the Target Companies have been consolidated into the Group since 2018 as a result of obtaining the control over the Target Companies under the Capital Contribution Arrangements; while the Target Companies will cease to be consolidated into the Group upon completion of the Termination Agreements. The arrangement contemplated under the Termination Agreements is not a disposal in nature from commercial perspective. Instead, it is just a termination of the previous transactions entered into by the Group where it has not paid any consideration or additional expenses given the change of its business development strategy. In addition, the Group has not made any other investment in the Target Companies since it entered into the Capital Contribution Arrangements. In this regard, the commercial substance is that (if compared with the situation that the Target Companies have not been consolidated into the Group’s financial statements), the Group does not bear any monetary loss for the termination of the Capital Contribution Arrangements.

(3) *The termination of the Capital Contribution Arrangements is a more practicable method for the Company as compared to disposal of the Target Companies to third parties*

The Company had considered the possibility of selling all the equity interest held by the Group in the Target Companies to third parties after payment of the Total Considerations. Based on the internal assessment of the Company and rounds of discussion with Mr. Zhang Zhangqiao (“**Mr. Zhang**”) (the other ultimate owner of the Target Companies), the parties eventually agreed to terminate the Capital Contribution Arrangements pursuant to the Termination Agreements given that: (i) Mr. Zhang has a right of first refusal in the Target Companies pursuant to the PRC Company Law, i.e. to acquire the equity interest in the Target Companies held by the Group based on the same terms and conditions offered by a potential

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buyer. The Company understands that Mr. Zhang prefers operating the Target Companies as the sole ultimate beneficial owner, and in light of paragraphs (ii) and (iii) below, the Company considers that the termination of the Capital Contribution Arrangements is more beneficial to the Group as compared to the exercise of the right of first refusal by Mr. Zhang based on the same terms and conditions (including acquisition price) offered by a potential buyer; (ii) most of the real estate enterprises in the market are very cautious about property acquisitions given the tightened real estate financing policies, as well as the economic environment affected by the COVID-19 pandemic. The Total Considerations of approximately RMB1,793.0 million are significant. Thus, it would be very difficult to find a suitable buyer who is interested in the Target Companies in a short period; and (iii) even if such interested suitable buyer could be identified, the buyer would require additional time to conduct due diligence, make business assessment and negotiate with the Company on favorable commercial terms. Taking into account the above, it would not only save the Company time but also more practicable for the Group to enter into the Termination Agreements with Mr. Zhang, which in turn is beneficial for the Company and the Shareholders as a whole.

Therefore, the Company and Mr. Zhang reached a consensus on the termination of the Capital Contribution Arrangements upon arm's length negotiations. In addition, as mentioned in point (1) above, the actual market value of the Target Companies has decreased and is likely to continue to decrease as compared to that at the time of the Capital Contribution Arrangements. It is reasonably expected by the Company that the potential buyer will offer a price which is lower than the amount of the Total Considerations based on the current actual market value of the Target Companies.

Our analysis

We concur with the Directors that the real estate industry in the PRC is subject to changes of diverse market condition and is highly vulnerable to changes in government policies. As revealed by our independent research as presented under the sub-section headed "Overview of real estate financing in the PRC" of this letter of advice, the PRC government has promulgated a series of restrictive policies to strengthen the supervision on real estate financing since 2018. Resulting from the tightened financing policies, the cost of debt financing of real estate enterprises has been rising persistently since 2018 and real estate enterprises have experienced difficulties in cash flows. Many sizeable real estate enterprises have tried to reduce investment and accelerate sales of real estate projects in order to ease their liquidity concern; whilst the real estate enterprises operating in smaller scale would have no choice and face bankruptcy in the worst case scenario.

As referred to in the 2020 Interim Report, the Group had bank balances and cash, capital commitments which were contracted but not provided for, and contracted expenditure in respect of properties under development for sale of approximately RMB1,855.7 million, RMB1,773.5 million and RMB7,963.4 million, respectively, as at 30 June 2020. To cope with such massive future capital requirement amid the relatively insufficient cash on hand and tightened real estate financing policies, the Directors advised us that the Group would give priority to the assurance of the stability of cash flows, strengthen control over investment risks,

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and carefully screen high quality projects for investment. As advised by the Directors, the Company's current business development strategy is to maintain a healthy cash flow, have sufficient funds and exercise caution for significant investment, so as to ensure capital flexibility for tackling with the potential challenges and opportunities it may encounter during the post COVID-19 recovery. Should the Company remain as a shareholder of the Target Companies, the Group will be required to make payment of the Total Considerations by the end of 2020, not to mention also the additional funds to support the current development and operations of the Target Companies.

As illustrated in paragraph (2)(ii) above, based on the Mid-point Rate of 9.2% per annum, the cumulative amount of the interests payable by the Company for financing the Total Considerations is expected to be higher than the Attributable Profits. We consider the Company's estimation of the Mid-point Rate to be reasonable as (i) we checked the 2020 Interim Report that the fixed borrowing rates of the Group ranged from approximately 4.8% to 13.7% per annum as at 30 June 2020; and (ii) we noted from our independent research as presented under the sub-section headed "Overview of real estate financing in the PRC" of this letter of advice that resulting from the stringent government control, the cost of debt financing of real estate enterprises in the PRC had already risen to approximately 7.07% in 2019 in accordance with CRIC and it is expected that the debt financing cost would further increase in 2020 amid the outbreak of the COVID-19 pandemic and after the introduction of the "three red lines" by MOHURD and PBOC. As such, we concur with the Directors that the Capital Contribution Arrangements are not in line with the Company's current business development strategy and would create heavy interest burden on the Group.

In addition, we understand that the possible one-off accounting loss of approximately RMB553.9 million upon completion of the Termination Agreements mainly results from (i) Attributable Profits of approximately RMB256.6 million; and (ii) the Valuation Related Premium of approximately RMB308.7 million. As explained in the foregoing paragraph, the cumulative amount of interests payable by the Company for financing the Total Considerations is expected to be higher than the Attributable Profits, making the Attributable Profits relatively less attractive. With regard to the Valuation Related Premium, the valuer has advised that if the contribution of the consideration payable by the Company under the Capital Contribution Arrangements was excluded from the valuation factors, the appraised value of the seven Target Companies (other than Shijiazhuang Guosha) as at 31 August 2020 would have reduced by approximately 12.6% as compared to that as at 28 February 2018. Hence, the actual market value of the Target Companies has in fact decreased. We further noted that from cash flow perspective, the Group had not made any capital contribution in the Target Companies under the Capital Contribution Arrangements as at the Latest Practicable Date. Besides, save for the appointment of two directors at the board of directors of the Target Companies to participate in their respective decision making and management, the Directors confirmed that the Group has not devoted material resources into the Target Companies under the Capital Contribution Arrangements. The Directors are of the view that the entering into of the Termination Agreements would not create extensive impact on the Group's business and operations. Also,

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the commercial substance is that (if compared with the situation that the Target Companies have not been consolidated into the Group's financial statements), the Group does not bear any monetary loss for the termination of the Capital Contribution Arrangements.

Taking into account reasons (1) to (3) for the Termination Agreements, we concur with the Directors that the transactions contemplated under the Termination Agreements are in the interests of the Company and the Shareholders as a whole even though they are not conducted in the ordinary and usual course of business of the Group.

2. Principal terms of the Termination Agreements

The Termination Agreements dated 23 November 2020 are inter-conditional, and their principal terms are substantially the same, which are summarised as follows:

Parties

Various (including the Company, Garden Group, Guoxing Wanxun, the Target Companies and their respective other existing shareholders). For details, please refer to the section headed "Termination Agreements" of the Letter from the Board.

Termination of the Capital Contribution Arrangements

Pursuant to the Termination Agreements,

- (i) The parties have unconditionally agreed that the Capital Contribution Arrangements shall be terminated from the respective effective date of the Termination Agreement, and all rights and obligations of each party under the Capital Contribution Arrangements shall cease to be binding.
- (ii) None of the Company, Garden Group and Guoxing Wanxun is required to pay any consideration for the Capital Contribution Arrangements, and they will cease to be a shareholder of the Target Company. In addition, they assume no responsibility on the Target Company and its other existing shareholder(s) in connection with the Capital Contribution Arrangements.
- (iii) The Target Company and its other existing shareholder(s) waive any right of action against the Company, Garden Group and/or Guoxing Wanxun in relation to the Capital Contribution Arrangements.

We consider that the above provisions on termination of the Capital Contribution Arrangements would protect the Group from any future obligations, liabilities and/or claims arising from the Capital Contribution Arrangements after completion of the Termination Agreements and hence are beneficial to the Group.

LETTER FROM VBG CAPITAL

Consideration

None of the Company, Garden Group and Guoxing Wanxun will receive any additional consideration under the Termination Agreements after offsetting the Total Considerations.

None of the Target Companies had declared any dividend to the Company, Garden Group and/or Guoxing Wanxun as at the Latest Practicable Date. Each of the Company, Garden Group and Guoxing Wanxun has agreed to forfeit its dividend entitlement, and all past and future dividends of the Target Company will be enjoyed by its then shareholder(s) after the Termination Agreements take effect.

In view of that the Group had not yet paid any of the Total Considerations as at the Latest Practicable Date, we are of the opinion that the above provisions are fair and reasonable.

Resignation of directors and senior management of the Target Companies nominated by the Group

Under the Capital Contribution Arrangements, the Group through Guoxing Wanxun is entitled to nominate two out of three directors at the board of directors of the Target Company; whilst the chief executive officer and chief financial officer of the Target Company shall be nominated by Guoxing Wanxun.

When the Termination Agreements become effective, the directors, supervisors and senior management nominated by Guoxing Wanxun shall resign from the respective Target Companies.

The aforesaid resignation of directors and senior management of the Target Companies nominated by the Group is fair and reasonable given that the Group will cease to hold any equity interest in the Target Companies upon completion of the Termination Agreements.

Having considered the aforementioned principal terms of the Termination Agreements, we are of the opinion that the terms of the Termination Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

3. Possible financial effects of the Termination Agreements

As confirmed by the Directors, upon completion of the Termination Agreements, as the Company will cease to hold any equity interest in the Target Companies, the financial results of each of the Target Companies will cease to be consolidated into those of the Group.

Taking into account the difference between the Total Considerations and the aggregate value of the net assets of the Target Companies held by the Group as at 30 June 2020, the Company anticipates that the Group will record a loss of approximately RMB553.9 million

LETTER FROM VBG CAPITAL

(subject to final audit) after completion of the Termination Agreements. Moreover, immediately following the completion of the Termination Agreements, it is expected that the net assets and profit of the Group would be reduced due to the de-consolidation of the Target Companies.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial position of the Group will be upon completion of the Termination Agreements.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Termination Agreements are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) the transactions contemplated under the Termination Agreements are in the interests of the Company and the Shareholders as a whole even though they are not conducted in the ordinary and usual course of business of the Group. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Termination Agreements and the respective transactions contemplated thereunder and we recommend the Independent Shareholders to vote in favour of the resolutions in this regard.

Yours faithfully,
For and on behalf of
VBG Capital Limited
Doris Sing
Deputy Managing Director

Ms. Doris Sing is a licensed person and responsible officer of VBG Capital Limited registered with the Securities and Futures Commission to carry on Type 6 (advising on corporate finance) regulated activity under the SFO and has over 15 years of experience in corporate finance industry.

The following is the text of a letter, a summary of values and summary reports prepared for the purpose of incorporation in this circular received from Beijing Colliers International Real Estate Valuation Co., Ltd., an independent valuer, in connection with its valuation as at 31 August 2020 of the property interests of the Target Companies held by the Group.

Beijing Colliers International Real Estate Valuation Co., Ltd.

Suite 510, Tower W3, Oriental Plaza,
No. 1 East Chang'an Avenue, Dongcheng District,
Beijing, China



The Board of Directors

GUORUI PROPERTIES LIMITED

27 November 2020

Dear Sir or Madam,

Re: Valuation of 8 Properties in the People's Republic of China (Together known as the "Properties" and Individually the "Property")

INSTRUCTIONS

We refer to your instructions for us to assess the Market Value of the property interests located in the People's Republic of China (the "PRC") held by Guorui Properties Limited (the "Company") and its subsidiaries (hereafter together referred to as the "Group"). We confirm that we have carried out inspections, made relevant enquires and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the property interests as at 31 August 2020 (the "Valuation Date"), for the purpose of incorporating in the document.

BASIS OF VALUATIONS

Our valuations are provided on the basis of Market Value, which we would define 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".

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.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION STANDARDS

These valuations have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC), and the requirements met out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

QUALIFICATIONS OF THE VALUER

These valuations have been prepared by Zhirong He (Flora He) (RICS Registration No.:1259301), who is a Fellow of the Royal Institution of Chartered Surveyors. Flora is head of China Valuation Services team at Colliers International. She is suitably qualified to carry out the valuation and has over 18 years' experience in the valuation of properties of this magnitude and nature in China.

Neither the valuer nor Colliers International are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the property interests.

VALUATION APPROACHES

In the valuation of the property interests to be held by the Group in the PRC, whereas applicable, we have adopted the Market Approach assuming sale of property interests in their existing state and by making reference to comparable sale transactions as available in the relevant markets.

When valuing the property interests which were under construction as at the Valuation Date, we have adopted market approach to assess the gross development values of the proposed developments by making reference to comparable sale transactions as available in the relevant markets. The gross development values are then adjusted with considerations of the outstanding development costs, the outstanding development periods and the potential profit margins to arrive at our opinion of values of the property interests.

SOURCES OF INFORMATION

Although we have made independent enquires as much as possible, we have relied to a very considerable extent on the information provided by the Company and its legal advisor in respect of the titles of the property interests in the PRC. We also have accepted such information given to us as being true and correct for valuation purposes. This has included such matters as ownership title, site and floor areas, statutory notices, easements, tenure, joint venture agreements, the identification of the property interests and all other relevant matters.

We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and 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.

TITLE DOCUMENTS

We have been provided with copies or extracts of some title documents relating to the property interests and have made relevant enquires where possible. Due to the nature of the land registration system in the PRC, however, we have not examined the original documents to verify the existing titles to the property interests in the PRC or any material encumbrances that might be attached to the property interests or any lease amendments. We have made assumptions that the full and proper ownership title of the Properties has been obtained and all payable land premium or land-use rights fees have been fully settled.

We have relied on the advice given by the Company's legal adviser, Beijing Bright Law Firm (北京百朗律師事務所), regarding the titles of the property interests in the PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter, the summary of values and the summary reports are for reference only. No responsibility is assumed for any legal matters concerning the legal title to the property interests set out in this letter, the summary of values and the valuation summary reports.

ASSUMPTIONS AND CAVEATS

Our valuations have been made on the assumption that the owners can sell the property interests on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of the property interests.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that all Properties are free of any encumbrances, restrictions and outgoings of an onerous nature which could affect their values.

We have conducted the valuation assuming:

- the information about the Properties provided true and correct;
- the Properties are free from contamination and the ground conditions are satisfactory;
- the full and proper ownership title of the Properties have been obtained, and all payable land premium or land-use rights fees have been fully settled;
- all required approvals and certificates necessary for the development and occupation and use of the Properties have been duly obtained and are in full force and effect;
- the Properties can be freely transferred, mortgaged, sublet or otherwise disposed of in the market;
- in valuing the Properties held by the Company under development in the PRC, we have valued such properties on the basis that they will be developed and completed in accordance with the latest development proposals provided to us. We have further assumed that all consents, approvals and licenses from relevant government authorities for such development proposals have been or will be obtained without onerous conditions or delays; and
- we have valued the portfolio assuming no reduction in value to reflect any possible diminution in value resulting from a placing of the portfolio on the market together as one at the same time for sale.

SITE MEASUREMENT

We have not carried out on-site measurements to verify the correctness of the site areas in respect of the Properties but have assumed that the areas shown on the documents and plans provided to us are true and correct in all respects. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

SITE INSPECTION

We have inspected the Properties exterior and, where possible, the interior of the properties upon the instruction received. No structural surveys or environmental assessments have been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services. We have assumed such are in good order for the purpose of valuation.

Please be advised we have not carried out investigations to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation has been prepared on the assumption that these aspects are satisfactory.

Site inspections of the Properties were carried out by Flora He, Bill Zhou, Kyle Zeng, Xiaoyu Niu, Leo Sun and Aurora Chen from 17 June 2020 to 30 June 2020.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

We hereby certify that we have neither present nor a prospective interest in the properties or the values reported.

Our summary of values and valuation summary reports are attached hereto.

Yours faithfully,

For and on behalf of

Beijing Colliers International Real Estate Valuation Co., Ltd.

Zhirong He (Flora He)

Registered Valuer (RICS)

FRICS MCOMFIN

Executive Director, Valuation and Advisory Services, China

Note: Ms. Zhirong He holds a Master Degree of Commerce (Finance and Business Information System). She is a Registered Valuer with over 18 years' experience in real estate industry and assets valuation sector. Her experience on valuation covers Mainland China. Ms. He is a fellow member of the Royal Institution of Chartered Surveyors.

SUMMARY OF VALUES CONTAINED IN VALUATION SUMMARIES

| Property No. | Property | Interest Attributable to the Group | Market Value in Existing State as at 31 August 2020 (RMB) |
|-----------------|---|--|--|
| 1. | Elegant Mansion (藏瓏華府), located south of Weiye Avenue, Chencun Town, Shunde District, Foshan, Guangdong Province, PRC | 100% | 1,684,000,000 |
| 2. | Four Season Spring City (四季泉城), located south of No. 369 Provincial Road, Sanshan Village, Shengtang Town, Enping, Jiangmen, Guangdong Province, PRC | 100% | 300,000,000 |
| 3. | Lake Manor Villa (山湖海), located in Gonghe Ecological Park, Gonghe Avenue, Gonghe Town, Heshan, Jiangmen, Guangdong Province, PRC | 100% | 954,000,000 |
| 4. | Brown Stone Town (融泰城), located east of Xiuchuan Road, Xiqing District, Tianjin, PRC | 100% | 1,244,000,000 |
| 5. | Glory Hongtang Bay (國瑞•紅塘灣), located in Hongtangwan Tourism Resort, Tianya District, Sanya, Hainan Province, PRC | 100% | 1,331,000,000 |

| Property No. | Property | Interest Attributable to the Group | Market Value in Existing State as at 31 August 2020 (RMB) |
|---------------------|---|--|--|
| 6. | Elegant Villa (書香溪墅), located south of Daxuecheng South 2nd Road, Shapingba District, Chongqing, PRC | 100% | 860,000,000 |
| 7. | Glory Pinnacle (國瑞瑞城), located south of Lingyuan Road and west of Fuhe Avenue in Hanshan District, Handan, Hebei Province, PRC | 100% | 2,911,000,000 |
| 8. | Fugui City (富貴城), located north of Xinhua Road and west of West 2nd Ring, Qiaoxi District, Shijiazhuang, Hebei Province, PRC | 100% | 2,851,000,000 |
| Grand Total: | | | 12,135,000,000 |

VALUATION SUMMARY – PROPERTY 1

| Property | Description and Tenure | Particulars of Occupancy | Market Value in Existing State as at 31 August 2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|------------------|--|------------------------------------|----------|-------------|-----------|--------|----------|-----------------|------------------|------------|--|------------------------------------|-----------|-------------|------------|-----------|-----------|-------|------------|-----------------|----------|-----------------|-------------------|--------------|--------------------------|--|--|
| Elegant Mansion (藏瓏華府), located south of Weiye Avenue, Chencun Town (陳村鎮), Shunde District (順德區), Foshan, Guangdong Province, PRC | <p>Elegant Mansion is a developing composite development which comprises three neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 202,610.67 sq m. According to the development plan, it will be developed into high-rise residential, apartment, retail and underground car park.</p> <p>As advised, the Property comprises the unsold portion of completed portion and construction in progress (CIP) with a total proposed sellable gross floor area (GFA) of 356,553.25 sq m and 3,493 car spaces (3,472 unsold). Detailed GFA of the completed portion and construction in progress (CIP) of the Property is listed below:</p> | At the date of our inspection, portion of the Property was completed, while the other portion was under construction. As advised, the completed portion was completed in 2019 while the construction was commenced in Q4 2015 and scheduled to be completed in 2021. | RMB1,684,000,000 (RENMINBI ONE BILLION SIX HUNDRED EIGHTY FOUR MILLION) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>Portions</th> <th>Sellable GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Completed</td> <td></td> </tr> <tr> <td>Pre-sold (Resi, Apt, CPS & Retail)</td> <td>4,811.47</td> </tr> <tr> <td>Residential</td> <td>20,655.17</td> </tr> <tr> <td>Retail</td> <td>9,469.37</td> </tr> <tr> <td><i>Subtotal</i></td> <td><i>34,936.01</i></td> </tr> <tr> <td>CIP</td> <td></td> </tr> <tr> <td>Pre-sold (Resi, Apt, CPS & Retail)</td> <td>47,024.80</td> </tr> <tr> <td>Residential</td> <td>149,395.85</td> </tr> <tr> <td>Apartment</td> <td>22,549.67</td> </tr> <tr> <td>Hotel</td> <td>102,646.92</td> </tr> <tr> <td>Car Space (Lot)</td> <td>3,472.00</td> </tr> <tr> <td><i>Subtotal</i></td> <td><i>321,617.27</i></td> </tr> <tr> <td>Total</td> <td><u>356,553.25</u></td> </tr> </tbody> </table> | Portions | Sellable GFA (sq m) | Completed | | Pre-sold (Resi, Apt, CPS & Retail) | 4,811.47 | Residential | 20,655.17 | Retail | 9,469.37 | <i>Subtotal</i> | <i>34,936.01</i> | CIP | | Pre-sold (Resi, Apt, CPS & Retail) | 47,024.80 | Residential | 149,395.85 | Apartment | 22,549.67 | Hotel | 102,646.92 | Car Space (Lot) | 3,472.00 | <i>Subtotal</i> | <i>321,617.27</i> | Total | <u>356,553.25</u> | | |
| Portions | Sellable GFA (sq m) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Completed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold (Resi, Apt, CPS & Retail) | 4,811.47 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential | 20,655.17 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retail | 9,469.37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Subtotal</i> | <i>34,936.01</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold (Resi, Apt, CPS & Retail) | 47,024.80 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential | 149,395.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apartment | 22,549.67 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hotel | 102,646.92 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Space (Lot) | 3,472.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Subtotal</i> | <i>321,617.27</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>356,553.25</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for a term expiring on 3 July 2054 and 3 July 2084 zoned for retail and residential uses, respectively.

