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# THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Proposal, this Scheme Document 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 Golden Eagle Retail Group Limited, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Scheme Document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Scheme Document.

This Scheme Document appears for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Offeror or Golden Eagle Retail Group Limited nor is it a solicitation of any vote or approval in any jurisdiction. This Scheme Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. Scheme Shareholders residing in jurisdictions other than Hong Kong should inform themselves about and observe all legal and regulatory requirements applicable to them.

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**GOLDEN EAGLE RETAIL  
INVESTMENT LIMITED**

*(Incorporated in the Cayman Islands with  
limited liability)*

**GOLDEN EAGLE RETAIL GROUP LIMITED**

**金鷹商貿集團有限公司**

*(Incorporated in the Cayman Islands with  
limited liability)*

**(Stock Code: 3308)**

**(1) PROPOSED PRIVATISATION OF  
GOLDEN EAGLE RETAIL GROUP LIMITED  
BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT;  
AND  
(2) PROPOSED WITHDRAWAL OF LISTING OF  
GOLDEN EAGLE RETAIL GROUP LIMITED**

**Financial Adviser to the Offeror**



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



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Unless the context otherwise requires, capitalised terms used hereunder have the same meanings as those defined in Part I of this Scheme Document.

A letter from the Board is set out in Part III of this Scheme Document. A letter from the Independent Board Committee containing its advice to the Disinterested Scheme Shareholders in respect of the Proposal and the Scheme and as to voting is set out in Part IV of this Scheme Document. A letter from the Independent Financial Adviser to the Independent Board Committee, containing its advice to the Independent Board Committee in respect of the Proposal and the Scheme and as to voting is set out in Part V of this Scheme Document. An Explanatory Memorandum regarding the Proposal is set out in Part VI of this Scheme Document.

Notices convening the Court Meeting and the EGM to be held at Victoria Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15 September 2023 at 10:00 a.m. and 11:00 a.m. respectively (or in the case of the EGM, if later, as soon as practicable after the conclusion or adjournment of the Court Meeting) are set out in Appendix V and Appendix VI to this Scheme Document respectively. Whether or not you are able to attend the Court Meeting and/or the EGM, you are strongly urged to complete and sign the enclosed **pink** form of proxy in respect of the Court Meeting and the enclosed **white** form of proxy in respect of the EGM, in accordance with the instructions printed on them respectively, and to lodge them at the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than the respective times and dates as stated in the section headed "ACTIONS TO BE TAKEN" of this Scheme Document. The **white** form of proxy in respect of the EGM will not be valid if it is not so lodged. The **pink** form of proxy in respect of the Court Meeting may alternatively be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it) if it is not so lodged. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude you from attending and voting at the relevant meeting or any adjournment thereof should you so wish, and in such event, the relevant form of proxy will be revoked by operation of law.

This Scheme Document is issued jointly by the Offeror and the Company.

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

23 August 2023

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## **IMPORTANT NOTICE**

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### **PAST PERFORMANCE AND FORWARD-LOOKING STATEMENTS**

The performance and the results of operations of the Group contained in this Scheme Document are historical in nature and past performance is not a guarantee of the future results of the Group. This Scheme Document may contain forward-looking statements and opinions that involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions and you should not place undue reliance on such forward-looking statements and opinions. Subject to the requirements of applicable laws, rules and regulations, including the Takeovers Code, none of the Offeror, the Company, CMB International, the Independent Financial Adviser, any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal assumes any obligation to correct or update the forward-looking statements or opinions contained in this Scheme Document.

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## ACTIONS TO BE TAKEN

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### ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are entitled to attend and vote at the Court Meeting and the EGM are those whose names appear on the Register as at the Meeting Record Date. In order to qualify to vote at the Court Meeting and/or the EGM, all transfers of share ownership documents accompanied by the relevant share certificates must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:30 p.m. on Monday, 11 September 2023. A subsequent purchaser of the Shares will need to obtain the relevant proxy form(s) from the transferor if he or she wishes to attend or vote at the Court Meeting and/or the EGM.

Any person entitled to be registered as a registered holder of a Share in consequence of death of a Shareholder may, subject to satisfactory evidence having been produced to the Company, vote at the Court Meeting and/or the EGM (as the case may be) as if he/she was the registered holder of such Share. In order for such person to qualify to vote at the Court Meeting and/or the EGM, document(s) which is by law evidence of probate of the will, or the grant of letters of administration of the estate or confirmation as executor of the deceased Shareholder having been granted to such person must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong at least 48 hours before the time of holding of the Court Meeting or the EGM, as the case may be, or any adjournment thereof.

A **pink** form of proxy for use in connection with the Court Meeting and a **white** form of proxy for use in connection with the EGM are enclosed with this Scheme Document.

**Whether or not you are able to attend the Court Meeting and/or the EGM, you are strongly urged to complete and sign the enclosed pink form of proxy in respect of the Court Meeting and the enclosed white form of proxy in respect of the EGM in accordance with the instructions printed on them respectively, and to deposit them at the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong.**

In order to be valid, the **pink** form of proxy for use in connection with the Court Meeting should be lodged not later than 10:00 a.m. on Wednesday, 13 September 2023 (or not later than 48 hours before an adjourned Court Meeting). The **pink** form of proxy may alternatively be handed to the chairman of the Court Meeting at the Court Meeting who shall have absolute discretion as to whether or not to accept it. The **white** form of proxy for use in connection with the EGM must be lodged not later than 11:00 a.m. on Wednesday, 13 September 2023 (or not later than 48 hours before an adjourned EGM), failing which it will not be valid. The completion and return of the relevant forms of proxy will not preclude you from attending and voting in person at the relevant meeting or any adjournment thereof should you so wish and in such event, the relevant forms of proxy will be revoked by operation of law.

If you do not appoint a proxy and you do not attend and vote at the Court Meeting and/or the EGM, you will still be bound by the outcome of the Court Meeting and/or the EGM. You are therefore strongly encouraged to attend and vote at the Court Meeting and/or the EGM in person or by proxy.

Voting at the Court Meeting and the EGM will be taken by poll.

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## ACTIONS TO BE TAKEN

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### **Announcement of results of the Court Meeting and the EGM**

Joint announcement(s) will be made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. If all of the requisite resolutions are passed at those meetings, further announcement(s) will be made in relation to, amongst other things, the results of the Court Hearing, the Effective Date and the date of withdrawal of the listing of the Shares on the Stock Exchange.

### **Shareholders who have sold/transferred Shares should hand this Scheme Document and forms of proxy to the purchaser/transferee.**

If you have sold or transferred all of your Shares, you should at once hand this Scheme Document and the accompanying forms of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

**Shareholders and potential investors of the Company are advised to read this Scheme Document carefully, in particular, (i) the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part V of this Scheme Document, before voting at the Court Meeting and/or the EGM.**

### **Actions to be taken by Beneficial Owners whose Shares are deposited in CCASS**

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, you should, unless you are admitted to participate in CCASS as an Investor Participant:

- (a) contact your broker, custodian, nominee or other relevant person who is, or has in turn deposited such Shares with, a CCASS Participant regarding voting instructions to be given to such persons; or
- (b) arrange for some or all of such Shares to be withdrawn from CCASS and transferred them into your own name by lodging all the transfer documents with relevant share certificates on or before 4:30 p.m. on Monday, 11 September 2023 with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong if you wish to attend and vote (in person or by proxy) at the Court Meeting and/or the EGM.

The procedures for voting by the Investor Participants and other CCASS Participants with respect to Shares registered under the name of HKSCC Nominees Limited shall be in accordance with the "Operating Guide for Investor Participants", the "General Rules of CCASS" and the "CCASS Operational Procedures" in effect from time to time.

Only Scheme Shareholders whose Scheme Shares are registered in their own names in the Register on the Meeting Record Date will be entitled to attend and vote at the Court Meeting. Beneficial Owners who wish to individually vote should make arrangements to be registered as a member of the Company in their own name prior to the Meeting Record Date.

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## ACTIONS TO BE TAKEN

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### **Actions to be taken by Beneficial Owners whose Shares are held by a Registered Owner other than HKSCC Nominees Limited**

No person shall be recognised by the Company as holding any Shares on trust.

If you are a Beneficial Owner whose Shares are registered in the name of a nominee, trustee, depository or any other authorised custodian or third party (other than HKSCC Nominees Limited), you should contact such Registered Owner to give instructions to and/or to make arrangements with such Registered Owner as to the manner in which the Shares beneficially owned by you should be voted at the Court Meeting and/or the EGM.

If you are a Beneficial Owner who wishes to attend and vote at the Court Meeting and/or the EGM personally, you should:

- (a) contact the Registered Owner directly to make the appropriate arrangements with the Registered Owner to enable you to attend and vote at the Court Meeting and/or the EGM and, for such purpose, the Registered Owner may appoint you as its proxy; or
- (b) arrange for some or all of the Shares registered in the name of the Registered Owner to be transferred into your own name by lodging all the transfer documents with relevant share certificates on or before 4:30 p.m. on Monday, 11 September 2023 with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai Hong Kong, if you wish to attend and vote (in person or by proxy) at the Court Meeting and/or the EGM.

Instructions to and/or arrangements with the Registered Owner should be given or made in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM in order to provide the Registered Owner with sufficient time to complete his/her/its forms of proxy accurately and to submit them by the deadline. To the extent that any Registered Owner requires instructions from or arrangements to be made with any Beneficial Owner at a particular date or time in advance of the relevant latest time for the lodgement of forms of proxy in respect of the Court Meeting and the EGM, any such Beneficial Owner should comply with the requirements of such Registered Owner.

Only Scheme Shareholders whose Scheme Shares are registered in their own names in the Register on the Meeting Record Date will be entitled to attend and vote at the Court Meeting. Beneficial Owners who wish to individually vote should make arrangements to be registered as a member of the Company in their own names prior to the Meeting Record Date.

### **EXERCISE YOUR RIGHT TO VOTE**

**If you are a Shareholder or a Beneficial Owner whose Shares are held by a Registered Owner, you are strongly encouraged to exercise your right to vote or to give instructions to the relevant Registered Owner to vote in person or by proxy at the Court Meeting and/or the EGM. If you keep any Shares in a share lending programme, you are encouraged to recall any outstanding Shares on loan to avoid market participants using borrowed stock to vote.**

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## ACTIONS TO BE TAKEN

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**Only Scheme Shareholders whose Scheme Shares are registered in their own names in the Register on the Meeting Record Date will be entitled to attend and vote at the Court Meeting. Beneficial Owners who wish to individually vote should make arrangements to be registered as a member of the Company in their own names prior to the Meeting Record Date.**

**If you are a Registered Owner holding Shares on behalf of Beneficial Owners, you should inform the relevant Beneficial Owner(s) about the importance of exercising their right to vote and that Beneficial Owners should consider transferring some or all of their Shares into their own names if they wish to vote individually.**

**If you are in any doubt as to the action to be taken, you are encouraged to consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.**

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*In this Scheme Document, the following expressions have the meanings set out below unless the context requires otherwise:*

“acting in concert”	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” shall be construed accordingly
“Announcement”	the announcement dated 28 May 2023 jointly issued by the Offeror and the Company in relation to the Proposal
“associate(s)”	has the meaning given to it in the Takeovers Code
“Authorisations”	all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, waivers, consents, licences, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals, and all appropriate waiting periods (including extensions thereof), which are required or necessary in connection with the Proposal under any applicable laws or regulations
“Beneficial Owner(s)”	any beneficial owner(s) of the Shares whose Shares are registered in the name of a Registered Owner(s) other than himself or herself
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for transaction for business
“Cancellation Price”	the cancellation price of HK\$6.88 per Scheme Share cancelled and extinguished payable by the Offeror to the Scheme Shareholders pursuant to the Scheme in the form of (i) the Cash Cancellation Consideration in respect of the Disinterested Scheme Shareholders; or (ii) the GEIRG Cancellation Consideration in respect of GEIRG
“Cash Cancellation Consideration”	the consideration payable in cash by the Offeror to the Disinterested Scheme Shareholders, being the Cancellation Price for every Scheme Share held by the Disinterested Scheme Shareholders that is cancelled and extinguished pursuant to the Scheme

“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Participant(s)”	person(s) admitted to participate in CCASS as a direct clearing participant, general clearing participant, a custodian participant or an Investor Participant who may be an individual or joint individuals or a corporation
“CMB International”	CMB International Capital Limited, the financial adviser to the Offeror in relation to the Proposal. CMB International is a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands
“Company”	Golden Eagle Retail Group Limited (金鷹商貿集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3308)
“Condition(s)”	the condition(s) for the implementation of the Proposal and the Scheme, as set out in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Court Hearing”	the hearing of the petition by the Grand Court for the sanction of the Scheme and for confirmation of the reduction of the issued share capital of the Company involved in the Scheme
“Court Meeting”	a meeting of the Scheme Shareholders convened and to be held at the direction of the Grand Court, at Victoria Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15 September 2023 at 10:00 a.m., notice of which is set out in Appendix V to this Scheme Document, at which the Scheme (with or without modifications) will be voted upon, or any adjournment thereof

“Director(s)”	the director(s) of the Company
“Disinterested Scheme Shareholder(s)”	all of the Scheme Shareholder(s), other than Scheme Shareholder acting in concert with the Offeror, namely, GEIRG
“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Act, being the date on which a copy of the order of the Grand Court sanctioning the Scheme and confirming the reduction of issued share capital resulting from the cancellation and extinguishment of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act, and which is expected to be Friday, 6 October 2023 (Cayman Islands time)
“EGM”	an extraordinary general meeting of the Company convened and to be held at Victoria Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15 September 2023 at 11:00 a.m. (or, if later, as soon as practicable after the conclusion or adjournment of the Court Meeting), notice of which is set out in Appendix VI to this Scheme Document, for the purposes of approving all necessary resolution(s) for, amongst other things, the implementation of the Scheme, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
“Explanatory Memorandum”	the explanatory memorandum in relation to the Scheme set out in Part VI of this Scheme Document
“Family Trust”	The 2004 RVJD Family Trust, of which, Mr. Wang, Mrs. Wang and their two daughters including Ms. Janice Wang are beneficiaries
“Founder Family Members”	collectively, Mr. Wang, Mrs. Wang and Ms. Janice Wang
“GEICO”	GEICO Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, being the sole shareholder of each of GEIRG and the Offeror, and an indirect controlling shareholder of the Company