Notes:

- (i) Pursuant to the following State-owned Land-use Rights Grant Contract (國有土地使用權出讓合同), the land-use rights of the Property have been granted to Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--------------------|------------------|------------------------------------|--------------------------|
| 440606-2014-000024 | 6 January 2014 | Residential, Retail and Commercial | 202,610.67 |
| Total: | | | <u>202,610.67</u> |

- (ii) Pursuant to the following Stated-owned Land use Rights Certificates (國用土地使用證), the land-use rights of the Property have been granted to Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--|------------------|------------------------|--------------------------|
| Shun Fu Guo Yong (2015) Di 040000000013 Hao | 28 October 2015 | Residential and Retail | 127,883.88 |
| Shun Fu Guo Yong (2015) Di 040000000012 Hao | 28 October 2015 | Retail | 45,399.10 |
| Shun Fu Guo Yong (2015) Di 040000000014 Hao | 28 October 2015 | Retail | 29,327.69 |
| Total: | | | <u>202,610.67</u> |

- (iii) Pursuant to the following Construction Land Planning Permit (建設用地規劃許可證), the planning of the construction land of the Property has been approved to Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|------------------------------|------------------|----------------------------|--------------------------|
| Di Zi Di 440606201503062 Hao | 6 September 2015 | Residential and Commercial | 202,610.67 |
| Total: | | | <u>202,610.67</u> |

- (iv) Pursuant to the following Construction Work Planning Permits (建設工程規劃許可證), the planning of the construction work of the Property has been approved to Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|--------------------------------|-----------------------------------|------------------|-------------------|
| Jian Zi Di 440606201807494 Hao | Elegant Mansion Zone A Phase 6 | 25 June 2018 | 96,589.22 |
| Jian Zi Di 440606201717067 Hao | Elegant Mansion Zone B | 16 October 2017 | 75,817.30 |
| Jian Zi Di 440606201712456 Hao | Elegant Mansion Zone A Phase 8 | 3 May 2017 | 61,368.18 |
| Jian Zi Di 440606201600356 Hao | Elegant Mansion Zone A Phase 2 | 13 January 2016 | 65,845.30 |
| Jian Zi Di 440606201515759 Hao | Elegant Mansion Zone A Phase 3 | 25 December 2015 | 73,159.81 |
| Jian Zi Di 440606201604077 Hao | Elegant Mansion Zone A Phase 4 | 15 June 2016 | 53,847.82 |
| Jian Zi Di 440606201608689 Hao | Elegant Mansion Zone A Phase 5 | 14 December 2016 | 94,914.11 |
| Jian Zi Di 440606201515547 Hao | Elegant Mansion Zone A Phase 1 | 17 December 2015 | 48,349.85 |
| Jian Zi Di 440606201902781 Hao | Elegant Mansion Zone A Phase 7 | 27 August 2020 | 50,318.97 |
| Jian Zi Di 440606201806802 Hao | Elegant Mansion Zone C | 4 June 2018 | 127,324.91 |
| Total: | | | 747,535.47 |

- (v) Pursuant to the following Construction Work Commencement Permits (建築工程施工許可證), the construction work of the Property has been approved to commence by Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|----------------------------|---|-------------------|-------------------|
| No. 440606201512290201 Hao | Elegant Mansion Zone A Phase 1 (Block 29, 30, 31) | 31 December 2015 | 48,349.85 |
| No. 440606201601270201 Hao | Elegant Mansion Zone A Phase 2 (Block 10, 11, Basement Phase 1) | 2 February 2016 | 65,845.30 |
| No. 440606201603080101 Hao | Elegant Mansion Zone A Phase 3 (Block 1-5) | 18 March 2016 | 73,159.81 |
| No. 440606201606170301 Hao | Elegant Mansion Zone A Phase 4 (Block 15, 16, 23, 24, 39) | 1 July 2016 | 53,847.82 |
| No. 440606201612280201 Hao | Elegant Mansion Zone A Phase 5 (Block 12, 13, 17, 18, Basement) | 16 February 2017 | 94,914.11 |
| No. 440606201707250101 Hao | Elegant Mansion Zone A Phase 8 | 13 September 2017 | 61,368.18 |
| No. 440606201810190101 Hao | Elegant Mansion Zone A Phase 6 (Block 14, 19, 6, 7, 8, 9, Basement) | 30 November 2018 | 96,589.22 |
| No. 440606201804080101 Hao | Elegant Mansion Zone B (Block 32, 33, 34, 35, Basement) | 8 April 2018 | 75,817.30 |
| No. 440606201908280101 Hao | Elegant Mansion Zone C (Blocks 36, 37, 38, 40, 41 and Basement) | 28 August 2019 | 127,324.91 |
| No. 440606201911060101 Hao | Elegant Mansion Zone A Phase 7 | 6 November 2019 | 50,318.97 |
| Total: | | | 747,535.47 |

- (vi) Pursuant to the following Commodity Housing Pre-sale Permits (商品房預售許可證), the commodity housing pre-sale of the Property has been approved to Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|------------------------------|--------------------------|-------------------|--------------------------|
| Shun Yu Xu Zi 2016023403 Hao | Block 2 Elegant Mansion | 13 September 2016 | 13,162.67 |
| Shun Yu Xu Zi 2016027003 Hao | Block 11 Elegant Mansion | 10 October 2016 | 12,990.97 |
| Shun Yu Xu Zi 2016031403 Hao | Block 23 Elegant Mansion | 16 November 2016 | 13,291.11 |
| Shun Yu Xu Zi 2017003603 Hao | Block 16 Elegant Mansion | 21 March 2017 | 13,531.16 |
| Shun Yu Xu Zi 2016030703 Hao | Block 24 Elegant Mansion | 14 November 2016 | 13,271.86 |
| Shun Yu Xu Zi 2017003703 Hao | Block 15 Elegant Mansion | 21 March 2017 | 13,463.68 |
| Shun Yu Xu Zi 2017005603 Hao | Block 4 Elegant Mansion | 1 April 2017 | 13,706.52 |
| Shun Yu Xu Zi 2016014003 Hao | Block 1 Elegant Mansion | 8 June 2016 | 19,248.37 |
| Shun Yu Xu Zi 2016026903 Hao | Block 10 Elegant Mansion | 10 October 2016 | 13,255.82 |
| Shun Yu Xu Zi 2016023003 Hao | Block 3 Elegant Mansion | 9 September 2016 | 13,306.80 |
| Shun Yu Xu Zi 2017005703 Hao | Block 5 Elegant Mansion | 1 April 2017 | 13,602.29 |
| Shun Yu Xu Zi 2017022803 Hao | Block 17 Elegant Mansion | 1 November 2017 | 15,241.14 |
| Shun Yu Xu Zi 2018003403 Hao | Block 18 Elegant Mansion | 13 February 2018 | 15,237.40 |
| Shun Yu Xu Zi 2018018703 Hao | Block 12 Elegant Mansion | 6 July 2018 | 17,880.88 |
| Shun Yu Xu Zi 2019016503 Hao | Block 33 Elegant Mansion | 14 June 2019 | 14,539.91 |
| Shun Yu Xu Zi 2019024503 Hao | Block 25 Elegant Mansion | 6 September 2019 | 12,870.09 |
| Shun Yu Xu Zi 2020000403 Hao | Block 14 Elegant Mansion | 8 January 2020 | 13,931.41 |
| Shun Yu Xu Zi 2020000503 Hao | Block 19 Elegant Mansion | 8 January 2020 | 13,486.15 |
| Shun Yu Xu Zi 2020005003 Hao | Block 27 Elegant Mansion | 14 April 2020 | 13,485.71 |
| Shun Yu Xu Zi 2019024703 Hao | Block 26 Elegant Mansion | 10 September 2019 | 12,665.49 |
| Shun Yu Xu Zi 2020001003 Hao | Block 34 Elegant Mansion | 17 January 2020 | 24,577.47 |
| Shun Yu Xu Zi 2019006603 Hao | Block 32 Elegant Mansion | 15 March 2020 | 12,996.17 |
| Shun Yu Xu Zi 2019013303 Hao | Block 13 Elegant Mansion | 17 May 2019 | 14,373.91 |
| Total: | | | <u>334,116.98</u> |

- (vii) The gross development value of the CIP portion of Property as at the Valuation Date is assessed at approximately RMB5,699,600,000.
- (viii) As advised, the total budget construction cost of the Property is approximately RMB3,441,000,000 and upon the valuation date, the paid-up construction cost is approximately RMB662,000,000, which has been taken into account in our valuation.
- (ix) According to the information provided, as at the valuation date, portion of the high-rise residential, apartment, carpark and retail of the completed portion and CIP of the Property with a total GFA of 51,836.27 sq m have been pre-sold but not yet handed over, with a total sales amount of approximately RMB687,000,000. As instructed by the Client, we have taken it into account in our valuation.
- (x) The general description and market information of the property are summarized below:

| | |
|-----------------------------------|---|
| Location | The Property is located south of Weiye Avenue, Chencun Town, Shunde District, Foshan, Guangdong Province, PRC. |
| Transportation | Guangzhou South Railway Station is located approximately 6 kilometres away from the Property. Also, taxi and bus are readily available in the locality. |
| Nature of Surrounding Area | The subject area is a predominately residential and industrial area. |

- (xi) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include high-rise residential ranges from RMB21,000 to RMB22,000 psm;

the retail ranges from RMB25,000 to RMB30,000 psm; the apartment ranges from RMB13,000 to RMB18,000 psm; and the car space ranges from RMB130,000 to RMB180,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, building facilities, age/maintenance, etc. to determine the unit price of the Property.

- (xii) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

| Document/Approval | Availability |
|--|---------------------|
| State-owned Land-use Rights Grant Contract | Yes |
| Real Estate Ownership Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | Yes |
| Construction Work Commencement Permit | Yes |
| Commodity Housing Pre-sale Permit | Yes |
| Construction Completion Certificate | Yes |
| Business License | Yes |

- (xiii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司) has the rights to use the land in accordance to the above-mentioned real estate ownership certificates. Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司) has the rights to use, transfer, lease, mortgage or other legal means to deal with the premises on the condition of adhering to the land-use and the land tenure.

Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司) has obtained the necessary permits and approvals for the construction work of the aforementioned Elegant Mansion (藏龍華府).

VALUATION SUMMARY – PROPERTY 2

| Property | Description and Tenure | Particulars of Occupancy | Market Value in Existing State as at 31 August 2020 | | | | | | | | | | | | | | | | |
|--|---|--------------------------|---|----------|----------|----------------|-----------|-------------|------------|---------------------|----------|--------|--------|----------------|----------|--------------|--------------------------|--|---|
| Four Season Spring City (四季泉城), located south of No. 369 Provincial Road, Sanshan Village (三山村), Shengtang Town (聖堂鎮), Enping, Jiangmen, Guangdong Province, PRC | <p>Four Season Spring City is a developing residential community and it comprises three neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 225,029.64 sq m.</p> <p>According to the development plan, the Property will be developed into high-rise residential, townhouse, retail and underground car park with a sellable gross floor area (GFA) of 206,520.00 sq m and 1,620 car spaces, details of which are listed below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Portions</th> <th style="text-align: right;">Sellable GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Pre-sold</td> <td style="text-align: right;">8,200.23</td> </tr> <tr> <td>Pre-sold House</td> <td style="text-align: right;">27,984.65</td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">163,439.77</td> </tr> <tr> <td>Residential – House</td> <td style="text-align: right;">6,295.35</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">600.00</td> </tr> <tr> <td>Car Park (Lot)</td> <td style="text-align: right;">1,620.00</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>206,520.00</u></td> </tr> </tbody> </table> | Portions | Sellable GFA (sq m) | Pre-sold | 8,200.23 | Pre-sold House | 27,984.65 | Residential | 163,439.77 | Residential – House | 6,295.35 | Retail | 600.00 | Car Park (Lot) | 1,620.00 | Total | <u>206,520.00</u> | At the date of our inspection, the Property was under construction. As advised, the construction was commenced in Q3 2017 and scheduled to be completed in 2022. | RMB300,000,000 (RENMINBI THREE HUNDRED SIXTY ONE MILLION) |
| Portions | Sellable GFA (sq m) | | | | | | | | | | | | | | | | | | |
| Pre-sold | 8,200.23 | | | | | | | | | | | | | | | | | | |
| Pre-sold House | 27,984.65 | | | | | | | | | | | | | | | | | | |
| Residential | 163,439.77 | | | | | | | | | | | | | | | | | | |
| Residential – House | 6,295.35 | | | | | | | | | | | | | | | | | | |
| Retail | 600.00 | | | | | | | | | | | | | | | | | | |
| Car Park (Lot) | 1,620.00 | | | | | | | | | | | | | | | | | | |
| Total | <u>206,520.00</u> | | | | | | | | | | | | | | | | | | |

Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for a term expiring on 27 June 2057 and 27 June 2087 zoned for retail and residential uses, respectively.

Notes:

- (i) Pursuant to the following Real Estate Ownership Certificates (不動產權證), the land-use rights of the Property have been granted to Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司). Details are listed below:

| Certificate Number | Location | Use | Site Area (sq m) |
|---|--|------------------------|---------------------|
| Yue (2019) En Ping Shi Bu Dong Chan Quan Di 0003247 Hao | Sanshan Forest Farm, Sanshan Village Committee, Shengtang Town, Enping | Residential and Retail | 49,312.53 |
| Yue (2019) En Ping Shi Bu Dong Chan Quan Di 0008994 Hao | Sanshan Forest Farm, Sanshan Village Committee, Shengtang Town, Enping | Residential and Retail | 69,625.80 |
| Yue (2017) En Ping Shi Bu Dong Chan Quan Di 0008632 Hao | Sanshan Village, Shengtang Town, Enping | Residential and Retail | 106,091.31 |
| Total: | | | 225,029.64 |

- (ii) Pursuant to the following Construction Land Planning Permits (建設用地規劃許可證), the planning of the construction land of the Property has been approved to Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|-----------------------|------------------|------------------------|---------------------|
| Di Zi Di A201747 Hao | 7 November 2017 | Residential and Retail | 106,091.31 |
| Di Zi Di A2019065 Hao | 19 March 2019 | Residential and Retail | 49,312.53 |
| Di Zi Di A2019302 Hao | 18 October 2019 | Residential and Retail | 69,625.80 |
| Total: | | | 225,029.64 |

- (iii) Pursuant to the following Construction Work Planning Permits (建設工程規劃許可證), the planning of the construction work of the Property has been approved to Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|--------------------------|---|------------------|------------------|
| Jian Zi Di A2019023 Hao | Glory Hot Spring Garden Phase 1 #55, #56 | 29 January 2019 | 22,445.20 |
| Jian Zi Di A2019024 Hao | Glory Hot Spring Garden Phase 1 underground Zone A | 29 January 2019 | 6,743.20 |
| Jian Zi Di A2019022 Hao | Glory Hot Spring Garden Phase 1 #49, #50 | 29 January 2019 | 24,465.40 |
| Jian Zi Di A20200235 Hao | Glory Hot Spring Garden Phase 1 community building #47 | 31 July 2020 | 5,437.00 |
| Jian Zi Di A20200236 Hao | Glory Hot Spring Garden Phase 1 low-rise residential #1-45, retail #46, electronic room #48 | 31 July 2020 | 33,983.60 |
| Total: | | | 93,074.40 |

- (iv) Pursuant to the following Construction Work Commencement Permits (建築工程施工許可證), the construction work of the Property has been approved to commence by Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|--------------------|---|------------------|------------------|
| 440785201904120101 | Glory Hot Spring Garden Phase 1 #49, 50, 55, 56 and underground Zone A | 12 April 2019 | 53,653.80 |
| 440785201808310101 | Glory Hot Spring Garden (Phase 1) low-rise residential #1-45, retail #46, community building #47, electronic room #48 | 31 August 2018 | 39,420.60 |
| Total: | | | 93,074.40 |

- (v) Pursuant to the following Commodity Housing Pre-sale Permits (商品房預售許可證), the commodity housing pre-sale of the Property has been approved to Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|-------------------------|--|------------------|------------------|
| En Yu Zi Di 2019087 Hao | Glory Hot Spring Garden #2 | 25-Nov-19 | 11,531.00 |
| En Yu Zi Di 2019069 Hao | Glory Hot Spring Garden #1-2, #5-10, #27-30, #54-71 | 23-Aug-19 | 5,424.00 |
| En Yu Zi Di 2019076 Hao | Glory Hot Spring Garden #11-22, #36-53, #72-83 | 29-Sep-19 | 7,957.00 |
| En Yu Zi Di 2019081 Hao | Glory Hot Spring Garden #1 | 12-Oct-19 | 11,588.00 |
| En Yu Zi Di 2020015 Hao | Glory Hot Spring Garden #3-4, #23-26, #31-35, #110-125, #176-191 | 23-Jan-20 | 6,868.00 |
| En Yu Zi Di 2020017 Hao | Glory Hot Spring Garden #7 | 23-Jan-20 | 11,020.00 |
| En Yu Zi Di 2020016 Hao | Glory Hot Spring Garden #8 | 23-Jan-20 | 11,021.00 |
| En Yu Zi Di 2019092 Hao | Glory Hot Spring Garden #84-109, #126-175 | 13-Oct-19 | 12,431.00 |
| En Yu Zi Di 2020018 Hao | Glory Hot Spring Garden shops #1-18 | 23-Jan-20 | 624.00 |
| Total: | | | 78,464.00 |

- (vi) The gross development value of the Property as at the Valuation Date is assessed at approximately RMB1,164,000,000.
- (vii) As advised, the total budget construction cost of the Property is approximately RMB750,000,000 and upon the valuation date, the paid-up construction cost is approximately RMB143,000,000, which has been taken into account in our valuation.
- (viii) According to the information provided, as at the valuation date, the high-rise residential and House of the Property with a total GFA of 36,184.88 sq m have been pre-sold but not yet handed over, with a total sales amount of approximately RMB184,900,000. As instructed by the Client, we have taken it into account in our valuation.