“GEIRG”	Golden Eagle International Retail Group Limited, a company incorporated in the Cayman Islands with limited liability, and wholly-owned by GEICO as at the Latest Practicable Date
“GEIRG Cancellation Consideration”	the consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, to be received by GEIRG for the cancellation and extinguishment of their 1,151,268,000 Scheme Shares under the Scheme
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company which comprises all the independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan, established by the Board to make recommendation to the Disinterested Scheme Shareholders in relation to the Proposal and the Scheme
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme
“Independent Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
“Investor Participant”	person(s) admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“Irrevocable Undertaking”	the irrevocable undertaking dated 25 May 2023 and given by the Undertaking Shareholder in favour of the Offeror in respect of the Undertaking Scheme Shares

“Last Full Trading Day”	19 May 2023, being the last full trading day prior to the trading halt in the Shares pending the publication of the Announcement
“Last Trading Day”	22 May 2023, being the last trading day immediately before the trading halt in the Shares pending the publication of the Announcement
“Latest Practicable Date”	18 August 2023, being the latest practicable date prior to the printing of this Scheme Document for the purpose of ascertaining certain information contained in this Scheme Document
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2023 or such later date as the Offeror and the Company may agree and, to the extent applicable, as the Grand Court on the application of the Company may direct and, in all cases, as permitted by the Executive
“Meeting Record Date”	15 September 2023 or such other date as shall have been announced to the Shareholders, being the record date for the purpose of determining entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and entitlement of the Shareholders to attend and vote at the EGM
“Mr. Wang”	Mr. Wang Hung, Roger, the Chairman of the Board and an executive Director
“Mrs. Wang”	Ms. Wang Vivine H, the spouse of Mr. Wang
“Ms. Janice Wang”	Ms. Wang Janice S.Y., a daughter of Mr. Wang and Mrs. Wang
“Offer Period”	the period from the date of the Announcement until the earlier of any of (i) the Effective Date; (ii) the date on which the Scheme lapses; or (iii) the date on which an announcement is made of the withdrawal of the Scheme

“Offeror”	Golden Eagle Retail Investment Limited, a company incorporated in the Cayman Islands with limited liability, and wholly-owned by GEICO as at the Latest Practicable Date
“Offeror Concert Party(ies)”	parties acting in concert or presumed to be acting in concert with the Offeror, including GEIRG, GEICO, the Family Trust, the Founder Family Members, RVJD STAR Trust and RVJD STAR Company
“Offeror Share(s)”	ordinary share(s) of the Offeror
“PRC”	the People’s Republic of China
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme on the terms and subject to the conditions as set out in this Scheme Document
“Register”	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
“Registered Owner”	any person(s) (including without limitation a nominee, trustee, depository or any other authorised custodian or third party) whose name is entered in the Register as the holder of the Share(s)
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office
“Registrar of Companies”	the Registrar of Companies in the Cayman Islands
“Relevant Authorities”	any competent governments and/or governmental bodies, regulatory bodies, courts or institutions (including without limitation the SFC and the Stock Exchange)
“Relevant Period”	the period commencing on 28 November 2022, being the date falling six months preceding the commencement date of the Offer Period and ending on the Latest Practicable Date
“RMB”	Renminbi, the lawful currency of the PRC

“Rollover Agreement”	the rollover agreement entered into between the Offeror, the Founder Family Members and RVJD STAR Company on 28 May 2023
“Rollover Arrangement”	the arrangement between the Offeror, the Founder Family Members and RVJD STAR Company under the Rollover Agreement
“RVJD STAR Company”	RVJD STAR Company, a company incorporated in the Cayman Islands with limited liability, a wholly-owned subsidiary of RVJD Holding Limited, which in turn is wholly-owned by the RVJD STAR Trust
“RVJD STAR Trust”	The 2019 RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang to which Cititrust Private Trust (Cayman) Limited is the trustee
“Scheme”	a scheme of arrangement under Section 86 of the Companies Act between the Company and the Scheme Shareholders (subject to the Conditions) involving, amongst other things, the cancellation and extinguishment of all the Scheme Shares in exchange for the Cash Cancellation Consideration or the GEIRG Cancellation Consideration (as the case may be) and the simultaneous restoration of the number of the issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares, with or subject to any modifications, additions or conditions as may be approved or imposed by the Grand Court, details of which are set out in Appendix IV to this Scheme Document
“Scheme Document”	this composite scheme document, including each of the letters, statements, appendices and notices in it, as may be amended or supplemented from time to time
“Scheme Record Date”	6 October 2023 (or such other date as may be announced to the holders of Scheme Shares), being the record date for the purpose of determining entitlements of the Scheme Shareholders to the Cash Cancellation Consideration or the GEIRG Cancellation Consideration (as the case may be)

“Scheme Share(s)”	Share(s) held by the Scheme Shareholders, including the Undertaking Scheme Shares and the Shares held by GEIRG, but excluding the Shares held by the Founder Family Members and RVJD STAR Company
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Swap Undertaking”	the share swap undertaking entered into by GEIRG in favour of the Offeror on 28 May 2023
“Share(s)”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stamp Duty Ordinance”	Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers in Hong Kong
“Unaudited Adjusted NAV”	the unaudited consolidated net asset value attributable to Shareholders as at 30 June 2023, after taking into account the market valuation of the property interests attributable to the Group as at 31 May 2023 as set out in Appendix II, and other adjustments as appropriate, as more particularly set out in Appendix I to this Scheme Document
“Undertaking Scheme Shares”	119,232,588 Shares owned by the Undertaking Shareholder

“Undertaking Shareholder”	ICFI HK (U.S.A) Investments, LLC, a company incorporated in the U.S. with limited liability, the ultimate beneficial owner of which is Cherng Family Trust, which, save as a Shareholder, (i) has no relationship with the Offeror and the Offeror Concert Parties; and (ii) is independent of and not acting in concert with the Offeror and the Offeror Concert Parties
“U.S.”	the United States of America
“%”	per cent

Unless otherwise specified in this Scheme Document, translations of RMB into HK\$ are made in this Scheme Document, for illustration only, at the rate of RMB1.00 to HK\$1.1104. No representation is made that any amounts in RMB or HK\$ could have been or could be converted at that rate or at any other rates or at all.

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company. All references in this Scheme Document to times and dates are references to Hong Kong times and dates, other than references to the expected dates of the Court Hearing and the Effective Date which are the relevant times and dates in the Cayman Islands. For reference only, Cayman Islands time is 13 hours behind Hong Kong time as at the date of this Scheme Document.

Date of despatch of this Scheme Document .....Wednesday, 23 August 2023

Latest time for lodging transfers of Shares documents  
to qualify for entitlement to attend and vote  
at the Court Meeting and the EGM .....4:30 p.m. on  
Monday, 11 September 2023

Closure of the Register for determining  
entitlements to attend and vote at the Court Meeting  
and the EGM<sup>(Note 1)</sup> .....from Tuesday, 12 September  
2023 to Friday,  
15 September 2023 (both  
days inclusive)

Latest time for lodging **pink** form of proxy in respect of  
the Court Meeting<sup>(Note 2)</sup> .....10:00 a.m. on  
Wednesday, 13 September 2023

Latest time for lodging **white** form of proxy in respect of  
the EGM<sup>(Note 2)</sup> .....11:00 a.m. on  
Wednesday, 13 September 2023

Meeting Record Date .....Friday, 15 September 2023

Court Meeting<sup>(Note 2 & 3)</sup> .....10:00 a.m. on  
Friday, 15 September 2023

EGM<sup>(Note 2 & 3)</sup> .....11:00 a.m. on  
Friday, 15 September 2023  
(or, if later, as  
soon as practicable  
after the conclusion  
or adjournment of  
the Court Meeting)

Announcement of the results of the Court Meeting  
and the EGM, published on the websites of the  
Stock Exchange and the Company .....not later than 7:00 p.m. on  
Friday, 15 September 2023

Expected last time for trading in the Shares on the Stock Exchange .....	4:10 p.m. on Monday, 18 September 2023
Latest time for lodging transfers of Shares to qualify for entitlements under the Scheme .....	4:30 p.m. on Monday, 25 September 2023
Closure of the Register for determining entitlements under the Scheme <sup>(Note 4)</sup> from .....	Tuesday, 26 September 2023 onwards
Court Hearing <sup>(Note 5)</sup> .....	Tuesday, 3 October 2023 (Cayman Islands time)
Announcement of (1) the results of the Court Hearing; (2) the expected Effective Date; and (3) the expected date of the withdrawal of the listing of the Shares on the Stock Exchange, published on the websites of the Stock Exchange and the Company .....	no later than 8:30 a.m. on Wednesday, 4 October 2023
Scheme Record Date .....	Friday, 6 October 2023
Effective Date <sup>(Note 6)</sup> .....	Friday, 6 October 2023 (Cayman Islands time)
Announcement of (1) the Effective Date; and (2) the withdrawal of listing of Shares on the Stock Exchange, published on the websites of the Stock Exchange and the Company .....	no later than 8:30 a.m. on Monday, 9 October 2023
Withdrawal of listing of the Shares on the Stock Exchange becomes effective <sup>(Note 6)</sup> .....	4:00 p.m. on Monday, 9 October 2023
Latest date to despatch cheques for payment of the Cancellation Price in the form of the Cash Cancellation Consideration to the Disinterested Scheme Shareholders <sup>(Note 7)</sup> .....	on or before Tuesday, 17 October 2023

*Notes:*

- (1) The Register will be closed during such period for the purpose of determining the entitlement of the Scheme Shareholders to attend and vote at the Court Meeting and of the Shareholders to attend and vote at the EGM. For the avoidance of doubt, this period of closure is not for determining entitlements under the Scheme.
- (2) The **pink** form of proxy in respect of the Court Meeting and the **white** form of proxy in respect of the EGM must be completed and signed in accordance with the instructions respectively printed thereon. The **pink** form of proxy in respect of the Court Meeting should be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by the times and dates stated above (or not later than 48 hours before an adjourned Court Meeting). Alternatively, the **pink** form of proxy in respect of the Court Meeting may be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it) if it is not so lodged. The **white** form of proxy in respect of the EGM must be lodged with the Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by the times and dates stated above (or not later than 48 hours before an adjourned EGM), failing which, it will not be valid. Completion and return of a form of proxy for the Court Meeting and/or the EGM will not preclude a Scheme Shareholder or a Shareholder (as the case may be) from attending and voting in person at the relevant meeting if he/she/it so wishes. In such event, the relevant form of proxy will be revoked by operation of law.
- (3) If a tropical cyclone warning signal No. 8 or above is or is expected to be hoisted or "extreme conditions" caused by super typhoons or a black rainstorm warning signal is or is expected to be in force at any time after 9:00 a.m. on the date of the Court Meeting and the EGM, the Court Meeting and the EGM will be postponed. The Company will post an announcement on the respective websites of the Stock Exchange and the Company to notify the members of the date, time and venue of the postponed meetings.
- (4) The Register will be closed from such date and on such date for the purpose of determining the entitlements of the Scheme Shareholders under the Scheme.
- (5) Scheme Shareholders who have voted at the Court Meeting (including any Beneficial Owners of Scheme Shares who have given voting instructions to Registered Owners that subsequently voted at the Court Meeting) should note that they are entitled to appear before or be represented at the Court Hearing which is expected to be held in the Cayman Islands on Tuesday, 3 October 2023 (Cayman Islands time), at which the Company will seek, among other things, the sanction of the Scheme.
- (6) The Scheme will become effective upon all the Conditions set out in the paragraph headed "Conditions of the Proposal and the Scheme" under the section headed "Terms of the Proposal" in the Explanatory Memorandum in Part VI of this Scheme Document having been fulfilled or waived (as applicable). The withdrawal of listing of Shares will take place as soon as practicable after the Effective Date. Shareholders will be advised by an announcement of the exact date upon which the Scheme becomes effective and the exact date of withdrawal of the listing of the Shares on the Stock Exchange. All of the Conditions will have to be fulfilled or waived (as applicable) on or before the Long Stop Date (i.e., 31 December 2023) (or such later date as the Offeror and the Company may agree and, to the extent applicable, as the Grand Court on the application of the Company may direct and, in all cases, as permitted by the Executive), failing which the Proposal and the Scheme will lapse.
- (7) Cheques for entitlements of the Disinterested Scheme Shareholders will be despatched by ordinary post in postage pre-paid envelopes addressed to Disinterested Scheme Shareholders at their respective addresses as appearing in the Register as at the Scheme Record Date or, in the case of joint holders, at the address appearing in the Register as at the Scheme Record Date of the joint holder whose name then stands first (as defined in the Takeovers Code) in the Register in respect of the relevant joint holding as soon as possible but in any event within seven (7) Business Days following the Effective Date. Cheques shall be posted at the risk of the addressees and none of the Offeror, the Company, CMB International, the Independent Financial Adviser, the Registrar or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal shall be responsible for any loss or delay in transmission.



**GOLDEN EAGLE RETAIL GROUP LIMITED**

**金鷹商貿集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3308)**

*Executive Directors:*

Mr. Wang Hung, Roger

Mr. Tan Jianlin

*Registered office:*

Cricket Square, Hutchins Drive, P.O. Box 2681,

Grand Cayman, KY1 -1111,

Cayman Islands

*Independent non-executive Directors:*

Mr. Wong Chi Keung

Mr. Lay Danny J

Mr. Lo Ching Yan

*Principal place of business in the PRC:*

17th Floor, Block A, Golden Eagle World,

No. 888 Yingtian Street, Jianye District,

Nanjing, the PRC

*Principal place of business in Hong Kong:*

Unit 1206, 12th Floor, Tower 2,

Lippo Centre, 89 Queensway,

Hong Kong

23 August 2023

To the Shareholders

*Dear Sir or Madam,*

**(1) PROPOSED PRIVATISATION OF  
GOLDEN EAGLE RETAIL GROUP LIMITED  
BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT;  
AND  
(2) PROPOSED WITHDRAWAL OF LISTING OF  
GOLDEN EAGLE RETAIL GROUP LIMITED**

**INTRODUCTION**

Reference is made to the Announcement.

On 25 May 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme.

### **TERMS OF THE PROPOSAL**

#### **The Proposal**

If the Proposal is approved and implemented:

- (a) all of the Scheme Shares held by the Disinterested Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the Cash Cancellation Consideration payable in cash by the Offeror to the Disinterested Scheme Shareholders whose names appear on the Register on the Scheme Record Date;
- (b) the 1,151,268,000 Scheme Shares held by GEIRG (representing all the Shares held by GEIRG) will be cancelled and extinguished on the Effective Date in exchange for the GEIRG Cancellation Consideration, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG;
- (c) pursuant to paragraphs (a) to (b) above, the issued share capital of the Company will be reduced by cancelling and extinguishing the Scheme Shares, and upon such reduction, the issued share capital of the Company will be simultaneously increased to its former amount by the new issuance at par to the Offeror, credited as fully paid, of an aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of Scheme Shares will be applied to pay up in full at par the new Shares so issued, credited as fully paid, to the Offeror;
- (d) approximately 89.06% of the total number of Shares in issue will be held by the Offeror (as a result of the new issuance mentioned in paragraph (c) above), and approximately 0.95% and 9.99% of the total number of Shares in issue will continue to be held by the Founder Family Members and RVJD STAR Company respectively (as a result of the Rollover Arrangement); and
- (e) the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

**Cancellation Price**

Under the Scheme, the Cancellation Price of HK\$6.88 per Scheme Share will be payable by the Offeror to the Scheme Shareholders in the form of:

- (a) the Cash Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by the Disinterested Scheme Shareholders; and
- (b) the GEIRG Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by GEIRG.

The Cancellation Price of HK\$6.88 per Scheme Share cancelled and extinguished represents:

- (a) a premium of approximately 6.17% over the closing price of HK\$6.48 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 40.41% over the last traded price of HK\$4.90 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 63.42% over the closing price of HK\$4.21 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (d) a premium of approximately 66.59% over the average closing price of approximately HK\$4.13 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including on the Last Full Trading Day;
- (e) a premium of approximately 61.50% over the average closing price of approximately HK\$4.26 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including on the Last Full Trading Day;
- (f) a premium of approximately 55.30% over the average closing price of approximately HK\$4.43 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including on the Last Full Trading Day;
- (g) a premium of approximately 49.89% over the average closing price of approximately HK\$4.59 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including on the Last Full Trading Day;

- (h) a premium of approximately 54.61% over the average closing price of approximately HK\$4.45 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including on the Last Full Trading Day;
- (i) a premium of approximately 45.15% over the average closing price of approximately HK\$4.74 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including on the Last Full Trading Day;
- (j) a premium of approximately 10.79% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$6.21 per Share as at 31 December 2022 (based on the audited consolidated equity attributable to owners of the Company of approximately RMB9,281 million (equivalent to approximately HK\$10,305 million) as at 31 December 2022 and 1,660,205,000 Shares in issue as the Latest Practicable Date);
- (k) a premium of approximately 4.24% over the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$6.60 per Share as at 30 June 2023 (based on the unaudited consolidated equity attributable to owners of the Company of approximately RMB9,864 million (equivalent to approximately HK\$10,953 million) as at 30 June 2023 and 1,660,205,000 Shares in issue as the Latest Practicable Date); and
- (l) a discount of approximately 47.40% to the Unaudited Adjusted NAV per Share of approximately HK\$13.08 as at 30 June 2023.

#### **Basis for determining the Cancellation Price**

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, recent and historical traded prices of the Shares, the financial performance of the Company, the trading multiples of comparable companies listed on the Stock Exchange and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in this Scheme Document and with reference to other similar privatisation transactions relating to companies listed on the Stock Exchange in recent years.

**The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

**Dividend payment by the Company**

If, after the date of the Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the Offer Period in relation to the Proposal. As at the Latest Practicable Date, there is no outstanding dividend in respect of the Shares that has been announced but not yet paid.

**Conditions of the Proposal and the Scheme**

The Proposal and the Scheme will only become effective and binding on the Company and all the Scheme Shareholders if the following Conditions are fulfilled, waived or remain satisfied (as applicable):

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting with any Scheme Shareholder being parties acting in concert with the Offeror (including GEIRG) abstaining from voting;
- (b) (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting; and  
(ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Disinterested Scheme Shareholders;
- (c) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares; and  
(ii) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to, simultaneously upon the reduction of issued share capital, the increase of issued Shares in the share capital of the Company to the

amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and new issuance at par to the Offeror of the aggregate number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and extinguished and the application of the reserve created in the Company's books of account as a result of the capital reduction to pay up in full at par such number of the new Shares so allotted and issued to the Offeror;

- (d) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies of a copy of the order of the Grand Court for registration;
- (e) to the extent necessary, compliance with the procedural requirements and conditions under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares;
- (f) all Authorisations (if any) having been obtained or made from, with or by (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong, and any other relevant jurisdictions; and, if applicable, any waiting periods having expired or terminated;
- (g) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, which are material in the context of the Group (taken as a whole), in each aforesaid case up to the Effective Date;
- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;

- (i) since the date of the Announcement, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and
- (j) all necessary consents in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained or waived by the relevant party(ies) and remaining in effect (if applicable).

The Conditions in paragraphs (a) to (d) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (j), to the extent permissible by relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in respect of any particular matter. The Company does not have the right to waive any of the Conditions. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

All of the Conditions will have to be fulfilled, waived or remain satisfied, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. If the Scheme is withdrawn, not approved or lapsed, the listing of the Shares on the Stock Exchange will not be withdrawn. If the Conditions are satisfied or waived (as applicable), the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

As at the Latest Practicable Date, none of the Conditions set out in paragraphs (a) to (j) have been fulfilled or waived (as the case may be).

As at the Latest Practicable Date, with respect to the Condition in:

- (a) paragraphs (f) and (g), each of the Offeror and the Company is not aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (a) to (d);
- (b) paragraph (h), each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, enquiry, statute, regulation, demand or order; and
- (c) paragraph (j), each of the Offeror and the Company is not aware of any such consents other than those from certain facility agreement entered into by the Group.

**Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

**THE SHARE SWAP UNDERTAKING**

On 28 May 2023, GEIRG entered into the Share Swap Undertaking in favour of the Offeror. Pursuant to the Share Swap Undertaking, GEIRG has undertaken and agreed to the cancellation and extinguishment of the 1,151,268,000 Scheme Shares held by it, representing all the Shares held by it in the Company and representing approximately 69.35% of the total issued Shares, in exchange for the GEIRG Cancellation Consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG.

As at the Latest Practicable Date, 100 nil-paid Offeror Shares, representing 100% of the issued share capital of the Offeror, have been issued to GEICO. In accordance with the terms of the Share Swap Undertaking, such Offeror Shares will be credited as fully paid upon the Scheme becoming effective in satisfaction of the GEIRG Cancellation Consideration.

The Share Swap Undertaking will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

**ROLLOVER ARRANGEMENT**

As at the Latest Practicable Date, Mr. Wang, Mrs. Wang, Ms. Janice Wang and RVJD STAR Company, respectively, directly holds 4,000,000 Shares, 250,000 Shares, 11,590,000 Shares and 165,880,000 Shares, representing approximately 0.24%, 0.01%, 0.70% and 9.99% of the Shares in issue.

Mrs. Wang is the spouse of Mr. Wang. Ms. Janice Wang is a daughter of Mr. Wang and Mrs. Wang.

As at the Latest Practicable Date, RVJD STAR Company is a wholly-owned subsidiary of RVJD Holding Limited, which is wholly-owned by the RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang. The discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living and the trustee of the RVJD STAR Trust is Cititrust Private Trust (Cayman) Limited.

The Offeror intends to allow the Founder Family Members and RVJD STAR Company to retain their respective shareholdings in the Company after the Scheme becoming effective pursuant to the Rollover Arrangement.

On 28 May 2023, the Offeror, the Founder Family Members and RVJD STAR Company entered into the Rollover Agreement, pursuant to which:

- (a) each of the Founder Family Members and RVJD STAR Company will remain as a Shareholder after the Scheme becomes effective;

- (b) none of the Shares held by each of the Founder Family Members and RVJD STAR Company will constitute Scheme Shares, nor will they be voted on the Scheme at the Court Meeting;
- (c) the Shares held by each of the Founder Family Members and RVJD STAR Company will not be cancelled and extinguished when the Scheme becomes effective;
- (d) each of the Founder Family Members and RVJD STAR Company has undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by him/her/it directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at a general meeting of the Company, and that it shall be bound by, and take all actions necessary to implement the Scheme; and
- (e) each of the Founder Family Members and RVJD STAR Company has further undertaken that he/she/it will not:
  - (i) directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by it;
  - (ii) accept any other offer in respect of the Shares;
  - (iii) acquire, subscribe for or otherwise deal in the securities of the Company without prior consent of the Offeror.

The Rollover Agreement will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

The Founder Family Members are close family members and RVJD STAR Company is a related trust founded by Mr. Wang and Mrs. Wang, and therefore the Rollover Arrangement is not considered to be a special deal under Rule 25 of the Takeovers Code.

As the Rollover Agreement was entered into by the Offeror and the Founder Family Members and RVJD STAR Company, and none of the Company or member of the Group is a party to the Rollover Agreement, the Rollover Arrangement does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

### **IRREVOCABLE UNDERTAKING**

As at the Latest Practicable Date, the Offeror has received the Irrevocable Undertaking from the Undertaking Shareholder, which, save as a Shareholder, (i) has no relationship with the Offeror and the Offeror Concert Parties; and (ii) is independent of and not acting in concert with the Offeror and the Offeror Concert Parties, pursuant to which the Undertaking Shareholder has unconditionally and irrevocably undertaken to, among other things, exercise, or procure the exercise, of all voting rights attached to the Undertaking Scheme Shares owned by the Undertaking Shareholder to vote in favour of all resolutions required to approve and

give effect to the Proposal and the Scheme (including any resolution that may impact the fulfilment of any Condition). The Undertaking Scheme Shares held by the Undertaking Shareholder represent approximately 7.18% of the Shares in issue as at the Latest Practicable Date.

Furthermore, the Undertaking Shareholder has undertaken, among other things, not to (i) dispose of the Shares held by it and (ii) enter into any arrangement which would restrict or impede the Conditions from being fulfilled or the Scheme from becoming effective.

The Irrevocable Undertaking will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

### **SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Shares, of which 1,660,205,000 Shares are in issue. As at the Latest Practicable Date, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than 1,660,205,000 Shares in issue;
- (b) there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares;
- (c) the Offeror does not hold any Shares and the Offeror Concert Parties hold 1,332,988,000 Shares in aggregate, representing approximately 80.29% of the total number of Shares in issue, among which GEIRG, Mr. Wang, Mrs. Wang, Ms. Janice Wang and RVJD STAR Company, respectively, directly hold 1,151,268,000 Shares, 4,000,000 Shares, 250,000 Shares, 11,590,000 Shares and 165,880,000 Shares, representing approximately 69.35%, 0.24%, 0.01%, 0.70% and 9.99% of the total number of Shares in issue, respectively. Save as disclosed, none of the Offeror and the Offeror Concert Parties owns or has control or direction over any voting rights and rights over the Shares;
- (d) the Scheme Shares comprise 1,151,268,000 Shares held by GEIRG and 327,217,000 Shares held by the Disinterested Scheme Shareholders, and in aggregate represent approximately 89.06% of the total number of Shares in issue;
- (e) save for the 1,332,988,000 Shares held by the Offeror Concert Parties, none of the Offeror or the Offeror Concert Parties owns or has control or direction over the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (f) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or Offeror Concert Parties;
- (g) there were no dealings by the Offeror or the Offeror Concert Parties in the Shares during the Relevant Period;
- (h) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any of the Offeror Concert Parties;
- (i) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any of the Offeror Concert Parties has borrowed or lent; and
- (j) save for Mr. Wang, none of the Directors had any interest or short position in any Shares, underlying shares or debentures of the Company or any of its associated corporations.

The shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) upon completion of the Proposal is set out in the section headed “Shareholding Structure of the Company” in the Explanatory Memorandum in Part VI of this Scheme Document.

#### **TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES**

On the basis of the Cancellation Price of HK\$6.88 per Scheme Share and there being 1,660,205,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$11,422,210,400.

Pursuant to the Share Swap Undertaking, GEIRG has undertaken and agreed to the cancellation and extinguishment of its 1,151,268,000 Shares under the Scheme in exchange for the GEIRG Cancellation Consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG. In accordance with the Rollover Arrangement, the aggregate of 181,720,000 Shares held by the Founder Family Members and RVJD STAR Company will not form part of the Scheme Shares and will not be cancelled and extinguished on the Effective Date.

As a result, based on the 327,217,000 Scheme Shares held by the Disinterested Scheme Shareholders as at the Latest Practicable Date, representing approximately 19.71% of the total Shares in issue, the cash consideration payable under the Proposal is HK\$2,251,252,960.

The Offeror intends to finance the entire cash amount required for the Proposal by a facility provided by China Merchants Bank Co., Ltd.. The facility is secured by, among others, a share charge in favour of China Merchants Bank Co., Ltd., Hai Kou Branch over all of the Shares to be owned by the Offeror after the Scheme becomes effective in accordance with the loan documentation entered into between the Offeror and China Merchants Bank Co., Ltd., Hai Kou Branch.

CMB International, as the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

**INFORMATION ON THE GROUP**

Your attention is drawn to the section headed “Information on the Group” in the Explanatory Memorandum in Part VI of this Scheme Document.

**INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES**

Your attention is drawn to the section headed “Information on the Offeror and the Offeror Concert Parties” in the Explanatory Memorandum in Part VI of this Scheme Document.

**INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

Your attention is drawn to the section headed “Intention of the Offeror with regard to the Group” in the Explanatory Memorandum in Part VI of this Scheme Document.

The Board welcomes the intentions of the Offeror in respect of the Company and its employees and will cooperate with and provide full support to the Offeror to facilitate the continued smooth business operations and management of the Group.

**FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

Your attention is drawn to the section headed “Financial Adviser to the Offeror, Independent Board Committee and Independent Financial Adviser” in the Explanatory Memorandum in Part VI of this Scheme Document.

The full text of the letter from the Independent Board Committee and the letter from the Independent Financial Adviser is set out in Part IV and Part V of this Scheme Document, respectively.

**REASONS FOR AND BENEFITS OF THE PROPOSAL**

Your attention is drawn to the section headed “Reasons for and benefits of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document.

**WITHDRAWAL OF LISTING**

Your attention is drawn to the section headed “Withdrawal of Listing” in the Explanatory Memorandum in Part VI of this Scheme Document.

**OVERSEAS SCHEME SHAREHOLDERS**

Your attention is drawn to the section headed “Overseas Scheme Shareholders” in the Explanatory Memorandum in Part VI of this Scheme Document.

**TAXATION ADVICE**

Your attention is drawn to the section headed “Taxation advice” in the Explanatory Memorandum in Part VI of this Scheme Document.

**COSTS OF THE SCHEME**

Your attention is drawn to the section headed “Costs of the Scheme” in the Explanatory Memorandum in Part VI of this Scheme Document.

**ACTIONS TO BE TAKEN**

Your attention is drawn to the section headed “ACTIONS TO BE TAKEN” at page ii of this Scheme Document.

**COURT MEETING AND EGM**

Notices convening the Court Meeting and the EGM to be held at Victoria Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15 September 2023 at 10:00 a.m. and 11:00 a.m. respectively (or in the case of the EGM, if later, as soon as practicable after the conclusion or adjournment of the Court Meeting), are set out in Appendix V and Appendix VI to this Scheme Document.

The Grand Court has directed the Court Meeting to be convened and held for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme. The Scheme is subject to the approval by the Scheme Shareholders at the Court Meeting in the manner referred to in Conditions (a) and (b) in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document.

Immediately after the conclusion or adjournment of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, passing the relevant resolutions for the implementation of the Proposal in the manner referred to in Condition (c) in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of this Scheme Document. An announcement will be jointly made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code.

**RECOMMENDATIONS**

Your attention is drawn to (i) the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part V of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

**FURTHER INFORMATION**

You are urged to read the whole of this Scheme Document, in particular:

- (a) the letter from the Independent Board Committee in Part IV of this Scheme Document;
- (b) the letter from the Independent Financial Adviser in Part V of this Scheme Document;
- (c) the Explanatory Memorandum in Part VI of this Scheme Document;
- (d) the appendices to this Scheme Document, including the Scheme set out in Appendix IV of this Scheme Document; and
- (e) the notice of Court Meeting and the notice of EGM set out in Appendix V and Appendix VI respectively to this Scheme Document.

In addition, a **pink** form of proxy for the Court Meeting and a **white** form of proxy for the EGM are enclosed with this Scheme Document.

**Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

By order of the Board of  
**Golden Eagle Retail Group Limited**  
**Wang Hung, Roger**  
*Chairman*

*The following is a full text of the letter from the Independent Board Committee prepared for the purpose of inclusion into this Scheme Document.*

**GOLDEN EAGLE RETAIL GROUP LIMITED****金鷹商貿集團有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 3308)**

23 August 2023

*To the Disinterested Scheme Shareholders*

Dear Sir or Madam,

**(1) PROPOSED PRIVATISATION OF  
GOLDEN EAGLE RETAIL GROUP LIMITED  
BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT;  
AND  
(2) PROPOSED WITHDRAWAL OF LISTING OF  
GOLDEN EAGLE RETAIL GROUP LIMITED**

We refer to the scheme document dated 23 August 2023 jointly issued by the Offeror and the Company in relation to the Proposal (the “**Scheme Document**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document.

We have been appointed by the Board as members of the Independent Board Committee to give a recommendation to the Disinterested Scheme Shareholders in respect of the Proposal and the Scheme and as to voting of the relevant resolutions at the Court Meeting and the EGM.

Opus Capital has been appointed, with our approval, as the Independent Financial Adviser to advise us in respect of the Proposal and the Scheme and our advice as to voting of the relevant resolutions at the Court Meeting and the EGM. The details of its advice and the principal factors taken into consideration in arriving at its advice are set out in the “Letter from the Independent Financial Adviser” in Part V of the Scheme Document.

Having considered the terms of the Proposal and the Scheme, and having taken into account the advice of the Independent Financial Adviser, and in particular, the factors, reasons and recommendations set out in its letter, we consider that the terms of the Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned.

Accordingly, we recommend that:

- (a) the Disinterested Scheme Shareholders to vote IN FAVOUR OF the resolution to approve the Scheme at the Court Meeting; and
- (b) the Shareholders to vote IN FAVOUR OF the special resolution and the ordinary resolution in connection with the implementation and completion of the Proposal at the EGM.

We draw the attention of the Disinterested Scheme Shareholders to (a) the “Letter from the Board” as set out in Part III of the Scheme Document; (b) the “Letter from the Independent Financial Adviser”, which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee as set out in Part V of the Scheme Document; and (c) the Explanatory Memorandum as set out in Part VI of the Scheme Document.

**Yours faithfully,  
For and on behalf of the  
Independent Board Committee**

**Wong Chi Keung**

**Lay Danny J**

**Lo Ching Yan**

*Independent non-executive Directors*

*Set out below is the letter of advice from the Independent Financial Adviser, Opus Capital, to the Independent Board Committee, in respect of the Proposal and the Scheme, which has been prepared for the purpose of inclusion in this Scheme Document.*



18th Floor, Fung House  
19-20 Connaught Road Central  
Central, Hong Kong

23 August 2023

*To: The Independent Board Committee of Golden Eagle Retail Group Limited*

Dear Sirs/Madams,

**(1) PROPOSED PRIVATISATION OF  
GOLDEN EAGLE RETAIL GROUP LIMITED  
BY THE OFFEROR  
BY WAY OF A SCHEME OF ARRANGEMENT  
UNDER SECTION 86 OF THE COMPANIES ACT;  
AND  
(2) PROPOSED WITHDRAWAL OF LISTING OF  
GOLDEN EAGLE RETAIL GROUP LIMITED**

**INTRODUCTION**

We refer to our appointment by the Company, with the approval of the Independence Board Committee, to advise the Independent Board Committee in connection with the Proposal and the Scheme. Details of the Proposal and the Scheme are set out in Part III – Letter from the Board (the “**Letter from the Board**”) and Part VI – Explanatory Memorandum (the “**Explanatory Memorandum**”) of this composite scheme document dated 23 August 2023 jointly issued by the Company and the Offeror in relation to, among others, the Proposal (the “**Scheme Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Scheme Document unless the context requires otherwise.

Reference is made to the Announcement. On 25 May 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of the Scheme.

If the Proposal is approved and implemented: (i) all of the Scheme Shares held by the Disinterested Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the Cash Cancellation Consideration payable in cash by the Offeror to the Disinterested Scheme Shareholders whose names appear on the Register on the Scheme Record Date; (ii) the 1,151,268,000 Scheme Shares held by GEIRG (representing all the Shares held by GEIRG) will be cancelled and extinguished on the Effective Date in exchange for the

GEIRG Cancellation Consideration, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG; (iii) pursuant to (i) and (ii) above, the issued share capital of the Company will be reduced by cancelling and extinguishing the Scheme Shares, and upon such reduction, the issued share capital of the Company will be simultaneously increased to its former amount by the new issuance at par to the Offeror, credited as fully paid, of an aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of Scheme Shares will be applied to pay up in full at par the new Shares so issued, credited as fully paid, to the Offeror; (d) approximately 89.06% of the total number of Shares in issue will be held by the Offeror (as a result of the new issuance mentioned in paragraph (c) above), and approximately 0.95% and 9.99% of the total number of Shares in issue will continue to be held by the Founder Family Members and RVJD STAR Company respectively (as a result of the Rollover Arrangement); and (v) the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

#### **THE INDEPENDENT BOARD COMMITTEE**

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan, has been established by the Board to make a recommendation to the Disinterested Scheme Shareholders as to whether the terms of the Proposal and the Scheme are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM. We have been appointed by the Company, pursuant to Rule 2.1 of the Takeovers Code and with the approval of the Independent Board Committee, to advise the Independent Board Committee with respect to the same.

#### **OUR INDEPENDENCE**

As at the Latest Practicable Date, we did not have any connection, financial or otherwise with the Group, the Offeror, the Offeror Concert Parties or any of their respective controlling shareholders, or any party acting, or presumed to be acting in concert with, or have control over any of them, which would create or likely to create the perception of a conflict of interest or reasonably likely to affect the objectivity of our advice. During the past two years, except the normal independent financial advisory fees paid or payable to us in connection with this appointment regarding the Proposal and the Scheme, no arrangements exist whereby we had received or will receive any fees or benefits from the Group, the Offeror, the Offeror Concert Parties or any of their respective controlling shareholders, or any party acting, or presumed to be acting in concert with, or have control over any of them that could reasonably be regarded as relevant to our independence. We therefore consider ourselves suitable to give independent advice to the Independent Board Committee in respect of the Proposal and the Scheme pursuant to Rule 2.6 of the Takeovers Code.

**BASIS OF OUR OPINION**

In formulating our advice and recommendation to the Independent Board Committee, we have reviewed, amongst other things:

- (i) the Announcement;
- (ii) the Company's annual report for the two years ended 31 December ("FY") 2021 (the "**2021 Annual Report**") and 2022 (the "**2022 Annual Report**");
- (iii) the Company's interim results announcement for the six months ended 30 June ("**1H**") 2023 published on 16 August 2023 (the "**2023 Interim Results**");
- (iv) the independent property valuation report issued by the Independent Valuer as set out in Appendix II to the Scheme Document (the "**Valuation Report**"); and
- (v) other information as set out in the Scheme Document.

We have also discussed with and reviewed the information provided to us by the Company, the Directors (excluding the Independent Board Committee) and the management of the Group (collectively, the "**Management**") regarding the business and outlook of the Group.

We have relied on the truth, accuracy and completeness of the statements, information, opinions and representations contained or referred to in the Scheme Document and the information and representations made to us by the Management. We have assumed that all information and representations contained or referred to in the Scheme Document and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive (i) at the time when they were provided; (ii) at the time they were made; or (iii) as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as practicable, if any, to the information and representations provided and made to us and the contents of this letter after the Latest Practicable Date pursuant to Rule 9.1 of the Takeovers Code. Shareholders will also be informed of our opinion in relation to such material changes, if any, as soon as practicable.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Scheme Document were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Scheme Document, the omission of which would make any such statement contained in the Scheme Document misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Scheme Document, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided by the Management, and nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospects.

The Directors have jointly and severally accepted full responsibility for the accuracy of the information contained in the Scheme Document (including the relevant information concerning the Company provided by the Management and as set out in our letter) (other than that relating to the Offeror and the Offeror Concert Parties) and confirmed, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Scheme Document (other than the opinions expressed by the sole director of the Offeror in his capacity as the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Scheme Document, the omission of which would make any statement in the Scheme Document misleading.

The sole director of the Offeror and GEICO has accepted full responsibility for the accuracy of the information contained in the Scheme Document (other than that relating to the Group) and confirmed, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in the Scheme Document (other than opinions expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Scheme Document, the omission of which would make any statement in the Scheme Document misleading.

This letter is issued to the Independent Board Committee solely in connection with and for their consideration of the Proposal and the Scheme, and except for its inclusion in the Scheme Document, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

We have not considered the tax and regulatory implications on the Disinterested Scheme Shareholders of acceptance or rejecting the Proposal since these depend on their individual circumstances. In particular, the Disinterested Scheme Shareholders who are residents overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, consult their own professional advisers.

**PRINCIPAL TERMS OF THE PROPOSAL AND THE SCHEME**

The terms set out below are summarised from the Explanatory Memorandum. Disinterested Scheme Shareholders are encouraged to read the Scheme Document and the appendices in full.

**1. Terms of the Proposal**

Under the Scheme, the Cancellation Price of HK\$6.88 per Scheme Share will be payable by the Offeror to the Scheme Shareholders in the form of:

- (a) the Cash Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by the Disinterested Scheme Shareholders; and
- (b) the GEIRG Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by GEIRG.

**It was explicitly stated in the Scheme Document that the Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price. There are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company, or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 26 of the Takeovers Code to make an offer, in each case except with the consent of the Executive.**

If, after the date of the Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the Offer Period in relation to the Proposal. As at the Latest Practicable Date, there is no outstanding dividend in respect of the Shares that has been announced but not yet paid.

**2. Total consideration**

On the basis of the Cancellation Price of HK\$6.88 per Scheme Share and there being 1,660,205,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$11,422,210,400.

Pursuant to the Share Swap Undertaking, GEIRG has undertaken and agreed to the cancellation and extinguishment of its 1,151,268,000 Shares under the Scheme in exchange for the GEIRG Cancellation Consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG. In accordance with the Rollover Arrangement, the aggregate of 181,720,000 Shares held by the Founder Family Members and RVJD STAR Company will not form part of the Scheme Shares and will not be cancelled and extinguished on the Effective Date.

As a result, based on the 327,217,000 Scheme Shares (representing approximately 19.71% of the total issued Shares) held by the Disinterested Scheme Shareholders as at the Latest Practicable Date, the Cash Cancellation Consideration payable under the Proposal is HK\$2,251,252,960.

**3. Conditions of the Proposal and the Scheme**

The Proposal and the Scheme will only become effective and binding on the Company and all the Scheme Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions, on or before the Long Stop Date (i.e. 31 December 2023 or such later date as may be agreed by the Offeror and the Company and as permitted by the Executive), failing which the Proposal and the Scheme will lapse.

Some of the key Conditions include: (i) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting with any Scheme Shareholder being parties acting in concert with the Offeror (including GEIRG) abstaining from voting; and (ii) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting, and the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Scheme Shareholders.

Details of the Conditions are set out in the section headed “Conditions of the Proposal and the Scheme” in the Explanatory Memorandum. As at the Latest Practicable Date, none of the Conditions had been fulfilled or waived (as the case may be).