- (ix) The general description and market information of the property are summarized below:

| | |
|-----------------------------------|---|
| Location | The Property is located south of No.369 Provincial Road, Sanshan Village, Shengtang Town, Enping, Jiangmen, Guangdong Province, PRC. |
| Transportation | The Shengtang entrance (聖堂出口) of the G15 Shenyang – Haikou Highway (瀋陽-海口高速) and Liangxi Bus Terminal (良西客運站) are located approximately 3 kilometers and 1 kilometer away from the property respectively. |
| Nature of Surrounding Area | The subject area is villages intermingled with some residential development. |

- (x) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include high-rise residential ranges from RMB4,800 to RMB7,500 psm; the townhouse ranges from RMB11,000 to RMB13,000 psm; the retail ranges from RMB12,000 to RMB25,000 psm; and the car space ranges from RMB80,000 to RMB100,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, building facilities, age/maintenance, etc. to determine the unit price of the Property.
- (xi) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

| Document/Approval | Availability |
|--|---------------------|
| State-owned Land-use Rights Grant Contract | Yes |
| Real Estate Ownership Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | Yes |
| Construction Work Commencement Permit | Yes |
| Commodity Housing Pre-sale Permit | Yes |
| Construction Completion Certificate | No |
| Business License | Yes |

- (xii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司) has the rights to use the land in accordance to the above-mentioned real estate ownership certificates. Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司) has the rights to use, transfer, lease, mortgage or other legal means to deal with the premises on the condition of adhering to the land-use and the land tenure.

Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司) has obtained the necessary permits and approvals for the construction work of the aforementioned Four Season Spring City (四季泉城).

VALUATION SUMMARY – PROPERTY 3

| Property | Description and Tenure | Particulars of Occupancy | Market Value in Existing State as at 31 August 2020 | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------------------|---|------------------|--|-------------------|----------|-----------------|----------|------------|--|----------|------------|-------------|------------|---------------------|------------|--------|-----------|----------------|----------|-----------------|-------------------|--------------|---------------------------------|---|---|
| Lake Manor Villa (山湖海), located in Gonghe Ecological Park, Gonghe Avenue, Gonghe Town, Heshan, Jiangmen, Guangdong Province, PRC | <p>Lake Manor Villa is a developing residential community and it comprises twelve neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 407,456.91 sq m.</p> <p>According to the development plan, the Property will be developed into high-rise residential, townhouse and retail with a total proposed sellable GFA of 569,339.98 sq m and 3,191 car spaces, details of which are listed below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Portions</th> <th style="text-align: right;">Sellable GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td colspan="2">Completed</td> </tr> <tr> <td>Completed Portion</td> <td style="text-align: right;">6,982.53</td> </tr> <tr> <td><i>Subtotal</i></td> <td style="text-align: right;">6,982.53</td> </tr> <tr> <td colspan="2">CIP</td> </tr> <tr> <td>Pre-sold</td> <td style="text-align: right;">100,589.57</td> </tr> <tr> <td>Residential</td> <td style="text-align: right;">245,992.60</td> </tr> <tr> <td>Residential – House</td> <td style="text-align: right;">191,775.28</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">24,000.00</td> </tr> <tr> <td>Car Park (Lot)</td> <td style="text-align: right;">3,191.00</td> </tr> <tr> <td><i>Subtotal</i></td> <td style="text-align: right;"><u>562,357.45</u></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u><u>569,339.98</u></u></td> </tr> </tbody> </table> | Portions | Sellable GFA (sq m) | Completed | | Completed Portion | 6,982.53 | <i>Subtotal</i> | 6,982.53 | CIP | | Pre-sold | 100,589.57 | Residential | 245,992.60 | Residential – House | 191,775.28 | Retail | 24,000.00 | Car Park (Lot) | 3,191.00 | <i>Subtotal</i> | <u>562,357.45</u> | Total | <u><u>569,339.98</u></u> | At the date of our inspection, the Property was under construction. As advised, the construction was scheduled to be completed in 2023. | RMB954,000,000 (RENMINBI NINE HUNDRED FIFTY FOUR MILLION) |
| Portions | Sellable GFA (sq m) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Completed | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Completed Portion | 6,982.53 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Subtotal</i> | 6,982.53 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIP | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold | 100,589.57 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential | 245,992.60 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential – House | 191,775.28 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retail | 24,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Park (Lot) | 3,191.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Subtotal</i> | <u>562,357.45</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u><u>569,339.98</u></u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for a term expiring between 17 March 2045 and 28 January 2050 zoned for retail use and between 17 March 2075 and 28 January 2080 zoned residential use, respectively.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes:

- (i) Pursuant to the following State-owned Land-use Rights Grant Contracts (國有土地使用權出讓合同), the land-use rights of the Property have been granted to Xicong Wu (吳錫聰) and Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Owner | Use | Site Area (sq m) |
|-------------------------------------|------------------|---|-------------|---------------------|
| He Guo Tu Chu (2005) Di 0112 Hao | 18 March 2005 | Xicong Wu | Retail | 20,000.00 |
| He Guo Tu Chu (2005) Di 0113 Hao | 18 March 2005 | Xicong Wu | Residential | 122,586.70 |
| 440784-2010-0006 | 29 January 2010 | Jiangmen Yinghuiwan Real Estate Co., Ltd. | Residential | 40,837.61 |
| 440784-2010-0005 | 29 January 2010 | Jiangmen Yinghuiwan Real Estate Co., Ltd. | Residential | 224,032.57 |
| Total: | | | | 407,456.88 |

- (ii) Pursuant to the following Stated-owned Land-use Rights Certificates (國有土地使用證) and Real Estate Ownership Certificate (不動產權證), the land-use rights of the Property have been granted to Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--|------------------|------------------------|---------------------|
| Yue (2018) He Shan Shi Bu Dong Chan Quan Di 0006884 Hao | 20 March 2018 | Residential and Retail | 30,590.48 |
| He Guo Yong (2011) Di 001303 Hao | 28 March 2011 | Retail | 20,000.00 |
| He Guo Yong (2014) Di 000162 Hao | 15 January 2014 | Residential and Retail | 34,695.55 |
| He Guo Yong (2014) Di 000166 Hao | 15 January 2014 | Residential and Retail | 41,333.15 |
| He Guo Yong (2014) Di 000159 Hao | 15 January 2014 | Residential and Retail | 28,137.54 |
| He Guo Yong (2014) Di 000158 Hao | 15 January 2014 | Residential and Retail | 44,331.26 |
| He Guo Yong (2014) Di 000165 Hao | 15 January 2014 | Residential and Retail | 26,752.56 |
| He Guo Yong (2014) Di 000160 Hao | 15 January 2014 | Residential and Retail | 62,688.69 |
| He Guo Yong (2014) Di 000164 Hao | 15 January 2014 | Residential and Retail | 51,636.34 |
| He Guo Yong (2014) Di 000156 Hao | 15 January 2014 | Residential and Retail | 26,453.73 |
| He Guo Yong (2010) Di 000387 Hao | 5 February 2010 | Residential | 40,837.61 |
| Total: | | | 407,456.91 |

- (iii) Pursuant to the following Construction Land Planning Permits (建設用地規劃許可證), the planning of the construction land of the Property has been approved to Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|------------------------------|-------------------|------------------------|---------------------|
| Di Zi Di 440784201800073 Hao | 7 February 2018 | Retail | 4,762.63 |
| Di Zi Di 440784201800033 Hao | 18 July 2018 | Residential and Retail | 12,197.76 |
| Di Zi Di 440784201800051 Hao | 24 January 2018 | Commercial | 2,318.65 |
| Di Zi Di 440784201800203 Hao | 28 April 2018 | Residential and Retail | 8,953.65 |
| Di Zi Di 440784201800093 Hao | 9 March 2018 | Residential | 2,523.89 |
| Di Zi Di 440784201900256 Hao | 23 September 2019 | Residential and Retail | 28,137.54 |
| Di Zi Di 440784201900257 Hao | 23 September 2019 | Residential and Retail | 34,695.55 |
| Total: | | | 93,589.67 |

- (iv) Pursuant to the following Construction Work Planning Permits (建設工程規劃許可證), the planning of the construction work of the Property has been approved to Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|--------------------------------|---|-------------------|--------------------------|
| Jian Zi Di 440784201800374 Hao | Phase 2, Gonghe Hyde Manor, Jiangmen | 30 October 2017 | 30,304.25 |
| Jian Zi Di 440784201800051 Hao | Guorui Plaza Building 1, Hyde Manor | 24 January 2018 | 1,754.83 |
| Jian Zi Di 440784201800075 Hao | Guorui Plaza Building 2 and 3, Hyde Manor | 7 February 2018 | 29,853.32 |
| Jian Zi Di 440784201800099 Hao | Xiangshili Block 1, 2, 4, Hyde Manor | 9 March 2018 | 46,785.38 |
| Jian Zi Di 440784201800224 Hao | Xiangshili Block 3, 5, 6, 7, Hyde Manor | 28 April 2018 | 65,816.94 |
| Jian Zi Di 440784201900422 Hao | Phase 4 of Hyde Manor | 23 September 2019 | 8,642.25 |
| Jian Zi Di 440784201900423 Hao | Blocks 1 to 8, Phase 5 of Hyde Manor | 23 September 2019 | 4,021.32 |
| Jian Zi Di 440784201900424 Hao | Block 9,10,13,14, Phase 5 of Hyde Manor | 23 September 2019 | 15,632.80 |
| Jian Zi Di 440784201900425 Hao | Block 11,12,15, Phase 5 of Hyde Manor | 23 September 2019 | 9,970.16 |
| Jian Zi Di 440784201900428 Hao | Power room phase 4 of Hyde Manor | 23 September 2019 | 98.00 |
| Total: | | | <u>212,879.25</u> |

- (v) Pursuant to the following Construction Work Commencement Permits (建築工程施工許可證), the construction work of the Property has been approved to commence by Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|--------------------|---|-------------------|--------------------------|
| 440784201804280101 | Xiangshili Block 1, 2, 4, Hyde Manor | 28 April 2018 | 46,785.38 |
| 440784201711060101 | Block 12 – 31, Phase 2, Hyde Manor | 6 November 2017 | 30,304.25 |
| 440784201807250201 | Glory Plaza Building 1, Hyde Manor | 25 July 2018 | 1,754.83 |
| 440784201808280101 | Xiangshili Block 3, 5, 6, 7, Hyde Manor | 28 August 2018 | 65,816.94 |
| 440784201909300101 | Phase 4, Hyde Manor | 30 September 2019 | 8,642.25 |
| 440784201909300201 | Phase 5, Hyde Manor | 30 September 2019 | 29,624.28 |
| Total: | | | <u>182,927.93</u> |

- (vi) Pursuant to the following Commodity Housing Pre-sale Permits (商品房預售許可證), the commodity housing pre-sale of the Property has been approved to Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|--------------------------------------|--|------------------|--------------------------|
| He Yu Xu Zi Di 20180001-20180011 Hao | Block 1-7, 10,14-16, 19, Hyde Manor | 8 January 2018 | 8,508.42 |
| He Yu Xu Zi 20180012-20180031 Hao | Block 6, 8, 9, 17, 18, 11, 12, 13, 20 – 31, Hyde Manor | 8 February 2018 | 20,450.40 |
| He Yu Xu Zi 20180150 Hao | Xiangshili Block 1, 2, 4, Hyde Manor | 26 October 2018 | 27,944.08 |
| He Yu Xu Zi 20190023 Hao | Xiangshili Block 3, Hyde Manor | 29 March 2019 | 10,533.80 |
| He Yu Xu Zi 20190077 Hao | Xiangshili Block 5, Hyde Manor | 17 July 2019 | 10,533.80 |
| He Yu Xu Zi 20190054 Hao | Xiangshili Block 6, Hyde Manor | 6 June 2019 | 10,533.80 |
| He Yu Xu Zi 20190043 Hao | Xiangshili Block 7, Hyde Manor | 29 May 2019 | 10,533.80 |
| He Yu Xu Zi 20200008-20200022 Hao | | 12 March 2020 | 8,066.31 |
| He Yu Xu Zi 20200049 Hao | Block 9, 10, 13, 14, Hyde Manor | 3 July 2020 | 9,135.84 |
| He Yu Xu Zi 20200040 Hao | Block 11, 12, 15, Hyde Manor | 29 May 2020 | 6,430.32 |
| | Total: | | <u>122,670.57</u> |

- (vii) The gross development value of the Property as at the Valuation Date is assessed at approximately RMB4,313,000,000.
- (viii) As advised, the total budget construction cost of the Property is approximately RMB2,805,000,000 and upon the valuation date, the paid-up construction cost is approximately RMB453,000,000, which has been taken into account in our valuation.
- (ix) According to the information provided, as at the valuation date, CIP portion of the completed high-rise residential and townhouse of the Property with a sellable GFA of 100,589.57 sq m have been pre-sold but not yet handed over, with a total sales amount of approximately RMB616,000,000. As instructed by the Client, we have taken it into account in our valuation.
- (x) The general description and market information of the property are summarized below:

| | |
|-----------------------------------|---|
| Location | The Property is located in Gonghe Ecological Park, Gonghe Avenue, Gonghe Town, Heshan, Jiangmen, Guangdong Province, PRC. |
| Transportation | The Gonghe Entrance (共和出口) of the G15 Shenyang – Haikou Highway (瀋陽-海口高速) and Gonghe Bus Terminal (共和客運站) are located approximately 2 kilometres and 1 kilometre away from the property respectively. |
| Nature of Surrounding Area | The subject area is a predominately residential area. |

- (xi) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include high-rise residential ranges from RMB6,000 to RMB7,500 psm; the townhouse ranges from RMB9,300 to RMB14,000 psm; the retail ranges from RMB10,000 to RMB18,000 psm and the car space ranges from RMB100,000 to RMB120,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, building facilities, age/maintenance, etc. to determine the unit price of the Property.
- (xii) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

| Document/Approval | Availability |
|--|---------------------|
| State-owned Land-use Rights Grant Contract | Yes |
| Real Estate Ownership Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | Yes |
| Construction Work Commencement Permit | Yes |
| Commodity Housing Pre-sale Permit | Yes |
| Construction Completion Certificate | No |
| Business License | Yes |

- (xiii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司) has the rights to use the land in accordance to the above-mentioned real estate ownership certificates. Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司) has the rights to use, transfer, lease, mortgage or other legal means to deal with the premises on the condition of adhering to the land-use and the land tenure.

Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司) has obtained the necessary permits and approvals for the construction work of the aforementioned Lake Manor Villa (山湖海).

VALUATION SUMMARY – PROPERTY 4

| Property | Description and Tenure | Particulars of Occupancy | Market Value in Existing State as at 31 August 2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------------------|---|------------------|--|-----------|----------|--------------------|--------|--------------|----------|-----------------|------------------|--------------------|--|-----------|-----------|--------------------|-----------|--------------|-----------|----------------|-----|-----------------|------------------|--------------------|--|------------------------|-----------|----------|--|--------------|-------|----------------|-----|-----------------|------------------|--------------|--------------------------|--|--|
| Brown Stone Town (融泰城), located east of Xiuchuan Road, Xiqing District, Tianjin, PRC | <p>The Property is a developing residential community located close to the border between Xiqing District and Nankai District with a distance of about 3 km to the south of Tianjin Olympic Centre (天津奥林匹克中心). It is erected on an irregular-shaped land lot with a total site area of 137,816.40 sq m.</p> <p>According to the development plan, the Property will be developed in three phases and comprise high-rise residential, garden house and underground car park. The Property comprises the unsold portion of completed portion and construction in progress (CIP) with a sellable GFA of 132,725.80 sq m and 1,616 car spaces, details of which are listed below:</p> <table border="0" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Products</th> <th style="text-align: right;">Sellable GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td colspan="2">Completed</td> </tr> <tr> <td>High-rise</td> <td style="text-align: right;">3,118.85</td> </tr> <tr> <td>Pre-sold High-rise</td> <td style="text-align: right;">581.12</td> </tr> <tr> <td>Garden House</td> <td style="text-align: right;">6,869.36</td> </tr> <tr> <td><i>Subtotal</i></td> <td style="text-align: right;"><i>10,569.33</i></td> </tr> <tr> <td colspan="2">CIP Phase 2</td> </tr> <tr> <td>High-rise</td> <td style="text-align: right;">17,883.45</td> </tr> <tr> <td>Pre-sold High-rise</td> <td style="text-align: right;">51,546.52</td> </tr> <tr> <td>Garden House</td> <td style="text-align: right;">52,726.50</td> </tr> <tr> <td>Car Park (Lot)</td> <td style="text-align: right;">753</td> </tr> <tr> <td><i>Subtotal</i></td> <td style="text-align: right;"><i>69,429.97</i></td> </tr> <tr> <td colspan="2">CIP Phase 3</td> </tr> <tr> <td>Garden House (花園洋房)</td> <td style="text-align: right;">52,633.36</td> </tr> <tr> <td>Pre-sold</td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Garden House</td> <td style="text-align: right;">93.14</td> </tr> <tr> <td>Car Park (Lot)</td> <td style="text-align: right;">863</td> </tr> <tr> <td><i>Subtotal</i></td> <td style="text-align: right;"><i>52,726.50</i></td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>132,725.80</u></td> </tr> </tbody> </table> | Products | Sellable GFA (sq m) | Completed | | High-rise | 3,118.85 | Pre-sold High-rise | 581.12 | Garden House | 6,869.36 | <i>Subtotal</i> | <i>10,569.33</i> | CIP Phase 2 | | High-rise | 17,883.45 | Pre-sold High-rise | 51,546.52 | Garden House | 52,726.50 | Car Park (Lot) | 753 | <i>Subtotal</i> | <i>69,429.97</i> | CIP Phase 3 | | Garden House (花園洋房) | 52,633.36 | Pre-sold | | Garden House | 93.14 | Car Park (Lot) | 863 | <i>Subtotal</i> | <i>52,726.50</i> | Total | <u>132,725.80</u> | <p>At the time of our inspection, portion of the Property was completed, while the other portion of the Property was under construction. As advised, the construction was scheduled to be completed in 2020.</p> | <p>RMB1,244,000,000 (RENMINBI ONE BILLION TWO HUNDRED AND FORTY FOUR MILLION)</p> |
| Products | Sellable GFA (sq m) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Completed | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High-rise | 3,118.85 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold High-rise | 581.12 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Garden House | 6,869.36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Subtotal</i> | <i>10,569.33</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIP Phase 2 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High-rise | 17,883.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold High-rise | 51,546.52 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Garden House | 52,726.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Park (Lot) | 753 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Subtotal</i> | <i>69,429.97</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CIP Phase 3 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Garden House (花園洋房) | 52,633.36 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Garden House | 93.14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Park (Lot) | 863 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <i>Subtotal</i> | <i>52,726.50</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>132,725.80</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for a term expiring on 13 August 2084 zoned for residential use.

Notes:

- (i) Pursuant to the following State-owned Land-use Rights Grant Contract (國有土地使用權出讓合同), the land-use rights of the Property have been granted to Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--------------------|------------------|-------------|---------------------|
| TJ11102014019 | 9 May 2014 | Residential | 137,816.40 |
| Total: | | | 137,816.40 |

According to the State-owned Land-use Rights Grant Contract, about 50% of planned GFA will be repurchased by Agricultural Industry and Commerce Parent Company of Dengdian Village, Liqizhuang Street, Xiqing District, Tianjin City (天津市西青區李七莊街鄧店村農工商總公司). Pursuant to Commodity Housing Repurchase Agreement, a total GFA of about 103,362.45 sq m will be repurchased at a unit price of RMB5,900 psm.