#### **4. The Share Swap Undertaking**

On 28 May 2023, GEIRG entered into the Share Swap Undertaking in favour of the Offeror. Pursuant to the Share Swap Undertaking, subject to the Scheme becoming effective, GEIRG will cancel and extinguish the 1,151,268,000 Scheme Shares (representing approximately 69.35% of the total issued Shares as at the Latest Practicable Date) held by it, in exchange for the GEIRG Cancellation Consideration of HK\$7,920,723,840, which is to be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG. For details of the Share Swap Undertaking, please refer to the section headed “Share Swap Undertaking” in the Explanatory Memorandum.

#### **5. Rollover Arrangement**

As at the Latest Practicable Date, Mr. Wang, Mrs. Wang, Ms. Janice Wang and RVJD STAR Company, respectively, directly holds 4,000,000 Shares, 250,000 Shares, 11,590,000 Shares and 165,880,000 Shares, representing approximately 0.24%, 0.01%, 0.70% and 9.99% of the Shares in issue.

Mr. Wang is the Chairman of the Board and an executive Director. Mrs. Wang is the spouse of Mr. Wang. Ms. Janice Wang is a daughter of Mr. Wang and Mrs. Wang.

As at the Latest Practicable Date, RVJD STAR Company is a wholly-owned subsidiary of RVJD Holding Limited, which is wholly-owned by the RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang. The discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living and the trustee of the RVJD STAR Trust is Cititrust Private Trust (Cayman) Limited.

The Offeror intends to allow the Founder Family Members and RVJD STAR Company to retain their respective shareholdings in the Company after the Scheme becoming effective pursuant to the Rollover Arrangement.

On 28 May 2023, the Offeror, the Founder Family Members and RVJD STAR Company entered into the Rollover Agreement. For further details of the Rollover Agreement, please refer to section headed “Rollover Arrangement” in the Explanatory Memorandum.

The Founder Family Members are close family members and RVJD STAR Company is a related trust founded by Mr. Wang and Mrs. Wang, and therefore the Rollover Arrangement is not considered to be a special deal under Rule 25 of the Takeovers Code.

As the Rollover Agreement was entered into by the Offeror and the Founder Family Members and RVJD STAR Company, and none of the Company or member of the Group is a party to the Rollover Agreement, the Rollover Arrangement does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

**6. Irrevocable Undertaking**

As at the Latest Practicable Date, the Offeror has received the Irrevocable Undertaking to support the Proposal and the Scheme from the Undertaking Shareholder, which, save as a Shareholder, (i) has no relationship with the Offeror and the Offeror Concert Parties; and (ii) is independent of and not acting in concert with the Offeror and the Offeror Concert Parties. The Undertaking Scheme Shares held by the Undertaking Shareholder represent approximately 7.18% of the Shares in issue as at the Latest Practicable Date. For details of the Irrevocable Undertaking, please refer to the section headed “Irrevocable Undertaking” in the Explanatory Memorandum.

**INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES****The Offeror**

The Offeror is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. As at the Latest Practicable Date, the Offeror is wholly-owned by GEICO.

**GEICO**

GEICO is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, GEICO is wholly-owned by the Family Trust.

As at the Latest Practicable Date, GEICO, through GEIRG, indirectly holds approximately 69.35% of the entire issued share capital of the Company and is accordingly the controlling shareholder of the Company.

**The Family Trust**

The Family Trust is a trust founded by Mr. Wang and Mrs. Wang and established under the laws of California, the U.S.. Mr. Wang, Mrs. Wang and their two daughters including Ms. Janice Wang are beneficiaries of the Family Trust.

**The Founder Family Members**

The Founder Family Members comprise Mr. Wang, the Chairman of the Board and an executive Director, Mrs. Wang, the spouse of Mr. Wang, and Ms. Janice Wang, a daughter of Mr. Wang and Mrs. Wang.

**RVJD STAR Company**

RVJD STAR Company is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, RVJD STAR Company is wholly-owned by RVJD Holding Limited, which is in turn wholly-owned by the RVJD STAR Trust.

The RVJD STAR Trust is a discretionary trust founded by Mr. Wang and Mrs. Wang and established under the laws of the Cayman Islands. Cititrust Private Trust (Cayman) Limited is the trustee of the RVJD STAR Trust and the discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living.

## **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In formulating our opinion and recommendation with regard to the Proposal and the Scheme, we have taken into account the following principal factors and reasons:

### **1. Business information, financial performance and prospects of the Group**

#### ***A. Business of the Group***

The Company is an exempted company with limited liability incorporated in the Cayman Islands, the shares of which have been listed on the Main Board of the Stock Exchange since 21 March 2006. The Group is principally engaged in the lifestyle centre and stylish department store chain development and operation, property development and hotel operation in the PRC.

As stated in the 2022 Annual Report, since the opening of the first store, Nanjing Xinjiekou Store, and after 28 years of operation, the Group has opened 30 stores in the PRC with a total gross floor area (“GFA”) of 2,503,623 square metres (“sq.m.”) and a total counter area of 1,178,623 sq.m. as at 31 December 2022. These stores are located in 17 cities across four provinces of Jiangsu, Anhui, Shaanxi, and Yunnan, and the municipality of Shanghai, covering Shanghai, Nanjing, Suzhou, Nantong, Yangzhou, Xuzhou, Taizhou, Huai’an, Yancheng, Suqian, Danyang, Kunshan, Wuhu, Ma’anshan, Huaibei, Xi’an and Kunming.

As at 31 December 2022, among the 30 stores, the Group was operating 15 comprehensive lifestyle centres with a total GFA of 1,971,090 sq.m.. The portion on lifestyle and amenities occupies 45.7% of the Group’s total counter area. As disclosed in the 2022 Annual Report, the Group has three reportable segments, namely retail operations, property development and hotel operations and other operations.

#### ***B. Financial information of the Group***

Set forth below is a summary of the audited consolidated financial information of the Group for FY2020, FY2021 and FY2022 as extracted from the 2021 Annual Report and the 2022 Annual Report. Further details of the financial information of the Group are set out in Appendix I to the Scheme Document.

**Table 1: Consolidated financial results of the Group**

	<b>1H2023</b>	<b>1H2022</b>	<b>FY2022</b>	<b>FY2021</b>	<b>FY2020</b>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Revenue</b>	<b>2,786,882</b>	<b>2,786,224</b>	<b>5,331,582</b>	<b>5,717,498</b>	<b>5,588,268</b>
– <i>Commission income from concessionaire sales</i>	903,683	891,781	1,735,673	2,024,173	1,848,881
– <i>Direct sales</i>	1,303,147	1,208,954	2,287,618	2,474,534	2,639,837
– <i>Sales of properties</i>	26,815	138,421	230,377	122,029	196,664
– <i>Management fees</i>	14,151	19,308	39,647	46,785	43,027
– <i>Hotel operations</i>	11,067	8,950	18,219	20,603	20,073
– <i>Automobile services fees</i>	–	–	–	1,510	17,998
– <i>Rental income</i>	528,019	518,810	1,020,048	1,027,864	821,788
Other income, gains and losses	261,959	138,934	258,642	926,056	1,118,153
Changes in inventories of merchandise	(1,139,887)	(1,042,890)	(1,990,391)	(2,119,394)	(2,270,764)
Cost of properties sold	(25,316)	(99,252)	(171,134)	(83,586)	(130,172)
Employee benefits expense	(156,802)	(162,955)	(326,188)	(380,983)	(336,273)
Depreciation and amortisation of property, plant and equipment and intangible asset	(189,981)	(191,733)	(384,144)	(386,586)	(378,126)
Depreciation of right-of-use assets	(49,429)	(37,642)	(79,408)	(76,270)	(70,238)
Rental expenses	(203,001)	(197,291)	(383,921)	(396,283)	(306,018)
Other expenses	(315,509)	(316,158)	(681,040)	(780,418)	(706,724)
Share of results of associates	5,199	6,726	12,948	14,125	(55,021)
Share of results of joint ventures	(170)	(198)	435	(955)	(2,126)
Finance income	130,728	56,351	150,001	79,616	57,362
Finance costs	(241,714)	(149,879)	(370,709)	(262,849)	(325,369)
<b>Profit before taxation</b>	<b>862,959</b>	<b>790,237</b>	<b>1,366,673</b>	<b>2,249,971</b>	<b>2,182,952</b>
Income tax expense	(285,272)	(319,971)	(603,817)	(637,697)	(629,056)
<b>Profit for the year/period</b>	<b>577,687</b>	<b>470,266</b>	<b>762,856</b>	<b>1,612,274</b>	<b>1,553,896</b>

Sources: the 2021 Annual Report, the 2022 Annual Report and the 2023 Interim Results

#### **FY2021 vs FY2020**

The Group recorded a total revenue of approximately RMB5,717.5 million for FY2021, representing a slight year-on-year (“YoY”) increase of approximately 2.3% or RMB129.2 million as compared to the total revenue of approximately RMB5,588.3 million for FY2020. The revenue of the Group is mainly derived from the amount of gross sales proceeds (“GSP”) which represent the gross amount, including the related value-added tax and sales taxes,

charged to/received from customers. The Group generated most of its revenue from direct sales and concessionaire sales. In FY2021, GSP of the Group increased to approximately RMB17,188.0 million, representing a YoY increase of approximately 4.6% or RMB762.2 million which was mainly attributable to the net effects of: (i) a YoY increase of approximately 6.1% in retail same-store sales amid the resurgence of the COVID-19 pandemic (the “**Pandemic**”) in various regions; and (ii) the decrease in sales of properties by approximately RMB76.7 million or 38.1% to RMB124.7 million since no material delivery of property units was carried out in FY2021 whereas the Group delivered the units in the remaining portion of a pre-sold property project to purchasers in FY2020. The increase in revenue is generally in line with the increase in GSP.

Other income mainly comprised of various miscellaneous operating income received from retail tenants and customers, including overall administration and management fees from concessionaire and rental tenants and credit card handling fees from retail customers, while other gains and losses mainly comprised of non-operating gains and losses such as: (i) net foreign exchange gain and loss resulting from the translation of foreign currencies denominated assets and liabilities into RMB; (ii) the gains and losses and dividend income derived from the Group’s investment in securities; (iii) the changes in the fair value of the Group’s investment properties; and (iv) other one-off or non-recurring gains and losses.

While other income increased by approximately 17.8% or RMB113.3 million to RMB751.0 million which was mainly attributable to the increase in overall administration and management fees income received from retail tenants since the Group adjusted its pricing policy in the second half of 2019. The net amount of other gains and losses decreased by approximately RMB305.4 million to RMB175.0 million from approximately RMB480.4 million for FY2020 which was primarily due to the net effects of: (i) the decrease in net foreign exchange gain by RMB260.5 million to RMB144.7 million from RMB405.2 million recognised in FY2020; (ii) the fair value change of the Group’s unquoted fund investment at fair value through profit or loss of RMB59.4 million, resulting from a fair value gain of RMB32.0 million in FY2020 to a fair value loss of RMB27.4 million recognised in FY2021; and (iii) the increase in loss recognised in relation to store suspension by RMB0.4 million to RMB81.3 million from RMB80.9 million recognised in FY2020.

Changes in inventories of merchandise and cost of properties sold represented the cost of goods sold under the direct sales business model and the cost of properties sold. Changes in inventories of merchandise and cost of properties sold decreased by approximately RMB198.0 million or 8.2% to approximately RMB2,203.0 million for FY2021 which was generally in line with the decrease in direct sales and sales of properties.

Profit for FY2021 increased by RMB58.4 million or 3.8% from approximately RMB1,553.9 million in FY2020 to approximately RMB1,612.3 million in FY2021 while net profit margin, which represents net profit as a percentage of GSP, decrease slightly from approximately 10.6% in FY2020 to approximately 10.5% in FY2021.

**FY2022 vs FY2021**

In FY2022, the Group's total revenue decreased by approximately RMB385.9 million or 6.7% from approximately RMB5,717.5 million for FY2021 to approximately RMB5,331.6 million. GSP of the Group decreased by approximately 13.0% or RMB2,236.9 million from approximately RMB17,188.0 million in FY2021 to approximately RMB14,951.1 million in FY2022 which was mainly attributable to the net effects of (i) the YoY decrease of approximately 14.3% in retail same-store sales amid the resurgence of regional outbreaks of the Pandemic in various cities of China which resulted in the decrease in customer traffic and weakened consumer sentiment; and (ii) the increase in sales of properties by approximately RMB104.0 million or 83.4% to RMB228.8 million, which represented the delivery of a portion of the pre-sold units in a property project to purchasers during FY2022. The decrease in revenue is generally in line with the decrease in GSP.

Other income amounted to approximately RMB763.2 million in FY2022 which remained relatively stable compared with that of approximately RMB751.0 million in FY2021. However, the net amount of other gains and losses decreased significantly by approximately RMB679.5 million to a net loss of RMB504.5 million from a net gain of RMB175.0 million for FY2021 which was primarily due to the net effects of: (i) the change from a net foreign exchange gain of approximately RMB144.7 million recognised in FY2021 to a net foreign exchange loss of approximately RMB567.1 million in FY2022, representing a net difference of approximately RMB711.8 million; (ii) the decrease in investment income from structured bank deposits by approximately RMB58.8 million from approximately RMB116.7 million recognised in FY2021 as the Group deployed more surplus capital to bank deposits during FY2022; (iii) the fair value change of the Group's unquoted fund investment from a loss of approximately RMB27.4 million recognised in FY2021 to a gain of approximately RMB6.0 million in FY2022, representing a net difference of approximately RMB33.4 million; and (iv) the decrease in loss recognised in relation to store suspension by approximately RMB80.6 million to approximately RMB8.0 million from approximately RMB88.6 million recognised in FY2021.

Changes in inventories of merchandise and cost of properties sold decreased by approximately RMB41.5 million or 1.9% YoY to approximately RMB2,161.5 million for FY2022. Such decrease was generally in line with the net decrease in direct sales and increase in sales of properties.

Resulting from the net effects of, among others, the factors as discussed above, profit for FY2022 decreased significantly by approximately RMB849.4 million or 52.7% YoY to approximately RMB762.9 million. Further, net profit margin also decreased significantly from approximately 10.5% for FY2021 to approximately 5.7% for FY2022.