- (ii) Pursuant to the following Real Estate Ownership Certificate (不動產權證), the land-use rights of the Property have been granted to Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--|------------------|-------------|---------------------|
| Jin (2016) Xi Qing Bu Dong Chan Quan Di 1018744 Hao | 2 August 2016 | Residential | 137,816.40 |
| Total: | | | 137,816.40 |

- (iii) Pursuant to the following Construction Land Planning Permit (建設用地規劃許可證), the planning of the construction land of the Property has been approved to Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|----------------------------|------------------|-------------|---------------------|
| 2015 Xi Qing Di Zheng 0048 | 26 July 2016 | Residential | 137,816.60 |
| Total: | | | 137,816.60 |

- (iv) Pursuant to the following Construction Work Planning Permits (建設工程規劃許可證), the planning of the construction work of the Property has been approved to Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|-----------------------------|---|------------------|-------------------|
| 2017 Xi Qing Zhu Zheng 0008 | Block 1#, CPS Zone C | 17 February 2017 | 15,281.42 |
| 2016 Xi Qing Zhu Zheng 0021 | Block 16, 29-36#, CPS Zone A, Facilities | 15 March 2019 | 69,734.69 |
| 2019 Xi Qing Zhu Zheng 0021 | 10KV Distributing substation | 15 March 2019 | 195.00 |
| 2016 Xi Qing Zhu Zheng 0023 | Block 2-4, 9-15#, CPS Zone B | 27 October 2016 | 80,136.05 |
| 2016 Xi Qing Zhu Zheng 0013 | Block 5-8#, Facilities | 7 July 2016 | 55,334.04 |
| 2016 Xi Qing Zhu Zheng 0015 | Block 17-22# | 5 August 2016 | 27,814.03 |
| 2016 Xi Qing Zhu Zheng 0014 | Block 23, 24# | 5 August 2016 | 9,186.27 |
| 2016 Xi Qing Zhu Zheng 0012 | Block 25-28# | 29 July 2016 | 25,078.62 |
| Total: | | | 282,760.12 |

- (v) Pursuant to the following Construction Work Commencement Permits (建築工程施工許可證), the construction work of the Property has been approved to commence by Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|-------------------------|---|-------------------|-------------------|
| No. 1201112017080101121 | Block 1#, CPS Zone C | 1 August 2017 | 15,281.42 |
| No. 1201112017080102121 | Block 16, 29-36#, CPS Zone A, Facilities | 1 August 2017 | 69,929.69 |
| No. 1201112017041901121 | Block 2-4, 9-15#, CPS Zone B | 19 April 2017 | 80,136.05 |
| No. 1201112016081001121 | Block 5-8#, Facilities | 29 September 2016 | 39,978.92 |
| No. 1201112016112101121 | Block 17-22# | 21 November 2016 | 27,814.03 |
| No. 1201112016120501121 | Block 8, 23, 24#, Facilities | 5 December 2016 | 24,541.39 |
| No. 1201112016092902121 | Block 25-28# | 29 September 2016 | 25,078.62 |
| Total: | | | 282,760.12 |

- (vi) Pursuant to the following Commodity Housing Pre-sale Permits (商品房預售銷售許可證), the commodity housing pre-sale of the Property has been approved to Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|--|---------------|-------------------|-------------------|
| Jin Guo Tu Fang Shou Xu Zi (2017) 0089-001-004 Hao | Block 25-28# | 15 March 2017 | 22,096.30 |
| Jin Guo Tu Fang Shou Xu Zi (2017) 0409-001 Hao | Block 7, 8# | 10 June 2017 | 24,378.02 |
| Jin Guo Tu Fang Shou Xu Zi (2016) Di 0761-001 Hao | Block 5, 6# | 10 August 2016 | 23,834.41 |
| Jin Guo Tu Fang Shou Xu Zi (2018) Di 0108_001-003 Hao | Block 17-19# | 3 March 2018 | 15,376.41 |
| Jin Guo Tu Fang Shou Xu Zi (2018) Di 0080_001-002 Hao | Block 23, 24# | 21 March 2018 | 8,587.85 |
| Jin Guo Tu Fang Shou Xu Zi (2018) Di 0109_001-003 Hao | Block 20-22# | 30 March 2018 | 10,464.80 |
| Jin Guo Tu Fang Shou Xu Zi (2018) Di 0964_001-002 Hao | Block 4, 11# | 28 September 2018 | 18,920.22 |
| Jin Guo Tu Fang Shou Xu Zi (2018) Di 1233_001 Hao | Block 14# | 6 October 2018 | 4,049.54 |
| Jin Guo Tu Fang Shou Xu Zi (2018) Di 1234_001 Hao | Block 15# | 6 October 2018 | 4,049.54 |
| Jin Guo Tu Fang Shou Xu Zi (2018) Di 1287_001-002 Hao | Block 9, 10# | 14 October 2018 | 9371.78 |
| Jin Guo Tu Fang Shou Xu Zi (2018) Di 1207_001-002 Hao | Block 2, 13# | 31 October 2018 | 8,099.08 |
| Jin Guo Tu Fang Shou Xu Zi (2019) Di 0301_001-002 Hao | Block 3, 12# | 10 April 2019 | 8,099.08 |
| Jin Guo Tu Fang Shou Xu Zi (2020) Di 0116-001-002 Hao | Block 29, 30# | 3 March 2020 | 9,176.7 |
| Total: | | | 166,503.73 |

- (vii) The gross development value of the Property as at the Valuation Date is assessed at approximately RMB1,867,000,000.

- (viii) As advised, the total budgeted construction cost of the Property is approximately RMB777,000,000, incl. professional fee. Upon the valuation date, the paid-up construction cost is approximately RMB490,000,000, which has been taken into account in our valuation.

(ix) According to the information provided, as at the valuation date, portion of the Property with a total GFA of 52,220.78 sq m have been pre-sold but not yet handed over, with a total sales amount of approximately RMB990,700,000. As instructed by the Client, we have taken it into account in our valuation.

(x) The general description and market information of the property are summarized below:

| | |
|-----------------------------------|---|
| Location | The Property is located east of Xiuchuan Road, Xiqing District, Tianjin, PRC. |
| Transportation | Tianjin south railway station is located approximately 8 kilometers away from the property. Also, taxi and bus are readily available in the locality. |
| Nature of Surrounding Area | The subject area is a predominately residential area. |

(xi) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include high-rise residential ranges from RMB18,000 to RMB21,000 psm, the garden house ranges from RMB21,000 to RMB22,500 psm and the car space ranges from RMB90,000 to RMB120,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, building facilities, age/maintenance, etc. to determine the unit price of the Property.

(xii) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

| Document/Approval | Availability |
|--|---------------------|
| State-owned Land-use Rights Grant Contract | Yes |
| Real Estate Ownership Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | Yes |
| Construction Work Commencement Permit | Yes |
| Commodity Housing Pre-sale Permit | Yes |
| Construction Completion Certificate | No |
| Business License | Yes |

(xiii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司) has the rights to use the land in accordance to the above-mentioned real estate ownership certificate. Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司) has the rights to use, transfer, lease, mortgage or other legal means to deal with the premises on the condition of adhering to the land-use and the land tenure.

Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司) has obtained the necessary permits and approvals for the construction work of the aforementioned Brown Stone Town (融泰城).

VALUATION SUMMARY – PROPERTY 5

| Property | Description and Tenure | Particulars of Occupancy | Market Value in Existing State as at 31 August 2020 | | | | | | | | | | | | | | | | | | |
|--|---|--------------------------|---|----------------------|----------|------------------------|----------|-----------------|----------|--------------------|-----------|-----------|-----------|--------|----------|----------|----------|--------------|--------------------------|--|--|
| Glory Hongtang Bay (國瑞•紅塘灣), located in Hongtangwan Tourism Resort, Tianya District, Sanya, Hainan Province, PRC | <p>Glory Hongtang Bay is a developing residential community and it comprises five neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 96,736.87 sq m.</p> <p>According to the development plan, the Property will be developed into mid-rise residential, apartment, townhouse and underground car park with a total proposed sellable GFA of 106,232.79 sq m and 76,074.57 sq m of car spaces, details of which are listed below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Portions</th> <th style="text-align: left;">GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Pre-sold – Townhouse</td> <td style="text-align: right;">6,913.00</td> </tr> <tr> <td>Pre-sold – Residential</td> <td style="text-align: right;">1,116.72</td> </tr> <tr> <td>Pre-sold – Loft</td> <td style="text-align: right;">1,392.33</td> </tr> <tr> <td>Mid-rise Apartment</td> <td style="text-align: right;">72,198.08</td> </tr> <tr> <td>Townhouse</td> <td style="text-align: right;">11,148.27</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">9,342.32</td> </tr> <tr> <td>Car Park</td> <td style="text-align: right;">4,122.07</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>182,307.36</u></td> </tr> </tbody> </table> | Portions | GFA (sq m) | Pre-sold – Townhouse | 6,913.00 | Pre-sold – Residential | 1,116.72 | Pre-sold – Loft | 1,392.33 | Mid-rise Apartment | 72,198.08 | Townhouse | 11,148.27 | Retail | 9,342.32 | Car Park | 4,122.07 | Total | <u>182,307.36</u> | At the date of our inspection, the Property was under construction. As advised, the construction was commenced in Q2 2017 and scheduled to be completed in 2022. | RMB1,331,000,000 (RENMINBI ONE BILLION THREE HUNDRED THIRTY ONE MILLION) |
| Portions | GFA (sq m) | | | | | | | | | | | | | | | | | | | | |
| Pre-sold – Townhouse | 6,913.00 | | | | | | | | | | | | | | | | | | | | |
| Pre-sold – Residential | 1,116.72 | | | | | | | | | | | | | | | | | | | | |
| Pre-sold – Loft | 1,392.33 | | | | | | | | | | | | | | | | | | | | |
| Mid-rise Apartment | 72,198.08 | | | | | | | | | | | | | | | | | | | | |
| Townhouse | 11,148.27 | | | | | | | | | | | | | | | | | | | | |
| Retail | 9,342.32 | | | | | | | | | | | | | | | | | | | | |
| Car Park | 4,122.07 | | | | | | | | | | | | | | | | | | | | |
| Total | <u>182,307.36</u> | | | | | | | | | | | | | | | | | | | | |

Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for a term expiring on 1 June 2057 and 1 June 2087 zoned for commercial and residential uses, respectively.

Notes:

- (i) Pursuant to the following Land-use Rights Transfer Contract (置換土地合同), the land-use rights of the Property have been transferred to 三亞富斯實業有限公司. Details are listed below:

| Project | Date of Issuance | Use | Site Area (sq m) |
|---|------------------|----------------------------|---------------------|
| Lot E30, E31, E33, E35 and E38, Hongtangwan, | 1 January 2017 | Residential and Commercial | 96,736.87 |
| Total: | | | 96,736.87 |

- (ii) Pursuant to the following Land-use Rights Transfer Contract Supplementary Agreement (置換土地合同補充協議), the land-use rights of the Property have been transferred to Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司). Details are listed below:

| Project | Date of Issuance | Use | Site Area (sq m) |
|---|------------------|----------------------------|---------------------|
| Lot E30, E31, E33, E35 and E38, Hongtangwan, | 11 January 2017 | Residential and Commercial | 96,736.87 |
| Total: | | | 96,736.87 |

- (iii) Pursuant to the following Real Estate Ownership Certificates (不動產權證), the land-use rights of the Property have been granted to Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|---|------------------|----------------------------|---------------------|
| Qiong (2020) San Ya Shi Bu Dong Chan Quan Di 0004765 Hao | 20 March 2020 | Residential and Commercial | 24,078.18 |
| Qiong (2020) San Ya Shi Bu Dong Chan Quan Di 0009346 Hao | 18 May 2020 | Commercial | 3,733.81 |
| Qiong (2020) San Ya Shi Bu Dong Chan Quan Di 0005646 Hao | 2 April 2020 | Residential and Commercial | 17,128.56 |
| Qiong (2020) San Ya Shi Bu Dong Chan Quan Di 0009348 Hao | 18 May 2020 | Residential and Commercial | 48,862.65 |
| Qiong (2020) San Ya Shi Bu Dong Chan Quan Di 0004737 Hao | 20 March 2020 | Commercial | 2,933.67 |
| Total: | | | 96,736.87 |

- (iv) Pursuant to the following Construction Land Planning Permit (建設用地規劃許可證), the planning of the construction land of the Property has been approved to Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|------------------------------|------------------|----------------------------|---------------------|
| Di Zi Di 460200201700214 Hao | 5 May 2017 | Commercial and Residential | 96,736.87 |
| Total: | | | 96,736.87 |

- (v) Pursuant to the following Construction Work Planning Permits (建設工程規劃許可證), the planning of the construction work of the Property has been approved to Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|-----------------------------|--|------------------|--------------------------|
| Jian Zi Di 4602002018002124 | Block 17, Phase 2, Glory Hongtang Bay | 16 August 2018 | 150,164.97 |
| Jian Zi Di 4602002018002123 | Block 30, Phase 1, Glory Hongtang Bay | 16 August 2018 | 33,152.79 |
| Total: | | | <u>183,317.76</u> |

- (vi) Pursuant to the following Construction Work Commencement Permits (建築工程施工許可證), the construction work of the Property has been approved to commence by Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|-------------------------|--------------------------------|------------------|--------------------------|
| No. 4602002018111311101 | Glory Hongtang Bay, Phase 1 | 13 November 2018 | 33,152.79 |
| No. 4602002018111311201 | Glory Hongtang Bay, Phase 2 | 13 November 2018 | 150,164.97 |
| Total: | | | <u>183,317.76</u> |

- (vii) Pursuant to the following Commodity Housing Pre-sale Permit (商品房預售許可證), the commodity housing pre-sale of the Property has been approved to Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司). Details are listed below:

| Certificate Number | Project Name | GFA (sq m) |
|---------------------------------|--|-------------------------|
| San Fang Yu Xu Zi (2020) 3 Hao | Land lot E-31, Building B1 and B2 (Total 96 Units) | 10,926.42 |
| San Fang Yu Xu Zi (2020) 2 Hao | Land lot E-38-1, Building A8 (Total 60 Units) | 6,023.04 |
| San Fang Yu Xu Zi (2019) 67 Hao | Building A1 | 8,294.52 |
| San Fang Yu Xu Zi (2019) 10 Hao | Building B7-B14, C1-C9, C11-C15, E1-E2 (Total 24 Buildings) | 20,958.93 |
| San Fang Yu Xu Zi (2019) 56 Hao | Building B3, B4, B5, B6, C10 (Total 26 Units) | 4,403.12 |
| San Fang Yu Xu Zi (2020) 26 Hao | Land lot E-38-1, Building A3 and A4, C9-C11 | 12,082.47 |
| Total: | | <u>62,688.50</u> |

- (viii) The gross development value of the Property as at the Valuation Date is assessed at approximately RMB3,254,000,000.

- (ix) As advised, the total budget construction cost of the Property is approximately RMB1,356,000,000 and upon the valuation date, the paid-up construction cost is approximately RMB447,000,000, which has been taken into account in our valuation.

(x) According to the information provided, as at the valuation date, CIP portion of the High-rise Residential, townhouse and Apartment of the Property with a total GFA of approximately 9,422.05 sq m has been pre-sold but not yet handed over, with a total sales amount of approximately RMB554,000,000. As instructed by the Client, we have taken it into account in our valuation.

(xi) The general description and market information of the property are summarized below:

| | |
|-----------------------------------|--|
| Location | The Property is located in Hongtangwan Tourism Resort, Tianya District, Sanya, Hainan Province, PRC. |
| Transportation | Sanya Phoenix International Airport is located approximately 10 kilometres away from the property. Also, taxi and bus are readily available in the locality. |
| Nature of Surrounding Area | The subject area is a predominately residential area |

(xii) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include mid-rise residential ranges from RMB22,000 to RMB34,000 psm; the townhouse ranges from RMB32,000 to RMB34,000 psm; the apartment ranges from RMB33,000 to RMB35,000 psm; the retail ranges from RMB30,000 to RMB35,000 psm and the car space ranges from RMB120,000 to RMB180,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, building facilities, age/maintenance, etc. to determine the unit price of the Property.

(xiii) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

| Document/Approval | Availability |
|--|---------------------|
| State-owned Land-use Rights Grant Contract | Yes |
| Real Estate Ownership Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | Yes |
| Construction Work Commencement Permit | Yes |
| Commodity Housing Pre-sale Permit | Yes |
| Construction Completion Certificate | No |
| Business License | Yes |

(xiv) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司) has the rights to use the land in accordance to the above-mentioned real estate ownership certificates. Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司) has the rights to use, transfer, lease, mortgage or other legal means to deal with the premises on the condition of adhering to the land-use and the land tenure.

Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司) has obtained the necessary permits and approvals for the construction work of the aforementioned Glory Hongtang Bay (國瑞紅塘灣).

VALUATION SUMMARY – PROPERTY 6

| Property | Description and Tenure | Particulars of Occupancy | Market Value in Existing State as at 31 August 2020 |
|--|---|---|---|
| Elegant Villa, located south of Daxuecheng South 2nd Road (大學城南二路), Shapingba District (沙坪壩區), Chongqing, PRC. | Elegant Villa is a developing residential community located in Chongqing College Town (重慶大學城), Shapingba District. It comprises three neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 205,947.00 sq m. According to the development plan, it will be developed into high-rise residential, garden house, townhouse and underground car park. The Property comprises the unsold portion of completed portion and construction in progress (CIP) of Elegant Villa with a total proposed sellable GFA of 102,492.08 sq m and 2,323 car spaces, details of which are listed below: | As at the date of valuation, the completion portion of the Property completed between 2017 and 2020, while the other portion was under construction with an estimated completion date in 2021 as advised. | RMB860,000,000 (RENMINBI EIGHT HUNDRED SIXTY MILLION) |
| | | Sellable GFA (sq m) | |
| | Products | | |
| | Completed | | |
| | Pre-sold – High-rise | 11,542.18 | |
| | Garden House | 8,287.88 | |
| | Townhouse | 1,973.72 | |
| | High-rise | 1,629.79 | |
| | Retail | 7,382.78 | |
| | Pre-sold – Retail | 3,862.02 | |
| | Pre-sold – Car Park (Lot) | 114 | |
| | Car Park (Lot) | 1,808 | |
| | <i>Subtotal</i> | <i>34,678.37</i> | |
| | CIP | | |
| | High-rise | 10,047.40 | |
| | Pre-sold – High-rise | 20,882.22 | |
| | Garden House/ Townhouse | 27,646.45 | |
| | Pre-sold – Garden House/ Townhouse | 6,176.73 | |
| | Car Park (Lot) | 401 | |
| | Retail | 648.47 | |
| | Pre-sold – Retail | 2,412.44 | |
| | <i>Subtotal</i> | <i>67,813.71</i> | |
| | Total | <u>102,492.08</u> | |

Pursuant to the real estate ownership certificates provided, the land-use rights of the Property have been granted for a term expiring on 30 July 2064 zoned for residential uses and 30 July 2054 for retail uses, respectively.

Notes:

- (i) Pursuant to the following State-owned Land-use Rights Grant Contract, the land-use rights of the Development have been granted to Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--|------------------|-------------|---------------------|
| Yu Di (2013) He Zi (Sha Qu) Di 363 Hao | 4 December 2013 | Residential | 205,947.00 |
| Total: | | | 205,947.00 |

- (ii) Pursuant to the following Real Estate Ownership Certificates, the land-use rights of the Development have been granted to Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--|------------------|-------------|---------------------|
| Yu (2019) Shapingba Qu Bu Dong Chan Quan Di 000961163 Hao | 5 September 2019 | Residential | 116,271.00 |
| 104D Fang Di Zheng 2015 Zi Di 00310 Hao | 9 June 2015 | Residential | 55,550.00 |
| 104D Fang Di Zheng 2015 Zi Di 00311 Hao | 9 June 2015 | Residential | 34,126.00 |
| Total: | | | 205,947.00 |

- (iii) Pursuant to the following Real Estate Ownership Certificates, the ownership of the following properties and the land-use rights of the corresponding land have been granted to Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司). Details are listed below:

| Certificate Number | Building | Site Area (sq m) | Expiring Date | GFA (sq m) |
|---|-----------------|---------------------|---------------|---------------|
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000858476 Hao | Zone A Block 1 | 116,271.00 | 30 July 2054 | 1,391.53 |
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000858599 | Zone A Block 2 | 116,271.00 | 30 July 2054 | 1,525.95 |
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000832376 Hao | Zone A Block 7 | 116,271.00 | 30 July 2064 | 5,119.20 |
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000857753 Hao | Zone A Block 8 | 116,271.00 | 30 July 2064 | 7,086.75 |
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000857873 Hao | Zone A Block 9 | 116,271.00 | 30 July 2064 | 2,661.67 |
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000857945 Hao | Zone A Block 10 | 116,271.00 | 30 July 2064 | 1,209.25 |
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000858012 Hao | Zone A Block 11 | 116,271.00 | 30 July 2064 | 2,784.99 |

| Certificate Number | Building | Site Area (sq m) | Expiring Date | GFA (sq m) |
|---|-----------------|-----------------------------|----------------------|-----------------------|
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000858096 Hao | Zone A Block 12 | 116,271.00 | 30 July 2064 | 1,077.24 |
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000858144 Hao | Zone A Block 13 | 116,271.00 | 30 July 2064 | 2,198.30 |
| Yu (2017) Shapingba Qu Bu Dong Chan Quan Di 000858252 Hao | Zone A Block 14 | 116,271.00 | 30 July 2064 | 3,822.69 |
| Yu (2019) Shapingba Qu Bu Dong Chan Quan Di 000313666 Hao | Zone C Block 18 | 116,271.00 | 30 July 2064 | 6,798.25 |
| Yu (2019) Shapingba Qu Bu Dong Chan Quan Di 000313782 Hao | Zone C Block 19 | 116,271.00 | 30 July 2064 | 5,208.50 |
| Yu (2019) Shapingba Qu Bu Dong Chan Quan Di 000313880 Hao | Zone C Block 22 | 116,271.00 | 30 July 2064 | 5,208.50 |
| Yu (2019) Shapingba Qu Bu Dong Chan Quan Di 000313966 Hao | Zone C Block 23 | 116,271.00 | 30 July 2064 | 5,208.50 |
| Yu (2019) Shapingba Qu Bu Dong Chan Quan Di 000314036 Hao | Zone C Block 26 | 116,271.00 | 30 July 2064 | 5,208.50 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 001215714 Hao | Zone D Block 2 | 116,271.00 | 30 July 2064 | 5,208.50 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 001222425 Hao | Zone D Block 3 | 116,271.00 | 30 July 2064 | 5,208.50 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 001222442 Hao | Zone D Block 4 | 116,271.00 | 30 July 2064 | 5,208.50 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 001222463 Hao | Zone D Block 5 | 116,271.00 | 30 July 2064 | 5,208.50 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 001222484 Hao | Zone D Block 6 | 116,271.00 | 30 July 2064 | 6,798.25 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000118140 Hao | Zone J Block 1 | 34,126.00 | 30 July 2064 | 3,749.22 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000121681 Hao | Zone J Block 2 | 34,126.00 | 30 July 2064 | 3,749.22 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000121755 Hao | Zone J Block 3 | 34,126.00 | 30 July 2064 | 4,096.10 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000121939 Hao | Zone J Block 4 | 34,126.00 | 30 July 2064 | 1,743.12 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000122103 Hao | Zone J Block 5 | 34,126.00 | 30 July 2064 | 1,164.76 |

| Certificate Number | Building | Site Area (sq m) | Expiring Date | GFA (sq m) |
|--|-----------------|-----------------------------|----------------------|--------------------------|
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000122159 Hao | Zone J Block 6 | 34,126.00 | 30 July 2064 | 1,386.70 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000122215 Hao | Zone J Block 7 | 34,126.00 | 30 July 2064 | 1,164.76 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000122264 Hao | Zone J Block 8 | 34,126.00 | 30 July 2064 | 1,164.76 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000122304 Hao | Zone J Block 9 | 34,126.00 | 30 July 2064 | 1,164.76 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000122342 Hao | Zone J Block 10 | 34,126.00 | 30 July 2064 | 1,743.12 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000126783 Hao | Zone J Block 11 | 34,126.00 | 30 July 2064 | 1,743.12 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000126783 Hao | Zone J Retail | 34,126.00 | 30 July 2054 | 2,637.51 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000126855 Hao | Zone J Block 12 | 34,126.00 | 30 July 2064 | 1,846.64 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000126938 Hao | Zone J Block 13 | 34,126.00 | 30 July 2064 | 939.84 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000127023 Hao | Zone J Block 14 | 34,126.00 | 30 July 2064 | 1,386.70 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000127064 Hao | Zone J Block 15 | 34,126.00 | 30 July 2064 | 939.84 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000127093 Hao | Zone J Block 16 | 34,126.00 | 30 July 2064 | 939.84 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000127131 Hao | Zone J Block 17 | 34,126.00 | 30 July 2064 | 1,386.70 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000127158 Hao | Zone J Block 18 | 34,126.00 | 30 July 2064 | 1,386.70 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000127196 Hao | Zone J Block 19 | 34,126.00 | 30 July 2064 | 3,749.22 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 000127260 Hao | Zone J Block 20 | 34,126.00 | 30 July 2064 | 5,651.67 |
| Yu (2018) Shapingba Qu Bu Dong Chan Quan Di 0002539680 Hao | Zone J Car Park | 34,126.00 | 30 July 2054 | 14,538.72 |
| Total: | | | | <u>142,415.09</u> |

- (iv) Pursuant to the following Construction Land Planning Permit, the planning of the construction land of the Development has been approved to Chongqing Guosha Real Estate Development Co., Ltd. (重慶國慶房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|------------------------------|------------------|-------------|---------------------|
| Di Zi Di 500106201400011 Hao | 27 January 2014 | Residential | 205,947.00 |
| Total: | | | 205,947.00 |

- (v) Pursuant to the following Construction Work Planning Permits, the planning of the construction work of the Development has been approved to Chongqing Guosha Real Estate Development Co., Ltd. (重慶國慶房地產開發有限公司). Details are listed below:

| Certificate Number | Project Area | Date of Issuance | GFA (sq m) |
|--------------------------------|---|------------------|-------------------|
| Jian Zi Di 500106201500055 Hao | 7-14# Residential, 1#, 2#, 7# retail and underground car parking | 25 June 2015 | 41,979.57 |
| Jian Zi Di 500106201600054 Hao | Zone C | 3 August 2016 | 48,558.69 |
| Jian Zi Di 500106201600081 Hao | Zone E | 25 October 2016 | 45,660.92 |
| Jian Zi Di 500106201600082 Hao | Zone F | 25 October 2016 | 63,187.95 |
| Jian Zi Di 500106201600080 Hao | Zone B | 24 October 2016 | 54,954.56 |
| Jian Zi Di 500106201600062 Hao | Zone G | 22 August 2016 | 47,300.37 |
| Jian Zi Di 500106201600061 Hao | Zone H | 22 August 2016 | 46,095.24 |
| Jian Zi Di 500106201600056 Hao | Zone D | 8 August 2016 | 39,900.15 |
| Jian Zi Di 500106201500110 Hao | Zone J | 3 November 2015 | 58,610.58 |
| Total: | | | 446,248.03 |

- (vi) Pursuant to the following Construction Work Commencement Permits, the construction work of the Development has been approved to commence by Chongqing Guosha Real Estate Development Co., Ltd. (重慶國慶房地產開發有限公司). Details are listed below:

| Certificate Number | Project Area | Date of Issuance | GFA (sq m) |
|------------------------|--------------|-------------------|-------------------|
| No. 500106201711160101 | Zone F | 16 November 2017 | 63,187.95 |
| No. 500106201711160201 | Zone G | 16 November 2017 | 47,300.37 |
| No. 500106201706120101 | Zone B | 12 June 2017 | 54,954.56 |
| No. 500106201609200301 | Zone D | 20 September 2016 | 39,900.15 |
| No. 500106201601150101 | Zone J | 15 January 2016 | 58,610.58 |
| No. 500106201508030201 | Zone A | 3 August 2015 | 25,322.95 |
| No. 500106201507240101 | Zone A | 24 July 2015 | 16,656.62 |
| No. 500106201611160101 | Zone C | 16 November 2016 | 48,558.69 |
| No. 500106201809210401 | Zone E | 21 September 2018 | 45,660.92 |
| No. 500106201809210501 | Zone H | 21 September 2018 | 46,095.24 |
| Total: | | | 446,248.03 |

- (vii) Pursuant to the following Commodity Housing Pre-sale Permits, the commodity housing pre-sale of the Development has been approved to Chongqing Guosha Real Estate Development Co., Ltd. (重慶國慶房地產開發有限公司). Details are listed below:

| Certificate Number | Project Name | GFA (sq m) |
|--|--|--------------------------|
| Yu Guo Tu Fang Guan (2015) Yu Zi Di (697) Hao | Elegant Villa (Zone A) | 15,939.84 |
| Yu Guo Tu Fang Guan (2015) Yu Zi Di (577) Hao | Elegant Villa (Zone A) | 5,988.94 |
| Yu Guo Tu Fang Guan (2016) Yu Zi Di (097) Hao | Elegant Villa (Zone J) | 18,963.48 |
| Yu Guo Tu Fang Guan (2016) Yu Zi Di (207) Hao | Elegant Villa (Zone J) | 22,046.34 |
| Yu Guo Tu Fang Guan (2016) Yu Zi Di (739) Hao | Elegant Villa (Zone D) | 6,556.12 |
| Yu Guo Tu Fang Guan (2016) Yu Zi Di (849) Hao | Elegant Villa (Zone D) | 20,756.48 |
| Yu Guo Tu Fang Guan (2016) Yu Zi Di (740) Hao | Elegant Villa (Retail) | 2,355.78 |
| Yu Guo Tu Fang Guan (2017) Yu Zi Di (596) Hao | Elegant Villa (Zone B) | 6,578.76 |
| Yu Guo Tu Fang Guan (2017) Yu Zi Di (166) Hao | Elegant Villa (Zone C) | 15,567.36 |
| Yu Guo Tu Fang Guan (2017) Yu Zi Di (354) Hao | Elegant Villa (Zone C) | 18,301.36 |
| Yu Guo Tu Fang Guan (2018) Yu Zi Di (203) Hao | Elegant Villa (Zone F) | 16,571.20 |
| Yu Guo Tu Fang Guan (2017) Yu Zi Di (1099) Hao | Elegant Villa (Zone B) | 5,193.80 |
| Yu Guo Tu Fang Guan (2017) Yu Zi Di (1249) Hao | Elegant Villa (Zone B) | 5,193.80 |
| Yu Guo Tu Fang Guan (2017) Yu Zi Di (916) Hao | Elegant Villa (Zone B) | 6,578.76 |
| Yu Guo Tu Fang Guan (2018) Yu Zi Di (45) Hao | Elegant Villa (Zone G) | 11,188.06 |
| Yu Zhu Jian Wei (2018) Yu Zi Di (2174) Hao | Elegant Villa (Zone B, Zone E and Zone F) | 57,925.21 |
| Yu Guo Tu Fang Guan (2018) Yu Zi Di (994) Hao | Elegant Villa (Zone B and Zone F) | 25,581.03 |
| Yu Zhu Jian Wei (2019) Yu Zi Di (570) Hao | Elegant Villa (Zone E and Zone F) | 3,307.45 |
| Yu Guo Tu Fang Guan (2018) Yu Zi Di (1257) Hao | Elegant Villa (Zone G) | 9,979.18 |
| Yu Zhu Jian Wei (2018) Yu Zi Di (2175) Hao | Elegant Villa (Zone G) | 11,828.38 |
| Yu Zhu Jian Wei (2019) Yu Zi Di (1475) Hao | Elegant Villa (Block 1,2,3 and retail of Block 9, Zone H) | 16,338.74 |
| Yu Zhu Jian Wei (2020) Yu Zi Di (15) Hao | Elegant Villa (Block 5, 6, 7, 8, 9, 10, 11, 12, 13, 14 Zone H) | 19,048.6 |
| | Total: | <u>321,788.67</u> |

- (viii) Pursuant to the Completion Acceptance, the Property with a total gross floor area approximately 291,980.56 sq m had passed through completion acceptance. Details are listed below:

| Certificate Number | Date of Issuance | Project Name | GFA (sq m) | Date of Completion |
|--|------------------|--|---------------|--------------------|
| Shapingba Qu Jian Jun Bei Zi (2017) 0025 Hao | 1 April 2017 | Elegant Villa (Blocks 7, 8, 14, Car Park, retail of Block 2, Zone A) | 25,326.79 | 17 March 2017 |
| Shapingba Qu Jian Jun Bei Zi (2017) 0026 Hao | 1 April 2017 | Elegant Villa (Blocks 9-13, Car Park, retail of Block 1 and 7, Zone A) | 17,329.42 | 17 March 2017 |
| Shapingba Qu Jian Jun Bei Zi (2017) 0125 Hao | 30 November 2017 | Elegant Villa (Blocks 1-20, retail of Block 11, Car Park, Zone J) | 58,610.58 | 20 October 2017 |

| Certificate Number | Date of Issuance | Project Name | GFA (sq m) | Date of Completion |
|---|----------------------|--|--------------------------|----------------------|
| Shapingba Qu Jian Jun Bei Zi (2018) 0111 Hao | 10 September 2018 | Elegant Villa (Blocks 2, 3, 4, 5, 6, Car Park, Zone D) | 39,900.15 | 17 August 2018 |
| Shapingba Qu Jian Jun Bei Zi (2019) 0008 Hao | 14 January 2019 | Elegant Villa (Blocks 15, 18, 19, 22, 23, 26, retail of Block 3, Car Park, Zone C) | 48,558.69 | 30 November 2018 |
| Shapingba Qu Jian Jun Bei Zi (2019) 0076 Hao | 31 May 2019 | Elegant Villa (Blocks 16, 17, 20, 21, 24, 25, Kindergarten of Block 31, Auxiliary room, Diaoceng, Car Park, Zone B) | 54,954.56 | 17 May 2019 |
| Shapingba Qu Jian Jun Bei Zi (2019) 0114 Hao | 19 August 2019 | Elegant Villa (Blocks 15-28, 8 and retail of Block 10, project management room, Car Park, Zone G) | 47,300.37 | 5 August 2019 |
| Shapingba Qu Jian Jun Bei Zi (2019) 0133 Hao | 16 October 2019 | Elegant Villa (Blocks 1, 27, 30, Car Park and Retail) | 63,187.95 | 23 September 2019 |
| Total: | | | <u>355,168.51</u> | |

- (ix) The gross development value of the CIP of the Property as at the Valuation Date is assessed at approximately RMB604,000,000.
- (x) As advised, the total budget construction cost of the Property is approximately RMB272,700,000 and upon the valuation date, the paid-up construction cost is approximately RMB163,800,000, which has been taken into account in our valuation.
- (xi) According to the information provided, as at the valuation date, a portion of completed portion and CIP of the Property with a total GFA of 42,352.00 sq m and car park 114 unit have been pre-sold but not yet handed over, with a total sales amount of approximately RMB362,185,362. As instructed by the Client, we have taken it into account in our valuation.
- (xii) The general description and market information of the property are summarized below:

| | |
|-----------------------------------|---|
| Location | The Property is located south of Daxuecheng South 2nd Road, Shapingba District, Chongqing, PRC. |
| Transportation | Bishan railway station (璧山火車站) is located approximately 11 kilometres away from the property. Also, taxi and bus are readily available in the locality. |
| Nature of Surrounding Area | The subject area is a predominately residential area. |

- (xiii) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include high-rise residential ranges from RMB7,600 to RMB9,600 psm; the townhouses range from RMB10,800 to RMB13,000 psm; and the car spaces sales from RMB60,000 to RMB78,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, building facilities, age/maintenance, etc. to determine the unit price of the Property.
- (xiv) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

| Document/Approval | Availability |
|--|---------------------|
| State-owned Land-use Rights Grant Contract | Yes |
| Real Estate Ownership Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | Yes |
| Construction Work Commencement Permit | Yes |
| Commodity Housing Pre-sale Permit | Yes |
| Construction Completion Certificate | Yes |
| Business License | Yes |

- (xv) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司) has the rights to use the land in accordance to the above-mentioned real estate ownership certificates. Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司) has the rights to use, transfer, lease, mortgage or other legal means to deal with the premises on the condition of adhering to the land-use and the land tenure.

Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司) has obtained the necessary permits and approvals for the construction work of the aforementioned Elegant Villa (書香溪墅).

VALUATION SUMMARY – PROPERTY 7

| Property | Description and Tenure | Particulars of Occupancy | Market Value in Existing State as at 31 August 2020 | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--------------------------|---|--------------------|------------|-----------------|----------|------------------------|----------|-----------|------------|--------|-----------|---------------|-----------|-------------------------|--------|----------------|----------|---------------|-----------|------------------------|----------|--------------|--------------------------|---|---|
| <p>Glory Pinnacle (國瑞瑞城), located south of Lingyuan Road (陵園路) and west of Fuhe Avenue (滏河大街) in Hanshan District (邯山區), Handan, Hebei Province, PRC</p> | <p>The Property is a developing large-scale residential community and it comprises four neighbouring pieces of land grouping an irregular-shaped land lot with a total site area of 161,735.80 sq m.</p> <p>According to the development plan, the Property will comprise high-rise residential, shopping mall, retail podium, kindergarten, underground car park and other facilities with a total proposed sellable GFA 647,828.36 sq m. and 3,659 car spaces. Detailed GFA of the Property is listed below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Portions</th> <th style="text-align: right;">Sellable GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td>Pre-sold High-rise</td> <td style="text-align: right;">231,351.08</td> </tr> <tr> <td>Pre-sold Retail</td> <td style="text-align: right;">2,876.33</td> </tr> <tr> <td>Pre-sold Storage Space</td> <td style="text-align: right;">5,254.28</td> </tr> <tr> <td>High-rise</td> <td style="text-align: right;">196,787.01</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">10,965.37</td> </tr> <tr> <td>Storage Space</td> <td style="text-align: right;">35,394.45</td> </tr> <tr> <td>Pre-sold Car Park (Lot)</td> <td style="text-align: right;">818.00</td> </tr> <tr> <td>Car Park (Lot)</td> <td style="text-align: right;">1,789.00</td> </tr> <tr> <td>Shopping Mall</td> <td style="text-align: right;">97,313.15</td> </tr> <tr> <td>Car Park – wanda (Lot)</td> <td style="text-align: right;">1,052.00</td> </tr> <tr> <td>Total</td> <td style="text-align: right;"><u>647,828.36</u></td> </tr> </tbody> </table> | Portions | Sellable GFA (sq m) | Pre-sold High-rise | 231,351.08 | Pre-sold Retail | 2,876.33 | Pre-sold Storage Space | 5,254.28 | High-rise | 196,787.01 | Retail | 10,965.37 | Storage Space | 35,394.45 | Pre-sold Car Park (Lot) | 818.00 | Car Park (Lot) | 1,789.00 | Shopping Mall | 97,313.15 | Car Park – wanda (Lot) | 1,052.00 | Total | <u>647,828.36</u> | <p>At the date of our inspection, the Property was under construction. As advised, the construction work of residential portion was commenced in Q1 2018 and was scheduled to be completed in 2021; the construction work of the shopping mall portion was scheduled to be completed in 2020.</p> | <p>RMB2,911,000,000 (RENMINBI TWO BILLION NINE HUNDRED ELEVEN MILLION)</p> |
| Portions | Sellable GFA (sq m) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold High-rise | 231,351.08 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold Retail | 2,876.33 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold Storage Space | 5,254.28 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High-rise | 196,787.01 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retail | 10,965.37 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Storage Space | 35,394.45 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold Car Park (Lot) | 818.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Park (Lot) | 1,789.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shopping Mall | 97,313.15 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Park – wanda (Lot) | 1,052.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>647,828.36</u> | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Pursuant to four Real Estate Ownership Certificates provided, the land-use rights of the Property have been granted for a term expiring on 1 January 2087 for residential uses and 1 January 2057 for retail uses, respectively.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes:

- (i) Pursuant to the following State-owned Land-use Rights Grant Contract (國有土地使用權出讓合同), the land-use rights of the Property have been granted to Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司). Details are listed below:

| Contract Number | Date of Issuance | Use | Site Area (sq m) |
|-----------------|------------------|------------------------|---------------------|
| C13040220160008 | 3 October 2016 | Residential and retail | 161,735.80 |
| Total: | | | 161,735.80 |

- (ii) Pursuant to the following Real Estate Ownership Certificates (不動產權證), the land-use rights of the Property have been granted to Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|---|------------------|------------------------|---------------------|
| Ji (2017) Han Dan Shi Bu Dong Chan Quan Di 0020741 Hao | 21 August 2017 | Residential | 43,808.80 |
| Ji (2017) Han Dan Shi Bu Dong Chan Quan Di 0019991 Hao | 11 August 2017 | Residential and retail | 34,800.50 |
| Ji (2017) Han Dan Shi Bu Dong Chan Quan Di 0020736 Hao | 21 August 2017 | Residential | 75,061.80 |
| Ji (2017) Han Dan Shi Bu Dong Chan Quan Di 0020738 Hao | 21 August 2017 | Residential | 8,064.70 |
| Total: | | | 161,735.80 |

- (iii) Pursuant to the following Construction Land Planning Permit (建設用地規劃許可證), the planning of the construction land of the Property has been approved to Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|------------------------------|------------------|---|---------------------|
| Di Zi Di 130400201700016 Hao | 21 February 2017 | Residential, commercial and kindergarten | 174,452.70 |
| Total: | | | 174,452.70 |