**1H2022 vs 1H2023**

In 1H2023, the Group's total revenue remained stable at approximately RMB2,786.9 million compared with that of approximately RMB2,786.2 million for 1H2022. GSP of the Group increased slightly by approximately 3.5% or RMB272.3 million from approximately

RMB7,881.5 million in 1H2022 to approximately RMB8,153.8 million in 1H2023 which was mainly attributable to the net effects of (i) the YoY increase of approximately 4.3% in retail same-store sales amid the optimisation of China's Pandemic prevention and control measures since the end of 2022 which resulted in the increase in customer traffic and recovery of consumer sentiment; and (ii) the decrease in sales of properties by approximately RMB111.6 million or 80.9% to approximately RMB26.4 million since no material delivery of property units was carried out in 1H2023 whereas the Group delivered a comparatively larger proportion of the pre-sold units in a property project to purchasers in 1H2022.

Other income increased by approximately RMB9.9 million or 2.7% to approximately RMB378.8 million which was generally in line with the increase in sales. The net loss of other gains and losses decreased by approximately RMB113.2 million to approximately RMB116.8 million in 1H2023 which was primarily due to: (i) the decrease in a net foreign exchange loss by approximately RMB189.6 million to approximately RMB122.4 million in 1H2023; (ii) the decrease in investment income from structured bank deposits by approximately RMB47.0 million from approximately RMB51.0 million recognised in 1H2022 to approximately RMB4.0 million in 1H2023 due to the decrease in the relevant deposit rates and the Group has deployed more of its surplus capital to bank deposits during the period under review; (iii) a fair value change of the Group's unquoted fund investment at fair value through profit or loss ("FVTPL") from a gain of approximately RMB29.4 million recognised in 1H2022 to a loss of approximately RMB0.7 million in 1H2023, representing a net difference of approximately RMB30.1 million; and (iv) the increase in fair value loss of investment properties from approximately RMB4.3 million recognised in 1H2022 to approximately RMB24.4 million in 1H2023.

Changes in inventories of merchandise and cost of properties sold increased slightly by approximately RMB23.1 million or 2.0% YoY to approximately RMB1,165.2 million for 1H2023. Such increase was generally in line with the net increase in direct sales and decrease in sales of properties.

Resulting from the net effects of, among others, the factors as discussed above, profit for 1H2023 increased by approximately RMB107.4 million or 22.8% YoY to approximately RMB577.7 million. The net profit margin increased slightly from approximately 6.7% for 1H2022 to approximately 8.0% for 1H2023.

Table 2: Summary of the consolidated financial positions of the Group

	As at 30 June 2023 <i>(Unaudited)</i> <i>RMB'000</i>	As at 31 December 2022 <i>(Audited)</i> <i>RMB'000</i>	
		2021 <i>(Audited)</i> <i>RMB'000</i>	
<b>Non-current assets</b>			
Property, plant and equipment	7,864,702	8,016,284	8,308,714
Right-of-use assets	2,244,378	2,411,704	2,541,874
Investment properties	2,436,000	2,472,670	2,506,671
Other non-current assets	566,049	579,520	558,931
<b>Total non-current assets</b>	<b>13,111,129</b>	<b>13,480,178</b>	<b>13,916,190</b>
<b>Current assets</b>			
Properties under development for sale	1,187,138	1,582,768	1,551,987
Trade and other receivables	787,905	1,349,455	624,410
Financial assets at FVTPL	1,590,495	189,017	90,927
Cash and cash equivalents	6,705,066	7,814,741	7,651,382
Other current assets	1,582,043	1,235,859	1,127,281
<b>Total current assets</b>	<b>11,852,647</b>	<b>12,171,840</b>	<b>11,045,987</b>
<b>Current liabilities</b>			
Trade and other payables	3,365,186	3,271,187	4,116,750
Prepayments from customers	3,491,199	3,608,112	3,383,151
Bank loans	4,836,561	281,203	103,918
Senior notes	–	2,634,667	–
Other current liabilities	1,041,136	954,084	1,083,121
<b>Total current liabilities</b>	<b>12,734,082</b>	<b>10,749,253</b>	<b>8,686,940</b>
<b>Net current assets/(liabilities)</b>	<b>(881,435)</b>	<b>1,422,587</b>	<b>2,359,047</b>
<b>Non-current liabilities</b>			
Bank loans	780,000	3,945,813	3,673,788
Senior notes	–	–	2,406,167
Deferred tax liabilities	981,826	958,381	900,744
Other non-current liabilities	501,529	615,185	657,990
<b>Total non-current liabilities</b>	<b>2,263,355</b>	<b>5,519,379</b>	<b>7,638,689</b>
<b>Net asset value (“NAV”)</b>	<b>9,966,339</b>	<b>9,383,386</b>	<b>8,636,548</b>

	<b>As at 30 June 2023</b>	<b>As at 31 December</b>	
	<i>(Unaudited)</i>	<b>2022</b>	<b>2021</b>
	<i>RMB'000</i>	<i>(Audited)</i>	<i>(Audited)</i>
		<i>RMB'000</i>	<i>RMB'000</i>
<b>Capital and reserves</b>			
Share capital	175,146	175,146	175,146
Reserves	9,688,452	9,105,451	8,373,013
Equity attributable to owners of the Company	9,863,598	9,280,597	8,548,159
Non-controlling interests	102,741	102,789	88,389
<b>Total equity</b>	<b>9,966,339</b>	<b>9,383,386</b>	<b>8,636,548</b>

Sources: the 2022 Annual Report and the 2023 Interim Results

The Group's total assets as at 30 June 2023 mainly consisted of: (i) property, plant and equipment; (ii) cash and cash equivalents; (iii) investment properties; (iv) right-of-use assets; and (v) financial assets at FVTPL. The total assets of the Group as at 30 June 2023 recorded a slight decrease of approximately RMB688.2 million or 2.7% which was mainly attributable to the decrease in trade and other receivables and cash and cash equivalents and was partially offset by the increase in financial assets at FVTPL and completed properties for sales.

The Group's total liabilities as at 30 June 2023 mainly consisted of: (i) bank loans; (ii) prepayments from customers; and (iii) trade and other payables. The total liabilities of the Group recorded a decrease of approximately RMB1,271.2 million or 7.8% as at 30 June 2023 which was mainly attributable to the full redemption of the senior notes which was partially offset by the increase in bank loans. The gearing ratio, which is calculated by the Group's total borrowings divided by its total assets, decreased from 26.7% as at 31 December 2022 to 22.5% as at 30 June 2023.

The NAV attributable to owners of the Company increased by approximately RMB583.0 million or 6.3%, from approximately RMB9,280.6 million as at 31 December 2022 to approximately RMB9,863.6 million as at 30 June 2023.

### **C. Property valuation**

The valuation of the Group's property interests (the "Properties") as at 31 May 2023 (the "Valuation Date") have been conducted by the Independent Valuer. The Valuation Report is enclosed in Appendix II to the Scheme Document. According to the Valuation Report, the total market value in existing states of the Properties attributable to the Group was approximately RMB27.8 billion as at the Valuation Date (the "Valuation"), which is made up of approximately RMB23.4 billion worth of Groups I to IV Properties and approximately RMB4.4 billion worth of Group V Properties, being Properties contracted to be acquired by the Group

with incomplete titles, and portions of several Properties which had not obtained proper title certificates as at the Valuation Date, but the Independent Valuer had indicated the market value of these Properties for reference purpose.

In compliance with the requirements under Note (1)(d) to Rule 13.80 of the Listing Rules, we have also assessed the qualifications and experience of the responsible person of the Independent Valuer for its engagement as the independent valuer for the Valuation. We note that Mr. Eddie Yiu, the responsible person in charge of the Valuation, is, among others, a member of Hong Kong Institute of Surveyors, who has 29 years of experience in the valuation of properties in Hong Kong, the PRC and other Asian countries including Korea and Philippines. After our enquiry, we understand that the Independent Valuer had provided valuation services to the Company during annual audits prior to the current engagement. We have confirmed with the Independent Valuer that it has no other relationship with the Company which may cause concerns with respect to its independence so we are satisfied that the Independent Valuer is independent from the Company.

In addition, we have also reviewed the Independent Valuer's terms of engagement and noted that the scope of work is appropriate for arriving at the opinion in the Valuation. Nothing has come to our attention that the Company has made any formal or informal representation to the Independent Valuer that contravenes our understanding of the Valuation. As noted in the Valuation Report that the Valuation has been prepared in accordance with RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors, the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, the International Valuation Standards published by the International Valuation Standards Council and are in compliance with the Listing Rules and the Takeovers Code.

We have reviewed the Valuation Report, interviewed the Independent Valuer and discussed with them the rationale of adopting different valuation methodologies, bases and assumptions in valuing different Properties. We have also reviewed the Valuation Report and the working papers. We noted that the Independent Valuer has adopted income approach, discounted cash flow approach, market approach and cost approach as well as certain combinations of the aforesaid valuation methodologies in valuing different categories of the Properties. Set out below are the summary of valuation methodologies adopted by the Independent Valuer for the Valuation.

**Table 3: Summary of valuation methodologies**

<b>Types of Properties</b>	<b>Valuation methodology</b>
Properties held and under operation by the Group (i.e. Groups I and V Properties as set out in the Valuation Report)	<p>In valuing the subject Properties, the Independent Valuer has adopted an income approach based on the capitalisation of the existing rental income and/or reversionary rental income potential achievable in the existing market as at the Valuation Date at an appropriate market yield as the capitalisation rate. As noted from the Valuation Report and our discussion with the Independent Valuer, they assessed the rental value by making reference to the existing rental level. Where appropriate, reference has also been made to the comparable sales transaction within the same city. The Independent Valuer applied an appropriate capitalisation rate to the rental income based on the location, risks and characteristics of the subject Properties. We note Group V Properties are also Properties held and under operation by the Group, which their titles are in the process of being transferred to the Group. For these Properties, the Group has entered into sale and purchase agreements with relevant owner of the Properties. Since the Group has not yet obtained title certificates of these Properties as at the Valuation Date, the legal titles of the Properties have not been vested in the Group, and as such the Independent Valuer had attributed no commercial value to these Properties. Nevertheless, for reference purpose, the Independent Valuer had indicated the market value these Properties assuming the relevant title certificates for these Properties were obtained and these Properties were freely transferrable in the market.</p>

**Types of Properties****Valuation methodology**

Properties held under development by the Group (i.e. Group III Properties as set out in the Valuation Report)

In valuing the subject Properties, the Independent Valuer assumed that the subject Properties will be developed and completed in accordance with the latest development proposals provided to the Independent Valuer by the Group. The Independent Valuer has adopted the market approach for the land portion and cost approach to the building portion under development of the subject Properties. As noted from the Valuation Report and our discussion with the Independent Valuer, for the land portion, the Independent Valuer made reference to comparable sales evidence as available in the relevant market. For the building portion under development, the Independent Valuer took into account: (i) the accrued construction cost and professional fees relevant to the stage of construction as at the Valuation Date by making reference to the historical record provided by the Group; and (ii) the remainder of the cost and fees expected to be incurred for completing the development as provided by the Group and cross-checked against with other projects of the Independent Valuer with similar development.

Property held and under operation by the Group that is a hotel (i.e. Group I Property as set out in the Valuation Report)

In valuing the subject Property, the Independent Valuer has adopted the discounted cash flow approach by discounting future net cash flow of the subject Property to its present value by using an appropriate discount rate that reflects the rate of return required by a third-party investor for an investment of this type. As noted from the Valuation Report and our discussion with the Independent Valuer, the Independent Valuer considered the actual average daily rent in the actual daily operation and operation forecast provided by the Company and also compared with similar developments which are located in the similar areas. The Independent Valuer also considered the occupancy rate in the forecast by making reference to the historical occupancy of the subject Property. The forecast covered a 10-year holding period with cashflow forecast and the reversionary value in year eleven and discounted by an appropriate discount rate to derive a net present value. The Independent Valuer then applied the discount rate after considering the location, risks and characteristics of the subject Property.

**Types of Properties****Valuation methodology**

Properties held for sale and future development by the Group (i.e. Groups II and IV Properties as set out in the Valuation Report)

In valuing the subject Properties, the Independent Valuer has adopted the market approach by assuming sale of the Properties in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. As noted from the Valuation Report and our discussion with the Independent Valuer, the Independent Valuer made reference to the comparable sales transactions for similar properties in the marketplace. Adjustments were made to compensate for differences between the comparable properties and the subject Properties in terms of the time of the comparable sales transactions, location and physical characteristics between the comparable properties and the subject Properties.

They have decided on the use of the specific valuation methodology based on a variety of considerations, namely, among others, the availability of market transactions of similar properties, the nature of the properties (whether they be hotel, commercial, office, residential, car parking properties or land parcels, etc.), the accepted approach of valuing similar properties and the prevailing investor requirements or expectations. In view of the above, the valuation methodologies adopted by the Independent Valuer are, in our opinion, commonly used and reasonable approaches in establishing the respective market values of the Properties.

**D. Unaudited Adjusted NAV**

In evaluating the Proposal, we have taken into account the Group's Unaudited Adjusted NAV, which is provided by the Company and calculated based on the unaudited NAV attributable to owners of the Company as at 30 June 2023, adjusted with reference to the Valuation as at the Valuation Date (i.e. 31 May 2023). Details of the adjustments are set out in the table below.

**Table 4: Calculation of the Unaudited Adjusted NAV**

	<i>RMB million</i>
Unaudited NAV of the Group attributable to owners of the Company as at 30 June 2023	9,863.6
<i>Adjusted for:</i>	
<i>Add: Revaluation surplus arising from the Valuation<sup>Note 1</sup></i>	14,611.6
<i>Less: Net tax as a result of the revaluation surplus of the Properties held by the Group based on the Valuation<sup>Note 2</sup></i>	(4,916.4)
<b>Unaudited Adjusted NAV</b>	<b>19,558.8</b>

RMB million

**Unaudited Adjusted NAV per Share:**

<b>in RMB</b> <sup>Note 3</sup>	RMB11.78
<b>in HK\$</b> <sup>Note 4</sup>	HK\$13.08

**Cancellation Price** HK\$6.88

**Discount of the Cancellation Price to the Unaudited Adjusted NAV per Share** 47.40%

*Notes:*

1. This represents the revaluation surplus calculated by comparing the fair value of the Properties held by the Group as set out in Appendix II to the Scheme Document, including the Properties that the Group has not yet obtained title certificates, with their corresponding book values as at 30 June 2023, after adjusting for relevant interests not attributable to the Group.