- (iv) Pursuant to the following Construction Work Planning Permits (建設工程規劃許可證), the planning of the construction work of the Property has been approved to Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|--------------------------------|---|-------------------|-------------------|
| Jian Zi Di 130400201700075 Hao | Block 1-10# and retail 1#, Glory Pinnacle | 31 October 2017 | 387,384.05 |
| Jian Zi Di 130400201700070 Hao | Block 11, 12# and kindergarten, Glory Pinnacle | 15 September 2017 | 65,864.51 |
| Jian Zi Di 130400201700064 Hao | Retail portion of Glory Pinnacle | 1 September 2017 | 154,914.94 |
| Jian Zi Di 130400201800112 Hao | Block 5-7#, Glory Pinnacle | 20 December 2018 | 93,000.00 |
| Jian Zi Di 130400201900021 Hao | Block 1-4#, Glory Pinnacle | 22 March 2019 | 75,645.66 |
| Jian Zi Di 130400201800093 Hao | Block 1-12#, Glory Pinnacle and retail 1#, Glory Pinnacle Pipeline System | 24 December 2018 | |
| Jian Zi Di 130400201900020 Hao | Blocks A, B and C Residential Building | 22 March 2019 | 67,886.69 |
| Total: | | | 844,695.85 |

- (v) Pursuant to the following Construction Work Commencement Permits (建築工程施工許可證), the construction work of the Property has been approved to commence by Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|----------------------------|---|------------------|-------------------|
| No. 130400201803230101 Hao | Block 9, 10# and car park, Glory Pinnacle | 23 March 2018 | 105,890.67 |
| No. 130400201801110101 Hao | Block 11, 12#, Glory Pinnacle | 11 January 2018 | 61,000.59 |
| No. 130400201804170601 Hao | Block 1, 2, 3 & 4# and underground car park, Glory Pinnacle | 17 April 2018 | 128,310.28 |
| No. 130400201804260101 Hao | Block 5, 6, 7 & 8#, underground car park and Block 1# retail, Glory Pinnacle | 26 April 2018 | 153,183.10 |
| No. 130400201801110201 Hao | Kindergarten, Glory Pinnacle | 11 January 2018 | 4,863.92 |
| No. 130400201807030101 Hao | Retail portion of Glory Pinnacle | 3 July 2018 | 154,914.94 |
| No. 130400201905070301 Hao | Block 4, 5, 6 & 7#, underground car park and facilities, Glory Pinnacle | 7 May 2019 | 90,482.19 |
| No. 130400201905160301 Hao | Block 1, 2 & 3# and underground car park, Glory Pinnacle | 16 May 2019 | 78,163.47 |
| No. 130400201907170501 Hao | Blocks A, B and C Residential Building | 17 July 2019 | 67,886.69 |
| Total: | | | 844,695.85 |

- (vi) Pursuant to the following Commodity Housing Pre-sale Permits (商品房預售銷售許可證), the commodity housing pre-sale of the Property has been approved to Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|------------------------------------|-------------------------------|------------------|--------------------------|
| Han Shen Pi Yu Shou (2018) 057 Hao | Building 11# Pinnacle Jiayuan | 14 August 2018 | 27,566.04 |
| Han Shen Pi Yu Shou (2018) 154 Hao | Building 12# Pinnacle Jiayuan | 21 December 2018 | 27,000.32 |
| Han Shen Pi Yu Shou (2018) 027 Hao | Block 1# retail Building | 12 June 2018 | 2,410.45 |
| Han Shen Pi Yu Shou (2019) 144 Hao | Block 5# Building | 14 August 2019 | 32,132.76 |
| Han Shen Pi Yu Shou (2019) 109 Hao | Block 6# Building | 26 June 2019 | 22,395.88 |
| Han Shen Pi Yu Shou (2019) 110 Hao | Block 9# Building | 26 June 2019 | 32,325.93 |
| Han Shen Pi Yu Shou (2019) 145 Hao | Block 10# Building | 14 August 2019 | 32,532.55 |
| Han Shen Pi Yu Shou (2019) 079 Hao | Block 7# Building | 16 May 2019 | 32,288.10 |
| Han Shen Pi Yu Shou (2019) 084 Hao | Block 1# Building | 4 June 2019 | 24,529.27 |
| Han Shen Pi Yu Shou (2019) 085 Hao | Block 2# Building | 4 June 2019 | 24,632.53 |
| Han Shen Pi Yu Shou (2019) 086 Hao | Block 4# Building | 4 June 2019 | 32,554.64 |
| Han Shen Pi Yu Shou (2020) 015 Hao | Block 3# Building | 14 February 2020 | 11,113.63 |
| Han Shen Pi Yu Shou (2020) 016 Hao | Block 8# Building | 14 February 2020 | 24,732.51 |
| Han Shen Pi Yu Shou (2020) 210 Hao | Block 7# Building | 24 June 2020 | 14,414.73 |
| Total: | | | <u>340,629.34</u> |

- (vii) The gross development value of the Property as at the Valuation Date is assessed at approximately RMB6,207,000,000.
- (viii) As advised, the total budget construction cost of the Property is approximately RMB3,049,000,000 and upon the valuation date, the paid-up construction cost is approximately RMB1,180,000,000, which has been taken into account in our valuation.
- (ix) According to the information provided, as at the valuation date, portion of the Property with a Sellable GFA of 239,481.69 sq m and 818 underground car park lots have been pre-sold but not yet handed over, with a total sales amount of approximately RMB2,348,000,000. As instructed by the Client, we have taken it into account in our valuation.
- (x) The general description and market information of the property are summarized below:

Location The Property is located south of Lingyuan Road (陵園路) and west of Fuhe Avenue (滏河大街) in Hanshan District (邯山區), Handan, Hebei Province, PRC.

Transportation Handan railway station is located approximately 3 kilometers away from the property. Also, taxi and bus are readily available in the locality.

Nature of Surrounding Area The subject area is a predominately residential area.

- (xi) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include high-rise residential ranges from RMB9,000 to RMB11,000 psm; retail podium ranges from RMB15,000 to RMB23,000 psm; and the car space ranges from RMB100,000 to RMB120,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, building facilities, age/maintenance, etc. to determine the unit price of the Property.

- (xii) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

| Document/Approval | Availability |
|--|---------------------|
| State-owned Land-use Rights Grant Contract | Yes |
| Real Estate Ownership Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | Yes |
| Construction Work Commencement Permit | Yes |
| Commodity Housing Pre-sale Permit | Yes |
| Construction Completion Certificate | No |
| Business License | Yes |

- (xiii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司) has the rights to use the land in accordance to the above-mentioned real estate ownership certificates. Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司) has the rights to use, transfer, lease, mortgage or other legal means to deal with the premises on the condition of adhering to the land-use and the land tenure.

Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司) has obtained the necessary permits and approvals for the construction work of the aforementioned Glory Pinnacle (國瑞瑞城).

VALUATION SUMMARY – PROPERTY 8

| Property | Description and Tenure | Particulars of Occupancy | Market Value in Existing State as at 31 August 2020 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--------------------------|---|-----------|-----------|--------------------|------------|---------------|-----------|-----------------|--|--------|--------|--------------------|----------|--------------|-----------|------------------|--|------|-----------|----------------|-------|-------------------|--|-------|-----|--------------|--|---------|-------------------|--------------|--------------------------|--|---|
| Fugui City (富貴城), located north of Xinhua Road (新華路) and west of West 2nd Ring Road (西二環路路), Qiaoxi District (橋西區), Shijiazhuang, Hebei Province, PRC | <p>The Property is a developing residential community located in Qiaoxi District. It comprises an irregular-shaped land lot with a total site area of 128,299.60 sq m, of which, 62,861.36 sq m is allocated.</p> <p>According to the development plan, the Property will comprise high-rise residential, retail podiums and underground car park with a total proposed sellable gross floor area (GFA) of 787,371.41 sq m and 1,454 car spaces. Besides, the Property also includes a portion of resettlement housing (回遷房) with a total GFA of 482,050.00 sq m, details of which are listed below:</p> <table border="1" data-bbox="515 1017 855 1540"> <thead> <tr> <th data-bbox="515 1017 603 1038">Portions</th> <th data-bbox="772 1017 855 1102">Sellable GFA (sq m)</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 1134 608 1155">High-rise</td> <td data-bbox="756 1134 855 1155">73,011.13</td> </tr> <tr> <td data-bbox="515 1161 699 1183">Pre-sold High-rise</td> <td data-bbox="740 1161 855 1183">174,238.22</td> </tr> <tr> <td data-bbox="515 1189 655 1210">Retail Podium</td> <td data-bbox="756 1189 855 1210">12,412.82</td> </tr> <tr> <td data-bbox="515 1217 663 1238">Pre-sold Retail</td> <td></td> </tr> <tr> <td data-bbox="536 1244 616 1266">Podium</td> <td data-bbox="788 1244 855 1266">243.10</td> </tr> <tr> <td data-bbox="515 1272 699 1293">Stand-alone Retail</td> <td data-bbox="756 1272 855 1293">6,547.32</td> </tr> <tr> <td data-bbox="515 1300 655 1321">Storage Room</td> <td data-bbox="756 1300 855 1321">15,137.37</td> </tr> <tr> <td data-bbox="515 1327 679 1349">Pre-sold Storage</td> <td></td> </tr> <tr> <td data-bbox="536 1355 616 1376">Room</td> <td data-bbox="756 1355 855 1376">23,731.45</td> </tr> <tr> <td data-bbox="515 1383 663 1404">Car Park (Lot)</td> <td data-bbox="788 1383 855 1404">1,019</td> </tr> <tr> <td data-bbox="515 1410 695 1432">Pre-sold Car Park</td> <td></td> </tr> <tr> <td data-bbox="536 1438 592 1459">(Lot)</td> <td data-bbox="804 1438 855 1459">435</td> </tr> <tr> <td data-bbox="515 1466 639 1487">Resettlement</td> <td></td> </tr> <tr> <td data-bbox="536 1493 616 1515">housing</td> <td data-bbox="740 1493 855 1515"><u>482,050.00</u></td> </tr> <tr> <td data-bbox="515 1576 571 1598">Total</td> <td data-bbox="740 1576 855 1598"><u>787,371.41</u></td> </tr> </tbody> </table> | Portions | Sellable GFA (sq m) | High-rise | 73,011.13 | Pre-sold High-rise | 174,238.22 | Retail Podium | 12,412.82 | Pre-sold Retail | | Podium | 243.10 | Stand-alone Retail | 6,547.32 | Storage Room | 15,137.37 | Pre-sold Storage | | Room | 23,731.45 | Car Park (Lot) | 1,019 | Pre-sold Car Park | | (Lot) | 435 | Resettlement | | housing | <u>482,050.00</u> | Total | <u>787,371.41</u> | As at the date of valuation, the Property was under construction. As advised, the construction work was scheduled to be completed in 2020. | RMB2,851,000,000 (RENMINBI TWO BILLION EIGHT HUNDRED FIFTY ONE MILLION) |
| Portions | Sellable GFA (sq m) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High-rise | 73,011.13 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold High-rise | 174,238.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retail Podium | 12,412.82 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold Retail | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Podium | 243.10 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stand-alone Retail | 6,547.32 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Storage Room | 15,137.37 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold Storage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Room | 23,731.45 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Park (Lot) | 1,019 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pre-sold Car Park | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| (Lot) | 435 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Resettlement | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| housing | <u>482,050.00</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total | <u>787,371.41</u> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Property have been granted for a term expiring on 11 October 2083 for residential uses and 11 October 2063 for science and education uses, respectively.

Notes:

- (i) Pursuant to the following Real Estate Ownership Certificates (不動產權證), the land-use rights of the Property have been granted to Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--|------------------|-----------------------|---------------------|
| Ji (2018) Shi Jia Zhuang Shi Bu Dong Chan Quan Di 0081764 Hao | 16 November 2018 | Residential | 62,368.44 |
| Ji (2018) Shi Jia Zhuang Shi Bu Dong Chan Quan Di 0081767 Hao | 16 November 2018 | Science and Education | 3,069.80 |
| | | Total: | 65,438.24 |

Pursuant to the following Real Estate Ownership Certificates (不動產權證), the land-use rights of the Property have been allocated (劃撥) to Liuying Residents' committee, Qiaoxi District, Shijiazhuang (石家莊橋西區留營社區居民委員會). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--|-------------------|---------------|---------------------|
| Ji (2016) Shi Jia Zhuang Shi Bu Dong Chan Quan Di 0064397 Hao | 14 September 2016 | Residential | 16,719.66 |
| Ji (2016) Shi Jia Zhuang Shi Bu Dong Chan Quan Di 0064404 Hao | 14 September 2016 | Residential | 28,381.36 |
| Ji (2016) Shi Jia Zhuang Shi Bu Dong Chan Quan Di 0064396 Hao | 14 September 2016 | Residential | 17,760.34 |
| | | Total: | 62,861.36 |

- (ii) Pursuant to the following Construction Land Planning Permit (建設用地規劃許可證), the planning of the construction land of the Property has been approved to Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--------------------------|------------------|---------------|---------------------|
| Di Zi Di 130100201400109 | 18 August 2014 | Residential | 124,546.77 |
| | | Total: | 124,546.77 |

Pursuant to the following Construction Land Planning Permit (建設用地規劃許可證), the planning of the construction land of the Property has been approved to Liuying Residents' committee, Qiaoxi District, Shijiazhuang (石家莊橋西區留營社區居民委員會). Details are listed below:

| Certificate Number | Date of Issuance | Use | Site Area (sq m) |
|--------------------------|------------------|---------------|---------------------|
| Di Zi Di 130100201400113 | 20 August 2014 | Residential | 123,730.10 |
| | | Total: | 123,730.10 |

- (iii) Pursuant to the following Construction Work Planning Permit (建設工程規劃許可證), the planning of the construction work of the Property has been approved to Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國慶房地產開發有限公司). Details are listed below:

| Certificate Number | Project Area | Date of Issuance | GFA (sq m) |
|---|---|------------------|-------------------|
| Jian Zi Di Jian Guan 130100201405099 Hao | West of West 2nd Ring North Road and North of Shihuo South Road | 29 August 2014 | 420,957.30 |
| Total: | | | 420,957.30 |

Pursuant to the following Construction Work Planning Permit (建設工程規劃許可證), the planning of the construction work of the Property has been approved to Liuying Residents' committee, Qiaoxi District, Shijiazhuang (石家莊橋西區留營社區居民委員會). Details are listed below:

| Certificate Number | Project Area | Date of Issuance | GFA (sq m) |
|---|---|------------------|-------------------|
| Jian Zi Di Jian Guan 130100201405103 Hao | West of West 2nd Ring North Road and North of Shihuo South Road | 3 September 2014 | 397,544.46 |
| Total: | | | 397,544.46 |

- (iv) Pursuant to the following Construction Work Commencement Permits (建築工程施工許可證), the construction work of the Property has been approved to commence by Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國慶房地產開發有限公司). Details are listed below:

| Certificate Number | Project Area | Date of Issuance | GFA (sq m) |
|------------------------|---|------------------|-------------------|
| No. 130104201805290101 | West of West 2nd Ring Road and North of Xinhua Road | 29 May 2018 | 225,492.00 |
| No. 130104201805290201 | West of West 2nd Ring Road and North of Xinhua Road | 29 May 2018 | 153,969.00 |
| Total: | | | 379,461.00 |

Pursuant to the following Construction Work Commencement Permit (建築工程施工許可證), the construction work of the Property has been approved to commence by Liuying Residents' committee, Qiaoxi District, Shijiazhuang (石家莊橋西區留營社區居民委員會). Details are listed below:

| Certificate Number | Project Area | Date of Issuance | GFA (sq m) |
|------------------------|---|------------------|------------------|
| No. 130104201902190101 | West of West 2nd Ring North Road and North of Shihuo South Road | 19 February 2019 | 97,020.71 |
| Total: | | | 97,020.71 |

- (v) Pursuant to the following Commodity Housing Pre-sale Permits (商品房預售銷售許可證), the commodity housing pre-sale of the Property has been approved to Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司). Details are listed below:

| Certificate Number | Project Name | Date of Issuance | GFA (sq m) |
|---|-------------------------------------|------------------|--------------------------|
| Shi Xing Shen Yu Shou Xu Jue (2019) 17 Hao | Shijiazhuang (Guosha Fugui City) | 20 February 2019 | 345,990.07 |
| | | Total: | <u>345,990.07</u> |

- (vi) The gross development value of the Property as at the Valuation Date is assessed at approximately RMB2,960,000,000.
- (vii) As advised, the total budget construction cost of the Property is approximately RMB800,000,000 and upon the valuation date, the paid-up construction cost is approximately RMB596,388,000, which has been taken into account in our valuation. Besides, the total cost of resettlement housing portion of RMB436,000,000 has also been considered in our valuation.
- (viii) According to the information provided, as at the valuation date, portion of the Property with a total GFA of 198,212.77 sq m and car park 435 unit have been pre-sold but not yet handed over, with a total sales amount of approximately RMB1,594,000,000.00. As instructed by the Client, we have taken it into account in our valuation.
- (ix) The general description and market information of the property are summarized below:

| | |
|-----------------------------------|---|
| Location | The Property is located north of Xinhua Road and west of West 2nd Ring Road, Qiaoxi District, Shijiazhuang, Hebei Province, PRC. |
| Transportation | Shijiazhuang Railway Station (石家莊站) is located approximately 6.5 kilometers away from the Property. Also, taxi and bus are readily available in the locality. |
| Nature of Surrounding Area | The subject area is a predominately residential area. |

- (x) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparables that had been selected include high-rise residential ranges from RMB8,500 to RMB14,000 psm; the retail ranges from RMB10,000 to RMB15,000 psm and the car space ranges from RMB140,000 to RMB200,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, building facilities, age/maintenance, etc. to determine the unit price of the Property.
- (xi) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

| Document/Approval | Availability |
|--|--------------|
| State-owned Land-use Rights Grant Contract | No |
| Real Estate Ownership Certificate | Yes |
| Construction Land Planning Permit | Yes |
| Construction Work Planning Permit | Yes |
| Construction Work Commencement Permit | Yes |
| Commodity Housing Pre-sale Permit | Yes |
| Construction Completion Certificate | No |
| Business License | Yes |

- (xii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司) has the rights to use the land in accordance to the above-mentioned real estate ownership certificates. Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司) has the rights to use, transfer, lease, mortgage or other legal means to deal with the premises on the condition of adhering to the land-use and the land tenure.

Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司) has obtained the necessary permits and approvals for the construction work of the aforementioned Fugui City (富貴城).

The following is the text of a letter, a summary of values and summary reports prepared for the purpose of incorporation in this circular received from Beijing Colliers International Real Estate Valuation Co., Ltd., an independent valuer, in connection with its valuation as at 31 August 2020 of the equity value of the Target Companies held by the Group.

Beijing Colliers International Real Estate Valuation Co., Ltd.

Suite 510, Tower W3, Oriental Plaza,
No. 1 East Chang'an Avenue, Dongcheng District,
Beijing, China



The Board of Directors

GUORUI PROPERTIES LIMITED

27 November 2020

Dear Sir/Madam,

Re: Valuations of Equity Interest of 8 Companies in the People's Republic of China (Together known as the "Target Companies" and Individually the "Target Company")

With reference to your instructions received on 3 September 2020, we have prepared a report setting out our opinion of the market value of 8 Companies which are listed in the table below.

| No. | Company Name | Interest Attributable to the Group |
|-----|--|------------------------------------|
| 1. | Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司) ("Company 1") | 35% |
| 2. | Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司) ("Company 2") | 68% |
| 3. | Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映輝灣房地產有限公司) ("Company 3") | 52% |
| 4. | Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司) ("Company 4") | 35% |
| 5. | Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司) ("Company 5") | 35% |
| 6. | Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司) ("Company 6") | 51% |
| 7. | Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司) ("Company 7") | 35% |
| 8. | Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司) ("Company 8") | 51% |

The target companies above are all principally engaged in the real estate developing of the development and property management. They all have developing residential properties, together known as the “Target Developments” and Individually the “Target Development”.

We confirm that we have made relevant enquiries and obtained such further information as we consider necessary to allow us to provide you with our opinion of value, as at 31 August 2020 (the “Valuation Date”), for Public Disclosure purposes.

This report is for your sole use and for the purposes indicated and no liability to any third party can be accepted for the whole or any part of the contents of the document. Neither the whole nor any part of this valuation report nor any reference thereto may be included in any published documents, circular or statement, nor published in any way whatsoever without prior written approval of Beijing Colliers International Real Estate Valuation Co., Ltd. (“Colliers International”) as to the form and context in which it may appear.

If you have any queries concerning the report, please feel free to contact Flora, who would be most pleased to help.

Yours faithfully,

For and on behalf of

Beijing Colliers International Real Estate Valuation Co., Ltd.

Zhirong He (Flora He)

Registered Valuer (RICS)

FRICS MCOMFIN

Executive Director, Valuation and Advisory Services, China

Note: Ms. Zhirong He holds a Master Degree of Commerce (Finance and Business Information System). She is a Registered Valuer with over 18 years’ experience in real estate industry and assets valuation sector. Her experience on valuation covers Mainland China. Ms. He is a fellow member of the Royal Institution of Chartered Surveyors.

INSTRUCTIONS

In accordance with the instructions received from Guorui Properties Limited (the “Client”), we have undertaken a valuation exercise to express an independent opinion on the market value of the Equity Interest of the Target Companies. Our valuation work was performed subject to the assumptions and limiting conditions described in this report. We confirm that we have reviewed the information/documents provided by the Client, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of value the Target Companies as at 31 August 2020 (the “Valuation Date”).

We understand that the Target Companies are all principally engaged in the real estate developing, which are 8 companies in several provinces in China, and the Target Companies were established from 2009 to 2017.

| No. | Company Name | Location | Foundation date |
|-----|--|-----------------------------------|-----------------|
| 1. | Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司) | Foshan, Guangdong Province, PRC | 2012/05/24 |
| 2. | Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司) | Enping, Guangdong Province, PRC | 2017/03/28 |
| 3. | Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司) | Jiangmen, Guangdong Province, PRC | 2009/11/17 |
| 4. | Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司) | Tianjin, PRC | 2013/06/18 |
| 5. | Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司) | Sanya, Hainan Province, PRC | 2016/07/06 |
| 6. | Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司) | Chongqing, PRC | 2013/06/14 |
| 7. | Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司) | Handan, Hebei Province, PRC | 2016/01/13 |
| 8. | Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司) | Shijiazhuang, Hebei Province, PRC | 2011/03/18 |

This report outlines the purpose of valuation, premise of value, sources of information, identifies the business appraised, describes the valuation methodology of our valuation, assumptions and limiting conditions, and presents our investigation, analysis and our opinion of value.

PURPOSE OF VALUATION

The purpose of this valuation is to express an independent opinion on the market value of the Equity Interest of the Target Companies as at the Valuation Date. It is our understanding that this valuation will be used by the Client for Public Disclosure purposes in relation to the termination of the Capital Contribution Arrangements of the Equity Interest of the Target Companies.

This report is being prepared solely for the use of the Client for the above-mentioned purpose and is not to be used for any other purpose, including issue to third parties, without our prior approval of the use, form and context in which it is released.

Colliers International assumes no responsibility whatsoever to any person other than the directors and management of the Client 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 on their own risk.

BASIS OF VALUATION

Our valuation has been prepared in accordance with the Business Valuation Standards (First Printed 2005) published by the Hong Kong Business Valuation Forum and the International Valuation Standards 2020 published by the International Valuation Standards Council, where applicable.

Our valuation is based on the going concern premise and conducted on a market value basis. Market value 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.

1. INTRODUCTION

1.1 Overview of the Target Companies

Company 1

Guangdong Hongtai Guotong Real Estate Co., Ltd (廣東宏泰國通地產有限公司) is a sole proprietorship venture based in Foshan City. The Target Company is engaged in (i) real estate developing and management; (ii) real estate sales agency; (iii) landscaping; (iv) mechanical equipment (except special equipment); (v) sales of construction material, hardware and electrical equipment; (vi) interior and exterior decoration.

We understand that Guangdong Hongtai Guotong Real Estate Co., Ltd (廣東宏泰國通地產有限公司) is principally engaged in the real estate developing of Elegant Mansion (藏瓏華府) (the "Target Development 1") and property management since its establishment in 2012.

Company 2

Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司) is a sole proprietorship venture based in En Ping City. The Target Company is engaged in (i) real estate development and management; (ii) real estate agency; (iii) landscaping construction; (iv) interior and exterior decoration; (v) mechanical equipment, construction material, hardware and electrical equipment; (vi) tourism service; (vii) property management; (viii) exhibition service.

We understand that Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司) is principally engaged in the real estate developing of Four Season Spring City (四季泉城) (the “Target Development 2”) and its property management since its establishment in 2017.

Company 3

Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司) is a sole proprietorship venture based in Jiangmen City. The Target Company is engaged in (i) real estate development and management; (ii) real estate sales agency; (iii) landscaping; (iv) mechanical equipment, construction material, hardware and electrical equipment; (v) interior and exterior decoration.

We understand that Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司) is principally engaged in the real estate developing of Lake Manor Villa (山湖海) (the “Target Development 3”) and property management since its establishment in 2009.

Company 4

Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司) is a sole proprietorship venture based in Tianjin City. The Target Company is engaged in (i) real estate developing and management; (ii) real estate consulting; (iii) interior and exterior decoration; (iv) landscaping; (v) household service; (vi) property management (vii) wholesale and retail of construction material, metal material, metallic mineral products, ironstone, iron powder, hardware and electrical equipment, chemical products (excl. dangerous goods), plastic products, rubber products, general merchandise, artware (excl. New Year Paintings).

We understand that Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司) main business is the developing of Brown Stone Town (融泰城) (the “Target Development 4”) and property management since its establishment in 2013.

Company 5

Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司) is a sole proprietorship venture based in Sanya City. The Target Company is engaged in (i) real estate development and management; (ii) real estate marketing planning; (iii) advertising agency; (iv) landscaping; (v) tourism industry development; (vi) tourism project development; (vii) hotel development; (viii) internet technology development.

We understand that Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司) main business is the development of Glory Hongtang Bay (國瑞·紅塘灣) (the “Target Development 5”) and property management since its establishment in 2016.

Company 6

Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司) is a sole proprietorship venture based in Chongqing City. The Target Company is engaged in (i) real estate developing; (ii) property management; (iii) sales of construction material (excl. dangerous goods); (iv) construction related business and (v) retail leasing.

We understand that Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司) main business is the real estate developing of Elegant Villa (書香溪墅) (the “Target Development 6”) and property management since its establishment in 2013.

Company 7

Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司) is a limited liability company based in Handan City. The Target Company is engaged in real estate developing and management.

We understand that Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國夏房地產開發有限公司) main business is the real estate developing of Glory Pinnacle (國瑞瑞城) (the “Target Development 7”) and its property management since its establishment in 2016.

Company 8

Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司) is a limited liability company based in Shijiazhuang City. The Target Company is engaged in (i) real estate developing and management; (ii) home sales agent; (iii) Landscaping project; (iv) Interior and exterior decoration; (v) Sales of mechanical equipment (excl. special equipment); (vi) construction materials (excl. wood) and (vii) sales of hardware and electricity.

We understand that Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司) main business is the real estate developing of Fugui City (富貴城) (the “Target Development 8”) and its property management since its establishment in 2011.

1.2 Overview of the Target Developments

Target Development 1

The Target Development 1, known as Elegant Mansion (藏瓏華府), is a developing composite development and it comprises three neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 202,610.67 sq m. According to the development plan, it will be developed into high-rise residential, apartment, retail and underground car park. As advised, the Property comprises the unsold portion with a total proposed sellable GFA of 356,553.25 sq m and 3,493 car spaces (3,472 unsold and 21 pre-sold).

At the date of our inspection, Portion of the Property was completed, while the other portion was under construction. As advised, the completed portion was completed in 2019 while the construction was commenced in Q4 2015 and scheduled to be completed in 2021.

More information of the Target Development 1, please refer to our valuation report on the Target Development 1.

Target Development 2

The Target Development 2, known as Four Season Spring City (四季泉城), is a developing residential and it comprises two neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 225,029.64 sq m. According to the development plan, the Property will be developed into high-rise residential, townhouse, retail and underground car park with a total proposed sellable GFA of 206,520.00 sq m and 1,620 car spaces. At the date of our inspection, the Property was under construction. As advised, the construction was commenced in Q3 2017 and scheduled to be completed in 2022.

More information of the Target Development 2, please refer to our valuation report on the Target Development 2.

Target Development 3

The Target Development 3, known as Lake Manor Villa (山湖海), is a developing residential community and it comprises twelve neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 407,456.91 sq m. According to the development plan, the Property will be developed into high-rise residential, townhouse and retail with a total proposed sellable GFA of 569,339.98 sq m and 3,191 car spaces. At the date of our inspection, the Property was under construction. As advised, the construction was commenced in Q3 2017 and scheduled to be completed in 2023.

More information of the Target Development 3, please refer to our valuation report on the Target Development 3.

Target Development 4

The Target Development 4, known as Brown Stone Town (融泰城), is a developing residential community located at No. 215 Xiuchuan Road (秀川路), Liqizhuang Street (李七莊街), Xiqing District (西青區), Tianjin. It comprises an irregular-shaped land lot with a total site area of 137,816.40 sq m. According to the development plan, the Target Development 4 will be developed in three phases and comprise high-rise residential, garden house and underground car park. The Property comprises the unsold portion of completed portion and construction in progress (CIP) of Brown Stone Town with a total proposed sellable GFA of 132,725.80 sq m and 1,616 car spaces. At the date of our inspection, the Phase I were completed while Phases II and III were under construction. As advised, the construction work of Phases II and III is scheduled to be completed in Q2 2021 and Q4 2022, respectively.

More information of the Target Development 4, please refer to our valuation report on the Target Development 4.

Target Development 5

The Target Development 5, known as Glory Hongtang Bay (國瑞•紅塘灣), is a developing residential community and it comprises five neighbouring pieces of land, grouping an irregular-shaped land lot with a total site area of 96,736.87 sq m. According to the development plan, the Property will be developed into mid-rise residential, apartment, townhouse and underground car park with the unsold portion with a total proposed sellable GFA of 106,232.79 sq m and 76,074.57 sq m of car spaces. At the date of our inspection, the Property was under construction. As advised, the construction was commenced in Q2 2017 and is scheduled to be completed in 2022.

More information of the Target Development 5, please refer to our valuation report on the Target Development 5.

Target Development 6

The Target Development 6, known as Elegant Villa (書香溪墅), is a developing residential community located at Lot U10-1-1/02, U10-1-6/02 and U10-1-10/02, Xiyong Group (西永組團), Shapingba District (沙坪壩區), Chongqing. It comprises three neighbouring pieces of land grouping an irregular-shaped land lot with a total site area of 205,947.00 sq m. According to the development plan, the Target Development 6 will be developed into high-rise residential, garden house, townhouse and underground car park with a total proposed sellable GFA of 102,492.08 sq m and 2,323 car spaces. As at the date of valuation, portion of the Target Development 6 was completed between 2017 and 2019, while the other portion was still under construction. As advised, the construction work is scheduled to be completed in 2020.

More information of the Target Development 6, please refer to our valuation report on the Target Development 6.

Target Development 7

The Target Development 7, known as Glory Pinnacle (國瑞瑞城), is a developing residential community located south of Lingyuan Road (陵園路) and west of Fuhe Avenue (滄河大街), Hanshan District (邯山區), Handan. It comprises four neighbouring pieces of land grouping an irregular-shaped land lot with a total site area of 161,735.80 sq m. According to the development plan, the Target Development 7 will comprise high-rise residential, apartment, shopping mall, retail podium, club house, underground car park and other facilities with a total proposed sellable GFA of 647,828.36 sq m and 3,659 car spaces. As advised, the construction was commenced in Q1 2018 and was scheduled to be completed in 2021. At the time of our inspection, the Target Development 7 was under construction.

More information of the Target Development 7, please refer to our valuation report on the Target Development 7.

Target Development 8

The Target Development 8, known as Fugui City (富貴城), is a developing residential community located north of Xinhua Road (新華路) and west of West 2nd Ring Road (西二環路), Qiaoxi District (橋西區), Shijiazhuang. It comprises an irregular-shaped land lot with a total site area of 128,299.60 sq m, of which, 62,861.36 sq m is allocated. According to the development plan, the Target Development 8 will comprise high-rise residential, retail podiums and underground car park with a total proposed GFA of 787,371.41 sq m and 1,454 car spaces. As advised, the construction was commenced in Q1 2019 and was scheduled to be completed in Q4 2020. At the time of our inspection, the Target Development 8 was under construction.

More information of the Target Development 8, please refer to our valuation report on the Target Development 8.

2. SCOPE OF SERVICE

This engagement involved an analysis of the Target Companies as at the Valuation Date. In undertaking this valuation assignment, we have conducted the following steps to evaluate the reasonableness of the adopted bases and assumptions provided by the Client or its representatives:

- Conducted property visit;
- Conducted meeting(s) and/or discussion with the Client;
- Obtained the relevant financial and operational information related to the Target Companies and their business;
- Performed market research and obtained statistical data from public sources;
- Examined all relevant bases and assumptions of both the financial and operational information related to the subject matter, which were provided by the Client;
- Conducted valuation of the subject matter using the respective standards of value that are most appropriate; and
- Documented the result of our findings in this valuation report.

3. SOURCE OF INFORMATION

In conducting our valuation of the Equity Interest, we have considered, reviewed and relied upon the following key information provided by the Client. We relied on the following information in performing this appraisal:

- Background of the Target Companies and relevant corporate information;
- Business registration details of the Target Companies provided by the Client; and
- Financial statements of the Target Companies for the period ended 31 August 2020.

We assumed that the data and information we obtained in the course of the valuation, along with the opinions and representations provided to us by the Client are true and accurate and accepted them without independent verification except as expressly described herein. We have no reason to suspect that any material facts have been omitted, nor are we aware of any facts or circumstances, which would render the information, opinion and representations made to us to be untrue, inaccurate or misleading.

In addition, we have also obtained market data, industrial information and statistical figures from Bloomberg database and other publicly available sources.

4. VALUATION METHODOLOGY

4.1 Valuation Approach and Rationale

We have adopted the asset-based approach to assess the equity interest of the Target Companies. Asset-based approach indicates the value of a business or a company by adjusting the asset and liability balances on the valuation subject's balance sheet to their market value equivalents. Under this approach, the assets of a business or a company are valued by reference to their own worth and without necessarily considering what profits they can generate.

From a valuation perspective, the valuer will restate the values of all types of assets of a business entity from book value (i.e. historical cost minus depreciation) to appropriate standards of value. After the restatement, the valuer can identify the indicated value of the business entity, or, by applying the accounting principle "assets minus liabilities", arrive at the value of the equity interests of the business entity.

Inventory and investment real estate

In valuing the related property, which is held by the Target Company under development in the PRC, we have valued the property on the basis that they will be developed and completed in accordance with the latest development proposals provided to us. We have assumed that all consents, approvals and licenses from relevant government authorities for the development proposals have been obtained without onerous conditions or delays. In arriving at our opinion

of values, we have adopted the direct comparison approach by making reference to comparable sales transactions as available in the relevant markets and have also taken into account the expended construction costs and the costs that will be expended to complete the developments to reflect the quality of the completed developments.

Bank balances and cash, and tradable financial assets

For the valuation of bank balances and cash and tradable financial assets, we have adopted the book value in the management account as at the Valuation Date.

Account receivables, prepayments and other receivables

For the valuation of Account receivables, prepayments and other receivables, we have adopted the book value in the management account as at the Valuation Date based on Client's management assessed recoverable amount.

Other non-current asset

Such as property, plant and equipment, we have assumed the book value in the management account as Market Value as at the Valuation Date as we understand from the Client that the items were still in use as at the Valuation Date and the total amount was not expected to be significantly different from its Market Value.

Long-term equity investment

Determine the market value based on the product of the percentage of equity held by the target company on the Valuation Date and its valuation value.

Accounts payable, other payables and accrued charges

For the valuation of accounts payable, other payables and accrued charges, we have adopted the book value in the management account as at the Valuation Date.

Receipt in advance

For the valuation of receipt in advance, we have adopted the book value in the management account as at the Valuation Date.

Borrowings

For the valuation of borrowings, we have adopted the book value in the management account as at the Valuation Date.

Tax and deferred tax

For the valuation of tax and deferred tax, we have adopted the book value in the management account as at the Valuation Date.

4.2 Valuation of Inventory

The assets held by the Target Companies mainly include the inventories, the Target Developments, and other receivables, etc. Our valuation work has focused on the Target Developments valuation.

To estimate the market value of the Target Developments, we have considered the Residual Method to assess the market value.

Using above valuation approach, the market value of the Target Developments as at the Valuation Date is approximately RMB12,135,000,000.

The detailed descriptions of the valuation are listed in our valuation report on the Target Developments.

4.3 Valuation Result

Based on the analysis stated above and the approach employed, we are of the opinion that the valuation result of the equity interest of the Target Companies as at Valuation Date is as follows:

Company 1

| Account | Net Book Value <i>(RMB)</i> | Market Value <i>(RMB)</i> |
|-----------------------------|---------------------------------------|-------------------------------------|
| Cash and cash equivalents | 81,988,049 | 81,988,049 |
| Tradable financial assets | 2,400,000 | 2,400,000 |
| Account receivable | – | – |
| Prepayments | 2,112,944 | 2,112,944 |
| Inventory | 1,489,909,568 | 1,684,000,000 |
| Other receivables | 2,091,265,705 | 2,091,265,705 |
| Investment real estate | – | – |
| Long-term equity investment | 10,000,000 | 29,400,000 |
| Other non-current assets | 585,998 | 585,998 |
| Total assets | <u>3,674,036,376</u> | <u>3,828,726,808</u> |
| Total liabilities | <u>2,656,539,033</u> | <u>2,656,539,033</u> |
| Net assets | <u><u>1,017,497,343</u></u> | <u><u>1,172,200,000</u></u> |

Company 2

| Account | Net Book Value (RMB) | Market Value (RMB) |
|-----------------------------|---------------------------------|-------------------------------|
| Cash and cash equivalents | 14,257,460 | 14,257,460 |
| Tradable financial assets | – | – |
| Account receivable | – | – |
| Prepayments | 4,225,907 | 4,225,907 |
| Inventory | 383,169,978 | 300,000,000 |
| Other receivables | 293,916,098 | 293,916,098 |
| Investment real estate | – | – |
| Long-term equity investment | – | – |
| Other non-current assets | 25,354 | 25,354 |
| Total assets | 695,594,796 | 612,424,818 |
| Total liabilities | 641,780,398 | 641,780,398 |
| <i>Net assets</i> | 53,814,398 | 29,400,000 |

Company 3

| Account | Net Book Value (RMB) | Market Value (RMB) |
|-----------------------------|---------------------------------|-------------------------------|
| Cash and cash equivalents | 40,971,046 | 40,971,046 |
| Tradable financial assets | – | – |
| Account receivable | – | – |
| Prepayments | 12,969,229 | 12,969,229 |
| Inventory | 576,809,873 | 954,000,000 |
| Other receivables | 772,791,749 | 772,791,749 |
| Investment real estate | – | – |
| Long-term equity investment | – | – |
| Other non-current assets | 173,208 | 173,208 |
| Total assets | 1,403,715,105 | 1,780,905,232 |
| Total liabilities | 1,099,892,692 | 1,099,892,692 |
| <i>Net assets</i> | 303,822,413 | 681,000,000 |

Company 4

| Account | Net Book Value (RMB) | Market Value (RMB) |
|-----------------------------|---------------------------------|-------------------------------|
| Cash and cash equivalents | 81,071,057 | 81,071,057 |
| Tradable financial assets | – | – |
| Account receivable | – | – |
| Prepayments | 28,471,847 | 28,471,847 |
| Inventory | 1,277,363,240 | 1,244,000,000 |
| Other receivables | 660,195,577 | 660,195,577 |
| Investment real estate | – | – |
| Long-term equity investment | – | – |
| Other non-current assets | 281,949 | 281,949 |
| Total assets | 2,047,383,669 | 2,014,020,429 |
| Total liabilities | 1,551,704,550 | 1,551,704,550 |
| <i>Net assets</i> | 495,679,119 | 462,300,000 |

Company 5

| Account | Net Book Value (RMB) | Market Value (RMB) |
|-----------------------------|---------------------------------|-------------------------------|
| Cash and cash equivalents | 116,151,461 | 116,151,461 |
| Tradable financial assets | – | – |
| Account receivable | – | – |
| Prepayments | 11,704,150 | 11,704,150 |
| Inventory | 1,035,578,650 | 1,331,000,000 |
| Other receivables | 390,324,767 | 390,324,767 |
| Investment real estate | – | – |
| Long-term equity investment | – | – |
| Other non-current assets | 2,015,210 | 2,015,210 |
| Total assets | 1,555,774,238 | 1,851,195,588 |
| Total liabilities | 779,998,512 | 779,998,512 |
| <i>Net assets</i> | 775,775,726 | 1,071,200,000 |

Company 6

| Account | Net Book Value (RMB) | Market Value (RMB) |
|-----------------------------|---------------------------------|-------------------------------|
| Cash and cash equivalents | 144,029,095 | 144,029,095 |
| Tradable financial assets | – | – |
| Account receivable | – | – |
| Prepayments | 100,400 | 100,400 |
| Inventory | 707,076,493 | 860,000,000 |
| Other receivables | 111,335,854 | 111,335,854 |
| Investment real estate | – | – |
| Long-term equity investment | – | – |
| Other non-current assets | 190,497 | 190,497 |
| Total assets | 962,732,340 | 1,115,655,847 |
| Total liabilities | 697,993,591 | 697,993,591 |
| <i>Net assets</i> | 264,738,749 | 417,700,000 |

Company 7

| Account | Net Book Value (RMB) | Market Value (RMB) |
|-----------------------------|---------------------------------|-------------------------------|
| Cash and cash equivalents | 98,326,301 | 98,326,301 |
| Tradable financial assets | – | – |
| Account receivable | – | – |
| Prepayments | 901,534,869 | 901,534,869 |
| Inventory | 1,450,167,454 | 2,263,000,000 |
| Other receivables | 444,126,926 | 444,126,926 |
| Investment real estate | 649,247,623 | 648,000,000 |
| Long-term equity investment | – | – |
| Other non-current assets | 2,840,040 | 2,840,040 |
| Total assets | 3,546,243,213 | 4,357,828,136 |
| Total liabilities | 3,379,880,195 | 3,379,880,195 |
| <i>Net assets</i> | 166,363,018 | 977,900,000 |

Company 8

| Account | Net Book Value <i>(RMB)</i> | Market Value <i>(RMB)</i> |
|-----------------------------|---------------------------------------|-------------------------------------|
| Cash and cash equivalents | 136,478,550 | 136,478,550 |
| Tradable financial assets | – | – |
| Account receivable | – | – |
| Prepayments | 625,676,092 | 625,676,092 |
| Inventory | 2,167,507,288 | 2,851,000,000 |
| Other receivables | 361,695,000 | 361,695,000 |
| Investment real estate | – | – |
| Long-term equity investment | – | – |
| Other non-current assets | 992,590 | 992,590 |
| Total assets | <u>3,292,349,520</u> | <u>3,975,842,232</u> |
| Total liabilities | <u>3,003,929,808</u> | <u>3,003,929,808</u> |
| <i>Net assets</i> | <u><u>288,419,712</u></u> | <u><u>971,900,000</u></u> |

Note: the sum of figures may not add up to total due to rounding.

5. CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

6. LIMITING CONDITIONS

Our valuation is confidential to you, for your sole use and for the specific purpose stated. We will not accept responsibility to any third party in respect of its contents.

To the best of our knowledge, all data set forth in this report are reasonable and accurately determined. The data, opinions, or estimates identified as being furnished by others that have been used in formulating this analysis are gathered from reliable sources; yet, no guarantee is made nor liability assumed for their accuracy.

We have relied to a considerable extent on information provided by the Client in arriving at our opinion of value. We are not in the position to verify the accuracy of all information provided to us. However, we have had no reason to doubt the truth and accuracy of the information provided to us and to doubt that any material facts have been omitted from the information provided. No responsibilities for the operation and financial information that have not been provided to us are accepted.

Our opinion of the market value of the subject in this report is valid only for the stated purpose and only for the effective date of the appraisal. The valuation reflects facts and conditions existing at the date of valuation and subsequent events have not been considered. No responsibility is taken for any changes in the market conditions and no obligation is assumed to revise this report to reflect events or change of government policy or conditions which may occur subsequent to the date hereof.

No opinion is intended to be expressed for matters which require legal or other specialized expertise or knowledge, beyond that customarily employed by appraisers. Our conclusions assume continuation of prudent management of the Target Companies over a reasonable and necessary period of time to maintain the character and integrity of the assets valued.

7. CONCLUSION OF VALUE

In our opinion, on the basis of the information made available to us, the total market value of the equity interest of the Target Companies as of 31 August 2020 is reasonably estimated as shown in the following table.

| No. | Company Name | The total market value (RMB) | Interest Attributable to the Group | Market Value in Existing State as at 31 AUGUST 2020 (RMB) |
|-----|--|------------------------------------|---|---|
| 1. | Guangdong Hongtai Guotong Real Estate Co., Ltd. (廣東宏泰國通地產有限公司) | 1,172,200,000 | 35% | 410,270,000 |
| 2. | Guangdong Guosha Real Estate Co., Ltd. (廣東國廈地產有限公司) | -29,400,000 | 68% | -19,992,000 |
| 3. | Jiangmen Yinghuiwan Real Estate Co., Ltd. (江門映暉灣房地產有限公司) | 681,000,000 | 52% | 354,120,000 |
| 4. | Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd. (天津天富融盛房地產開發有限公司) | 462,300,000 | 35% | 161,805,000 |
| 5. | Sanya Jingheng Properties Co., Ltd. (三亞景恒置業有限公司) | 1,071,200,000 | 35% | 374,920,000 |
| 6. | Chongqing Guosha Real Estate Development Co., Ltd. (重慶國廈房地產開發有限公司) | 417,700,000 | 51% | 213,027,000 |
| 7. | Handan Guoxia Real Estate Development Co., Ltd. (邯鄲市國廈房地產開發有限公司) | 977,900,000 | 35% | 342,265,000 |
| 8. | Shijiazhuang Guosha Real Estate Development Co., Ltd. (石家莊國廈房地產開發有限公司) | 971,900,000 | 51% | 495,669,000 |

This conclusion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. While we have exercised our professional judgment in arriving at the appraisal, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Colliers International. You are advised to consider with caution the nature of such assumptions which are disclosed in this report and to exercise caution when interpreting this report.

We hereby certify that we have neither present nor prospective interests in the Client or the value reported.

In view of the limitations of market transaction data, the conclusion of this assessment does not consider the premium or discount of equity transactions due to factors such as controlling stakes or minority interests, nor the impact of the lack of liquidity factors on the assessment conclusions.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

(1) Directors' Interests in the Shares, underlying Shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and/or short positions (as applicable) of the Directors in the Shares, underlying Shares and debentures of the Company or any of the Company's associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, are as follows:

(A) Long positions in the Shares

| Name of Director | Nature of interest | Number of Shares | Approximate percentage of interest in the Company |
|-------------------------------|--------------------------------------|------------------|---|
| Chairman Zhang ⁽¹⁾ | Interest of a controlled corporation | 3,397,713,570 | 76.45% |
| Ruan Wenjuan ⁽¹⁾ | Interest of your spouse | 3,397,713,570 | 76.45% |
| Lin Yaoquan | Beneficial owner | 23,453,000 | 0.53% |
| | Interest of your spouse | 1,173,500 | 0.03% |

Note (1): Alltogether Land Company Limited ("Alltogether") is wholly owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the Shares held by Alltogether. Further, as Ms. Ruan Wenjuan, an executive Director of the Company, is the spouse of Chairman Zhang. Ms. Ruan Wenjuan is also deemed to be interested in the Shares held by Alltogether under the SFO.

(B) Long positions in the underlying Shares of the Company

| Name of Director | Nature of interest | Number of Shares in the Company subject to options granted under the Pre-IPO Share Option Scheme | Approximate percentage of interest in the Company |
|------------------|--------------------|---|--|
| Ruan Wenjuan* | Beneficial owner | 3,500,000 | 0.08% |
| Zhang Jin | Beneficial owner | 3,500,000 | 0.08% |
| Li Bin | Beneficial owner | 2,300,000 | 0.05% |
| Dong Xueer | Beneficial owner | 1,890,000 | 0.04% |

* As Chairman Zhang is the spouse of Ms. Ruan Wenjuan, Chairman Zhang is deemed to be interested in the above underlying Shares held by Ms. Ruan Wenjuan.

(C) Interest in associated corporations of the Company

| Name of Director | Nature of interest | Name of associated corporation | Approximate percentage of shareholding |
|------------------|--------------------|--------------------------------------|--|
| Chairman Zhang | Beneficial owner | Alltogether | 100% |

(D) Interest in debentures of the Company

US\$295,000,000 13.5% Senior Notes due 2022 (the Additional Notes) (consolidated and form a single series with the U.S.\$160,000,000 13.5% Senior Notes due 2022 issued on Feb 27, 2019) (“**2022 Senior Notes**”):

| Name of Director | Nature of interest | Amount of debentures of the Company held | Approximate percentage of interest of the 2022 Senior Notes ⁽²⁾ |
|-------------------------------|---|--|--|
| Chairman Zhang ⁽¹⁾ | Interest of a controlled corporation | US\$5,000,000 | 1.10% |
| Ruan Wenjuan | Interest of spouse | US\$5,000,000 | 1.10% |

Note (1): Alltogether is wholly-owned by Chairman Zhang. As such, Chairman Zhang, through Alltogether, is indirectly interested in the debentures held by Alltogether.

Note (2): Proportionate interests is calculated based on the principal amount in aggregate of 2022 Senior Notes.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(2) Substantial Shareholders' Interests in the Shares, underlying Shares and debentures of the Company

So far as it is known to the Directors, as at the Latest Practicable Date, the following person (not being a Director or chief executive of the Company) had an interest or short position in the Shares or underlying Shares of the Company which was required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO:

| Name of substantial shareholder | Nature of interest | Number of Shares | Approximate percentage of interest in the Company |
|--|---------------------------|-------------------------|--|
| Alltogether ⁽¹⁾ | Beneficial owner | 3,397,713,570 | 76.45% |

Note (1): Chairman Zhang is the sole director of Alltogether.

Alltogether also holds 2022 Senior Notes with an principal amount of US\$5,000,000.

3. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, as far as the Directors are aware, there is no material adverse change in the financial or trading position of the Group since December 31, 2019, being the date to which the latest published audited accounts of the Group were made up.

4. EXPERT AND CONSENT

The following is the qualification of the experts who have provided their opinions or advices, which are contained in this circular:

| Name | Qualification |
|---|--|
| VBG Capital | A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |
| Colliers International (Hong Kong) Ltd. | Independent property valuer |
| Beijing Bright Law Firm | PRC legal advisers |

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which they are respectively included in this circular.

As at the Latest Practicable Date, each of the above experts was not beneficially interested in the equity interest of any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate other persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

Each of the above experts did not have any direct or indirect interest in any assets which have been, since December 31, 2019, being the date to which the latest published audited consolidated accounts of the Company were made up, acquired or disposed of by or leased to, or were proposed to be acquired or disposed of by or leased to, any member of the Group.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contract with the Company or any other member of the Group, which is not terminable by the Group within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS

As at the Latest Practicable Date, none of the Directors had any interest in any assets which have been since December 31, 2019 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group. Save as disclosed in this circular, as at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors or their respective close associates had interests in the businesses, other than being a Director, which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling Shareholder).

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at RM2802, 28/F, Harbour Centre, 25 Harbour Road, Wan Chai, Hong Kong during normal business hours on any weekday (except public holidays) from the date of this circular up to and including December 10, 2020:

- (1) the agreements in relation to the Capital Contribution Arrangements;
- (2) the Termination Agreements;
- (3) the letter from the Independent Board Committee, the text of which is set out in this circular;
- (4) the letter from VBG Capital, the text of which is set out in this circular;
- (5) the property valuation reports on the property projects held by the Target Companies, the text of which is set out in Appendix I to this circular;
- (6) the equity valuation reports on the equity interest of the Target Companies, the text of which is set out in Appendix II to this circular;
- (7) the written consents as referred to in this Appendix;
- (8) the circular of the Company in relation to the proposed capital contributions in seven real estate project companies dated May 10, 2018; and
- (9) this circular.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



GLORY 国瑞

GUORUI PROPERTIES LIMITED

國瑞置業有限公司

*(Incorporated in the Cayman Islands with limited liability
under the name of “Glory Land Company Limited (國瑞置業有限公司)”
and carrying on business in Hong Kong as “Guorui Properties Limited”)*
(Stock Code: 2329)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Guorui Properties Limited (the “**Company**”) will be held at 10:30 a.m. on Monday, December 14, 2020 at Office of the Chairman, 5 Floor, Zonghe Building, Wanji Industrial Park, Nanshan District, Shenzhen, PRC to consider, if thought fit, transact the following ordinary resolutions:

1. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

The termination agreement dated November 23, 2020 among the Company, Shantou Garden Group Co., Ltd.* (汕頭花園集團有限公司) (“**Garden Group**”), Beijing Guoxing Wanxun Technology and Trade Consulting Co., Ltd.* (北京國興萬訊科貿諮詢有限公司) (“**Guoxing Wanxun**”), Guangdong Hongtai Guotong Real Estate Co., Ltd.* (廣東宏泰國通地產有限公司) (“**Guangdong Hongtai Guotong**”), Beijing Guoxing Real Estate Limited* (北京國興地產有限公司) (“**Beijing Guoxing**”) and Chongqing Longsha Real Estate Development Co., Ltd.* (重慶龍廈房地產開發有限公司) (“**Chongqing Longsha**”), pursuant to which, among others, the arrangement in relation to the capital contribution in Guangdong Hongtai Guotong will be terminated, a copy of which has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and all transactions contemplated thereunder and the implementation thereof and any other agreements or documents in connection herewith be and are hereby approved, ratified and confirmed.

Any one Director be and is hereby authorised for and on behalf of the Company to take all steps necessary or expedient in his opinion to implement and/or give effect to the terms of the above termination agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company.”

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

2. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

The termination agreement dated November 23, 2020 among the Company, Garden Group, Guoxing Wanxun, Guangdong Hongtai Guotong and Guangdong Guosha Real Estate Co., Ltd.* (廣東國廈地產有限公司) (“**Guangdong Guosha**”), pursuant to which, among others, the arrangement in relation to the capital contribution in Guangdong Guosha will be terminated, a copy of which has been produced to the Meeting marked “B” and signed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and all transactions contemplated thereunder and the implementation thereof and any other agreements or documents in connection herewith be and are hereby approved, ratified and confirmed.

Any one Director be and is hereby authorised for and on behalf of the Company to take all steps necessary or expedient in his opinion to implement and/or give effect to the terms of the above termination agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company.”

3. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

The termination agreement dated November 23, 2020 among the Company, Garden Group, Guoxing Wanxun, Tianjin Guoxing Real Estate Co., Ltd.* (天津國興地產有限公司) and Tianjin Tianfu Rongsheng Real Estate Development Co., Ltd.* (天津天富融盛房地產開發有限公司) (“**Tianjin Tianfu Rongsheng**”), pursuant to which, among others, the arrangement in relation to the capital contribution in Tianjin Tianfu Rongsheng will be terminated, a copy of which has been produced to the Meeting marked “C” and signed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and all transactions contemplated thereunder and the implementation thereof and any other agreements or documents in connection herewith be and are hereby approved, ratified and confirmed.

Any one Director be and is hereby authorised for and on behalf of the Company to take all steps necessary or expedient in his opinion to implement and/or give effect to the terms of the above termination agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company.”

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

4. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

The termination agreement dated November 23, 2020 among the Company, Garden Group, Guoxing Wanxun, Guangdong Guosha Investment Holding Group Co., Ltd.* (廣東國廈投資控股集團有限公司) (“**Guangdong Guosha Investment**”) and Sanya Jingheng Properties Co., Ltd.* (三亞景恒置業有限公司) (“**Sanya Jingheng**”), pursuant to which, among others, the arrangement in relation to the capital contribution in Sanya Jingheng will be terminated, a copy of which has been produced to the Meeting marked “D” and signed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and all transactions contemplated thereunder and the implementation thereof and any other agreements or documents in connection herewith be and are hereby approved, ratified and confirmed.

Any one Director be and is hereby authorised for and on behalf of the Company to take all steps necessary or expedient in his opinion to implement and/or give effect to the terms of the above termination agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company.”

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

The termination agreement dated November 23, 2020 among the Company, Garden Group, Guoxing Wanxun, Shijiazhuang Guorui Real Estate Development Co., Ltd.* (石家莊國瑞房地產開發有限公司) (“**Shijiazhuang Guorui**”) and Handan Guoxia Real Estate Development Co., Ltd.* (邯鄲市國夏房地產開發有限公司) (“**Handan Guoxia**”), pursuant to which, among others, the arrangement in relation to the capital contribution in Handan Guoxia will be terminated, a copy of which has been produced to the Meeting marked “E” and signed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and all transactions contemplated thereunder and the implementation thereof and any other agreements or documents in connection herewith be and are hereby approved, ratified and confirmed.

Any one Director be and is hereby authorised for and on behalf of the Company to take all steps necessary or expedient in his opinion to implement and/or give effect to the terms of the above termination agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company.”

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

The termination agreement dated November 23, 2020 among the Company, Garden Group, Guoxing Wanxun, Chongqing Longsha and Chongqing Guosha Real Estate Development Co., Ltd.* (重慶國廈房地產開發有限公司) (“**Chongqing Guosha**”), pursuant to which, among others, the arrangement in relation to the capital contribution in Chongqing Guosha will be terminated, a copy of which has been produced to the Meeting marked “F” and signed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and all transactions contemplated thereunder and the implementation thereof and any other agreements or documents in connection herewith be and are hereby approved, ratified and confirmed.

Any one Director be and is hereby authorised for and on behalf of the Company to take all steps necessary or expedient in his opinion to implement and/or give effect to the terms of the above termination agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company.”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

The termination agreement dated November 23, 2020 among the Company, Garden Group, Guoxing Wanxun, Heshan Tengyue Real Estate Development Co., Ltd.* (鶴山市騰悅房地產開發有限公司), Guangdong Guosha Investment and Jiangmen Yinghuiwan Real Estate Co., Ltd.* (江門映暉灣房地產有限公司) (“**Jiangmen Yinghuiwan**”), pursuant to which, among others, the arrangement in relation to the capital contribution in Jiangmen Yinghuiwan will be terminated, a copy of which has been produced to the Meeting marked “G” and signed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and all transactions contemplated thereunder and the implementation thereof and any other agreements or documents in connection herewith be and are hereby approved, ratified and confirmed.

Any one Director be and is hereby authorised for and on behalf of the Company to take all steps necessary or expedient in his opinion to implement and/or give effect to the terms of the above termination agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company.”

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

The termination agreement dated November 23, 2020 among the Company, Garden Group, Guoxing Wanxun, Shijiazhuang Guorui, Shijiazhuang Guosha Real Estate Development Co., Ltd.* (石家莊國慶房地產開發有限公司) (“**Shijiazhuang Guosha**”), pursuant to which, among others, the arrangement in relation to the capital contribution in Shijiazhuang Guosha will be terminated, a copy of which has been produced to the Meeting marked “H” and signed by the chairman of the Meeting for the purposes of identification, and the terms and conditions thereof and all transactions contemplated thereunder and the implementation thereof and any other agreements or documents in connection herewith be and are hereby approved, ratified and confirmed.

Any one Director be and is hereby authorised for and on behalf of the Company to take all steps necessary or expedient in his opinion to implement and/or give effect to the terms of the above termination agreement and to agree such variations, amendments or waivers thereof as are, in the opinion of such Director, in the interests of the Company.”

By order of the Board
Guorui Properties Limited
Zhang Zhangsun
Chairman

Beijing, November 27, 2020

Registered office:
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place of
business in Hong Kong:*
RM2802, 28/F, Harbour Centre
25 Harbour Road, Wan Chai
Hong Kong

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares (the “**Shares**”) in the Company may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.
2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Shares shall alone be entitled to vote in respect thereof.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorized, and must be deposited with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) before 10:30 a.m. on Saturday, December 12, 2020.
4. The register of members of the Company will be closed from Wednesday, December 9, 2020 to Monday, December 14, 2020 (both days inclusive), during which period no transfer of the Shares will be effected. In order to qualify for attending the Meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Branch Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by no later than 4:30 p.m. on Tuesday, December 8, 2020.
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

As at the date of this notice, the Directors are:

Executive Directors

Mr. Zhang Zhangsun (Chairman), Ms. Ruan Wenjuan, Ms. Zhang Jin, Mr. Lin Yaoquan, Ms. Dong Xueer, and Mr. Li Bin

Independent non-executive Directors

Mr. Luo Zhenbang, Mr. Lai Siming and Ms. Chen Jingru

This notice is prepared in both English and Chinese. In the event of inconsistency, the English text of the notice shall prevail over the Chinese text.