The Independent Valuer has ascribed no commercial value to certain Properties that the Group has not yet obtained title certificates as at 31 May 2023. For indicative purpose only and assuming the relevant title certificates were obtained and such Properties were freely transferrable in the market, the aggregate market value of such Properties would be approximately RMB4,403.2 million.

For the purpose of this analysis, such Properties have been included in the above calculation. These Properties mainly included (i) portions of Xinjiekou Store Block B that the Group has not yet obtained title certificates as at 31 May 2023 as legal title of property has not been vested in the Group, details of the transaction have been disclosed in the Company's announcement and circular dated 11 November 2009 and 2 December 2009, respectively; (ii) Kunshan Lifestyle Centre that the Group has not yet obtained title certificates as at 31 May 2023 as legal title of property has not been vested in the Group, details of the transaction have been disclosed in the Company's announcement and circular dated 28 March 2011 and 21 April 2011, respectively; (iii) Nantong Lifestyle Centre that the Group has not yet obtained title certificates as at 31 May 2023 as legal title of property has not been vested in the Group; and (iv) underground basement floors, mainly underground car parks, which as advised by the Management after consulting with the Company's PRC legal adviser, separate title certificates would not be issued by the relevant authorities which with aggregate market value of approximately RMB128.2 million.

2. This represents the potential PRC taxes attributable to the valuation surplus on the Properties held by the Group.
3. It is calculated based on 1,660,205,000 Shares in issue as at the Latest Practicable Date.
4. An exchange rate of RMB1.00 to HK\$1.1104 was used for illustration only

***E. Prospects of the Group***

According to "China's Department Stores Report 2022-2023" (the "**Industry Report**"), which collected and analysed data from more than 100 department store operators, published in March 2023 jointly issued by 中國百貨商業協會 (the China Commerce Association for General Merchandise), an association established in 1990 with the approval of 中華人民共和國民政部 (the Ministry of Civil Affairs of the PRC), and Fung Business Intelligence, an independent industry data provider established in 2000 in Hong Kong, 2022 was a turbulent year for the department store industry in the PRC marked by several observable trends as detailed below.

As noted in the Industry Report, China's total retail sales of consumer goods decreased by 0.2% YoY to RMB43.97 trillion in 2022. Of which, the retail sales of physical goods increased by 0.5% YoY, while the catering sales decreased by 6.3% YoY. However, the recurring outbreaks of the Pandemic caused major disruptions to the recovery in the consumer market. By quarter, total retail sales of consumer goods suffered a significant YoY drop in the second quarter of 2022 amid the outbreaks of the Pandemic in Shanghai and other provinces. The implementation of a series of consumption-boosting policies helped push the retail sales growth back to positive territory in the third quarter. However, COVID-19 resurgence and the subsequent adjustment of anti-epidemic measures led to a YoY decline in retail sales again in the fourth quarter of 2022.

As stated in the Industry Report, 85.9% of surveyed department store operators saw a decline in sales revenue in 2022. Among them, 26.3% had a revenue decrease of 10% or less and 31.3% had a decrease between 10% and 20%. As discussed above, the Group's total revenue in FY2022 decreased by approximately 6.7% YoY was in line, albeit somewhat fared better, as compared with the overall industry trend. Profits of department store operators were also down in 2022, with 86.6% of surveyed department store operators reporting a downturn. Among them, 27.8% saw a net profit decline of 10% or less, 15.5% saw a decline between 10% and 20% while 43.3% saw a decline of over 20% and 32% experiencing a net profit decrease of over 30%. As discussed above, the decrease in profit of the Group was largely consistent with the industry trend.

The Industry Report also provided major development issues and challenges of the department store industry such as lacklustre growth due to weak consumption. As stated in the Industry Report, 2022年中央經濟工作會議 (the 2022 Central Economic Work Conference\*) pointed out that China's economic recovery is facing pressures from a shrinking demand, supply shocks, and weakening expectations. The consumer confidence index released by the National Bureau of Statistics of China dropped sharply to 86.7 in April 2022 and reached an all-time low in November 2022 since January 2015. As China has been adjusting its Pandemic measures, consumer confidence is expected to rebound in 2023. However, 76.9% of surveyed department store operators believe that insufficient spending power and sluggish growth are the main challenges faced by the department store industry.

As noted in "2023 China Consumer Insight and Market Outlook White Paper" (the "**Consumer White Paper**") issued by Deloitte China, the consumer confidence in China reached a historical low in 2022 and remained low which reflected a cautious attitude towards the economy and consumer trends. As further noted in the Consumer White Paper, a significant number of consumers reduced their willingness to spend on non-essential items such as luxury goods, toys, alcohol and tobacco while the willingness to spend on staples such as food and beverage, personal care, and household goods remained strong. As represented in the Consumer White Paper, the decline in spending on non-essentials is mainly attributed to the impact of the Pandemic on consumers' willingness or need to go out and consumers' attitudes towards spending.

As noted in the 2022 Annual Report, concessionaire sales accounted for most of the GSP in both FY2021 and FY2022 followed by direct sales. For the breakdown of GSP from concessionaire sales and direct sales, it was noted that the sales of: (i) apparel and accessories contributed; (ii) gold, jewellery and timepieces; (iii) outdoor, sports clothing and accessories; and (iv) supermarket operation (including sales of tobacco, wine and liquor) altogether contributed the majority of the total GSP in FY2021 and FY2022. As the aforementioned product categories are non-essential categories, the decrease in concessionaire sales, in terms of GSP, in FY2022 as noted in the 2022 Annual Report was in line with the industry trend as explained in the Consumer White Paper.

As noted in the 2022 Annual Report, the Group's GSP and revenue and profit from operations peaked in FY2018 but spiralled downward since FY2018. GSP of the Group amounted to almost RMB19 billion in FY2018 and decreased to less than RMB15 billion in FY2022. Revenue of the Group was more than RMB6.5 billion in FY2018 and decreased to less than RMB5.4 billion in FY2022. Profit from operations was more than RMB2.3 billion in FY2018 and decreased to less than RMB2.1 billion in FY2022. Although the Pandemic affected retail business in the PRC and the economic activities of the Group to a certain extent such as most of the Group's stores temporarily shortened their opening hours and/or were closed due to regional outbreaks of the Pandemic as stated in the 2022 Annual Report, we noted that the downward trend in the financial performance started well before the Pandemic. In particular, we noted the GSP and revenue and profits of the Industry Comparables (as defined below) followed a similar downward trend with varying degrees. As can be seen in the relevant analysis below, all of the Industry Comparables (as defined below) suffered losses during FY2022 except for one. According to the Industry Report, 74% of surveyed department store operators view online platforms and e-commerce as major challenges to the department store industry as they continue to affect offline retail. From e-commerce platforms such as Taobao and JD.com to live streaming platforms such as Douyin, online channels have continued to evolve and put pressure on offline retail enterprises. However, according to the Industry Report, the proportion of online retail has begun to stabilise over time – a trend that is expected to continue.

Last but not least, as commented by Deloitte in its “China economic outlook, February 2023”, it was highlighted that the main risk currently faced by consumers remains the uncertainties stemming from the decelerating property market, not because the sector presents a systemic risk, but because consumers might hoard their savings if they do not see substantial upside to holding real estate as a financial asset. For the Group, since it also engages in property development at a relatively smaller scale, the downward pressure from both weak consumer confidence and a decelerating property market are both concerning to the Management.

Based on the above, we are of the view that the future prospects of the Group are mostly challenging, owing to (i) the difficulty and uncertainty in regaining consumer confidence back to pre-COVID levels which created an overall weak consumption environment for the sale of non-essential product categories which contributed the majority of the Group's GSP; and (ii) the ongoing challenges posed by online platforms and e-commerce to the industry.

## 2. Analysis on the terms of the Proposal and the Scheme

As set out in the Letter from the Board, the Cancellation Price has been determined on a commercial basis after taking into account, among other things, recent and historical traded prices of the Shares, the financial performance of the Company, the trading multiples of comparable companies listed on the Stock Exchange and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in the Explanatory Memorandum in Part VI of the Scheme Document and with reference to other similar privatisation transactions relating to companies listed on the Stock Exchange in recent years.

### A. *Cancellation price comparisons*

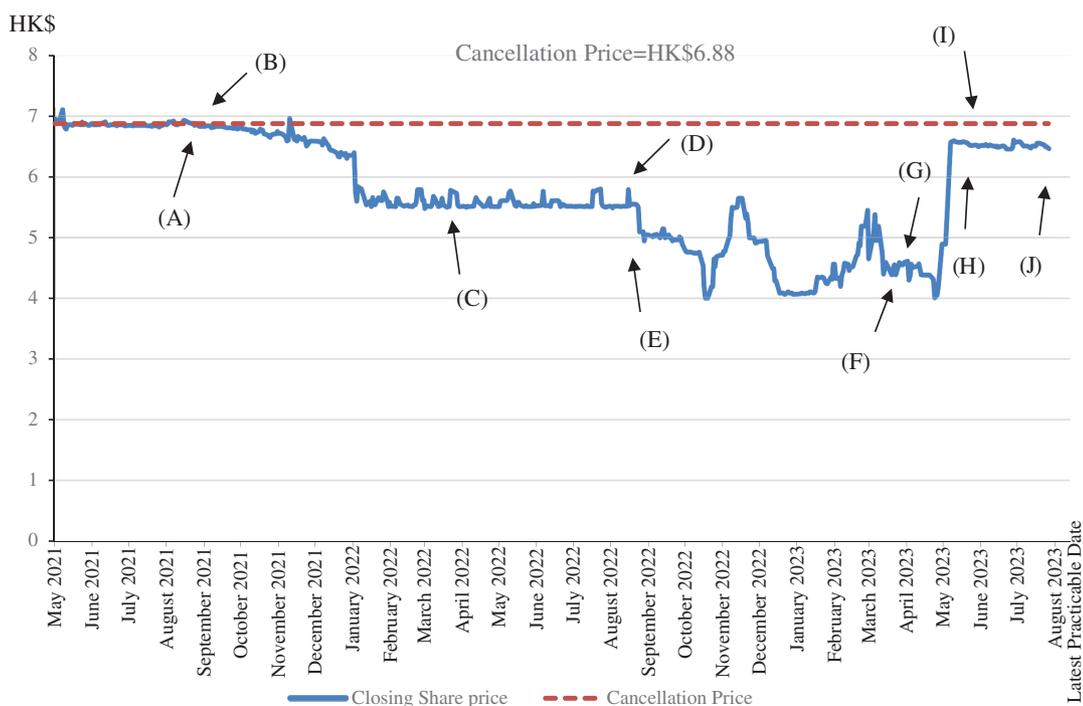
The Cancellation Price of HK\$6.88 per Scheme Share cancelled and extinguished represents:

- (i) a premium of approximately 6.17% over the closing price of HK\$6.48 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 40.41% over the last traded price of HK\$4.90 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 63.42% over the closing price of HK\$4.21 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (iv) a premium of approximately 66.59% over the average closing price of approximately HK\$4.13 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including on the Last Full Trading Day;
- (v) a premium of approximately 61.50% over the average closing price of approximately HK\$4.26 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including on the Last Full Trading Day;
- (vi) a premium of approximately 55.30% over the average closing price of approximately HK\$4.43 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including on the Last Full Trading Day;
- (vii) a premium of approximately 49.89% over the average closing price of approximately HK\$4.59 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including on the Last Full Trading Day;

- (viii) a premium of approximately 54.61% over the average closing price of approximately HK\$4.45 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including on the Last Full Trading Day;
- (ix) a premium of approximately 45.15% over the average closing price of approximately HK\$4.74 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including on the Last Full Trading Day;
- (x) a premium of approximately 10.79% over the audited consolidated NAV attributable to owners of the Company of approximately HK\$6.21 per Share as at 31 December 2022 (based on the audited consolidated equity attributable to owners of the Company of approximately RMB9,281 million (equivalent to approximately HK\$10,305 million) as at 31 December 2022 and 1,660,205,000 Shares in issue as the Latest Practicable Date);
- (xi) a premium of approximately 4.24% over the unaudited consolidated NAV attributable to owners of the Company of approximately HK\$6.60 per Share as at 30 June 2023 (based on the unaudited consolidated equity attributable to owners of the Company of approximately RMB9,864 million (equivalent to approximately HK\$10,953 million) as at 30 June 2023 and 1,660,205,000 Shares in issue as the Latest Practicable Date); and
- (xii) a discount of approximately 47.40% to the Unaudited Adjusted NAV per Share of approximately HK\$13.08 as at 30 June 2023.

***B. Historical price performance of the Shares***

Set out below is the chart showing the daily closing Share prices as quoted on the Stock Exchange during the period commencing from 24 May 2021, up to and including the Latest Practicable Date (the “**Review Period**”), being: (i) a two-year period prior to and including the Last Trading Day (the “**Pre-announcement Period**”); and (ii) the period subsequent to the Last Trading Day up to and including the Latest Practicable Date (the “**Post-announcement Period**”). In determining the length of the Review Period, we have considered: (i) if the length is too long such as more than two years prior to the Last Trading Day, it may not provide a good reference as it may not reflect the latest market conditions; and (ii) if the length is too short such as one year prior to the Last Trading Day, it may not be able to provide a holistic view of the general performance of the Share prices. Based on the above, we consider the Review Period we adopted is fair and reasonable.

**Chart 1: Closing Share prices during the Review Period**

Item	Date	Announcement
(A)	20 August 2021	Positive profit alert announcement
(B)	25 August 2021	Interim results announcement for 1H2021
(C)	23 March 2022	Annual results announcement for FY2021
(D)	10 August 2022	Profit warning announcement
(E)	18 August 2022	Interim results announcement for 1H2022
(F)	15 March 2023	Profit warning announcement
(G)	22 March 2023	Annual results announcement for FY2022
(H)	22 May 2023	Trading halt announcement
(I)	28 May 2023	Announcement
(J)	16 August 2023	2023 Interim Results

During the Review Period, the Shares traded between a range of the lowest of HK\$4.01 per Share on 9 November 2022 and 11 November 2022 respectively to the highest of HK\$7.10 per Share on 31 May 2021 with an average closing Share price of approximately HK\$5.76 per Share. The Cancellation Price of HK\$6.88 is mostly higher than the closing Share prices throughout the entire the Review Period and represents premiums of approximately 71.57% and 19.44% over the lowest and the average closing Share prices respectively during the Review Period.

We have reviewed the Share price movement during the Review Period and noted that the closing Share prices were in a general decreasing trend which decreased from HK\$7.10 per Share on 31 May 2021 to HK\$4.01 per Share on 11 November 2022, representing the highest and the lowest closing Share price during the Review Period respectively. During this period, we note that the Company released (i) the positive profit alert announcement on 20 August 2021 and the interim dividend announcement on 25 August 2021 in relation to the interim results of the Company for 1H2021; and (ii) the profit warning announcement on 10 August 2022 in relation to the interim results of the Company for 1H2022, the closing Share price then experienced some fluctuations during such period, while the closing Share prices still maintained the decreasing trend until 11 November 2022, when the Share price closed at HK\$4.01 per Share.

The closing Share prices rose from HK\$4.01 per Share on 11 November 2022 to HK\$5.65 per Share on 9 December 2022. We observed that (i) Mr. Wang made purchases of an aggregate of 4,000 Shares on 3 November 2022, 7 November 2022 and 9 November 2022 as set out in the relevant disclosure of interests notices filed by him; (ii) the Hang Seng Index experienced a sharp increase from 17,120 on 11 November 2022 to 19,484 on 9 December 2022, representing an increase of approximately 13.8% in that particular month; and (iii) the Company had released the announcement in relation to the renewal of certain continuing connected transactions with GEICO and its subsidiaries on 29 November 2022. The closing Share prices then fell from HK\$5.65 per Share on 9 December 2022 to HK\$4.08 per Share on 20 January 2023. We observed that the closing Share price in this period did not correlate with the overall market with the Hang Seng Index continued its uptrend and further increased from 19,484 on 9 December 2022 to 21,812 on 20 January 2023. Save for the above, no notable event was identified during the relevant period. The closing Share prices then experienced fluctuations between the range of HK\$4.02 and HK\$5.45 per Share, and the Share price closed at HK\$4.90 per Share at the Last Trading Date. During the aforesaid period, it was noted that the Company released the profit warning announcement in relation to the annual results of the Company for FY2022 on 15 March 2023 and released the annual results for FY2022 on 22 March 2023.

Trading in the Shares was suspended with effect from 2:55 p.m. on 22 May 2023 to 9:00 a.m. 29 May 2023. During the Post-announcement Period, the closing Share prices had been trading below the Cancellation Price within range of HK\$6.45 per Share and HK\$6.60 per Share. This price range is well above the average closing Share price during the Pre-announcement Period of HK\$5.67 per Share. However, Disinterested Scheme Shareholders should note that there is no assurance that the Share price will remain at the current level if the Proposal and the Scheme lapse.

**C. Trading liquidity of the Shares**

The following table sets out the trading volume of the Shares during the Review Period:

**Table 5: Trading volume of the Company**

	<b>Total trading volume</b> (No. of Shares)	<b>No. of trading days</b>	<b>Average daily trading volume</b> (No. of Shares)	<b>Average daily trading volume to the total number of Shares in issue</b> (Approximate) <sup>Note 1</sup>	<b>Average daily trading volume to the number of Shares held by public Shareholders</b> (Approximate) <sup>Note 2</sup>
<b>2021</b>					
May	13,031,415	6	2,171,903	0.1308%	0.4133%
June	5,595,941	21	266,473	0.0161%	0.0510%
July	2,754,000	21	131,143	0.0079%	0.0252%
August	1,732,000	22	78,727	0.0047%	0.0151%
September	2,393,000	21	113,952	0.0069%	0.0219%
October	1,012,127	18	56,229	0.0034%	0.0108%
November	3,289,134	22	149,506	0.0090%	0.0290%
December	1,837,274	22	83,512	0.0050%	0.0162%
<b>2022</b>					
January	10,277,100	21	489,386	0.0295%	0.0954%
February	1,757,000	17	103,353	0.0062%	0.0202%
March	1,992,000	23	86,609	0.0052%	0.0169%
April	1,837,000	18	102,056	0.0061%	0.0200%
May	706,000	20	35,300	0.0021%	0.0069%
June	538,000	21	25,619	0.0015%	0.0050%
July	344,000	20	17,200	0.0010%	0.0034%
August	729,000	23	31,696	0.0019%	0.0062%
September	479,000	21	22,810	0.0014%	0.0045%
October	171,441	20	8,572	0.0005%	0.0017%
November	2,433,000	22	110,591	0.0067%	0.0217%
December	1,370,000	20	68,500	0.0041%	0.0135%
<b>2023</b>					
January	4,130,000	18	229,444	0.0138%	0.0451%
February	1,113,130	20	55,657	0.0034%	0.0109%
March	1,248,000	23	54,261	0.0033%	0.0107%
April	2,299,000	17	135,235	0.0081%	0.0266%
May	11,045,000	21	525,952	0.0317%	0.1033%
June	21,381,201	21	1,018,152	0.0613%	0.2001%
July	27,354,600	20	1,367,730	0.0824%	0.2687%
August (up to and including the Latest Practicable Date)	7,879,600	14	562,829	0.0339%	0.1106%

Source: Website of the Stock Exchange

*Notes:*

1. The calculation is based on the average of the daily trading volume of the Shares divided by the total number of Shares in issue in the relevant period.
2. The calculation is based on the average daily trading volume of the Shares divided by the number of Shares held by the public Shareholders (i.e. Shareholders other than the substantial shareholders of the Company).

As illustrated in the table above, the average daily trading volume for the respective month/period during the Review Period ranged from approximately 8,572 Shares to approximately 2,171,903 Shares, representing: (i) approximately 0.0005% to approximately 0.1308% of the total number of issued Shares; and (ii) approximately 0.0017% to approximately 0.4133% of the number of Shares held by public Shareholders. The average daily trading volume during the Review Period was 236,400 Shares.

The average daily trading volume during the Pre-announcement Period was approximately 133,631 Shares, representing approximately 0.0254% of the Shares held by the public Shareholders. The highest daily trading volume was recorded on 31 May 2021, the trading volume reached approximately 12.0 million Shares, representing approximately 2.2873% of the number of Shares held by the public Shareholders.

On the first trading day after the release of the Announcement on 28 May 2023, the daily trading volume of the Shares increased to approximately 7.0 million Shares from approximately 1.5 million Shares as recorded on the Last Trading Day, representing approximately 1.3717% of the number of Shares held by public Shareholders. This increase in the trading volume of the Shares would have been the initial market reaction to the Announcement. Although the trading volume of the Shares was active on 29 May 2023, it dropped significantly to approximately 1.1 million Shares on the next trading day (i.e. 30 May 2023), representing approximately 0.2089% of the number of Shares held by public Shareholders. The average daily trading volume during the Post-announcement Period was approximately 1,120,386 Shares, representing: (i) approximately 0.0675% of the total number of issued Shares; and (ii) approximately 0.2201% of the number of Shares held by the public Shareholders.

Given the thin trading liquidity of the Shares during the Review Period, in particular the Pre-announcement Period, it is uncertain whether there would be sufficient liquidity in the trading of the Shares for the Disinterested Scheme Shareholders to dispose of a significant number of the Shares in the open market without depressing the Share price. In our opinion, given the fact that there were 327,127,000 Scheme Shares in issue as at the Latest Practicable Date that are held by the Disinterested Scheme Shareholders and the average daily trading volume during the Review Period was 236,400 Shares, to provide the Disinterested Scheme Shareholders with some perspective of what such thin trading liquidity of the Shares comes down to, meaning that it would take the Disinterested Scheme Shareholders approximately 1,384 trading days (or almost six years) to liquidate their entire shareholding positions. We therefore consider that the Proposal would provide the Disinterested Scheme Shareholders, particularly those who hold a large block of Shares, with an assured exit to dispose of all of their Shares at the Cancellation Price if they wish to (subject to the Conditions of the Proposal being satisfied).

The relatively high level of trading volume during the Post-announcement Period in relation to, among others, the Proposal and the Scheme may not be sustainable if the Proposal and the Scheme lapse. The Proposal and the Scheme, therefore, provide an opportunity for the Disinterested Scheme Shareholders, especially those holding a large block of the Shares, to dispose of their entire holdings at a fixed cash price.

#### *D. Industry Comparables*

As discussed under the section headed “Principal factors and reasons considered” above, most of the Group’s revenue was generated from lifestyle centre and department store chain development and operation in the PRC. We have identified companies which meet the following selection criteria: (i) whose shares are listed on the Main Board of Stock Exchange; (ii) more than half of the revenue was generated from the operation of department store; and (iii) more than half of the revenue was generated from the PRC. Based on the information extracted from the Bloomberg and the abovementioned selection criteria, we have exhaustively identified six comparable companies (the “**Industry Comparables**”). After considering that (i) the Industry Comparables are in a comparable industry as that of the Company; (ii) more than half of the revenue of both the Company and the Industry Comparables was generated from the operation of department stores and in the PRC; (iii) the shares of the Company and the Industry Comparables are both listed on the Main Board of the Stock Exchange; and (iv) the sample size of six Industry Comparable is considered a fair sample size large enough to provide statistically distributed results, we consider that the sample to be fair and representative for the purpose of our analysis.

It was noted that the market capitalisation of the Industry Comparables as at the Latest Practicable Date ranged from approximately HK\$132.2 million to approximately HK\$1,318.0 million while the implied market capitalisation of the Company (details of the calculation as shown below) under the Proposal amounts to approximately HK\$11,422.2 million. We consider that the findings of the sample of the Industry Comparables is the closest resemblance and representation of the industry in which the Company operates. Given that there are only six samples in the population that operate in the comparable industry as that of the Company, we do not consider it justifiable to narrow down the samples by removing those Industry Comparables with smaller capitalisation because this would render the study lack of sample population to draw a meaningful conclusion.

In conducting our analysis, we compared the price-to-book multiple (“**P/B Multiple**”) and the price-to-earnings multiple (“**P/E Multiple**”) of the Company implied by the Cancellation Price against those of the Industry Comparables using the latest publicly available financial information. For the selection of the valuation multiple, given the fact that (i) the P/B Multiple is effective in valuing asset-heavy companies; (ii) the Company has been profitable during FY2022 and FY2021; and (iii) the P/E Multiple is a commonly-used valuation multiple to analyse companies which have a track record of generating profits, we consider that P/B Multiple and P/E Multiple are appropriate valuation multiples for our analysis. However, we noted from our analysis that five out of the six Industry Comparables recorded a net loss in the latest financial year. As such, the table below mainly include the analysis of P/B Multiple while that of P/E Multiple only serves as a reference.

Table 6: List of Industry Comparables

No.	Comparable Companies	Stock code	Principal activities	Closing market capitalisation as at the Latest Practicable Date (Approximate HK\$' million) <sup>Note 1</sup>	Historical P/B Multiple (Approximate times) <sup>Note 2,3</sup>
1	Lifestyle China Group Limited	2136	Operation of department stores, retailing and related business as well as property investment in the PRC	1,318.0	0.13
2	New World Department Store China Limited	825	Operation of department stores and property investment in the PRC	1,163.4	0.32
3	Maoye International Holdings Limited ("Maoye")	848	Operation of department stores and property investment in the PRC	1,048.6	0.07
4	Parkson Retail Group Limited	3368	Operation of department stores, shopping malls, outlets and supermarkets in the PRC	337.2	0.09
5	Shirble Department Store Holdings (China) Limited	312	Operation of department stores in the PRC	177.1	0.14
6	Century Ginwa Retail Holdings Limited	162	Operation of department stores, a shopping mall and supermarkets in the PRC	132.2	0.08
				<b>Maximum</b>	0.32
				<b>Minimum</b>	0.07
				<b>Median</b>	0.11
				<b>Average</b>	0.14
	<b>The Company</b>				<b>1.11</b> <sup>Note 4, 5</sup>
				<b>Adjusted Implied P/B Multiple</b>	<b>0.53</b> <sup>Note 6</sup>

Sources: Website of the Stock Exchange and Bloomberg

Notes:

1. The market capitalisations as at the Latest Practicable Date.
2. The P/B Multiples of the Industry Comparables are calculated by dividing the respective market capitalisation of the Industry Comparable as at the Latest Practicable Date, by the most recently published NAV attributable to the shareholders of the Industry Comparables.

3. The profit and NAV attributable to the shareholders were reported in RMB and converted into HK\$ based on an exchange rate of RMB1.0 = HK\$1.1104 (the “**Exchange Rate**”), for illustrative purposes.
4. The implied market capitalisation of the Company (the “**Implied Market Value**”) under the Proposal of approximately HK\$11,422.2 million is calculated by multiplying the Cancellation Price of HK\$6.88 per Scheme Share and the number of issued Shares of 1,660,205,000 Shares as at the Latest Practicable Date.
5. The implied P/B Multiple (the “**Implied P/B Multiple**”) of 1.11 times is calculated by dividing the Implied Market Value by the NAV attributable to owners of the Company as at 31 December 2022 which was reported in RMB and converted into HK\$ based on the Exchange Rate, for illustrative purposes.
6. The adjusted implied P/B multiple (the “**Adjusted Implied P/B Multiple**”) of 0.53 time is calculated by dividing the Cancellation Price by the Unaudited Adjusted NAV per Share.

As set out above, the P/B Multiples of the Industry Comparables ranged from approximately 0.07 time to approximately 0.32 time with the average and median P/B Multiples of approximately 0.14 time and 0.11 time respectively. Both the Implied P/B Multiple of 1.11 times and the Adjusted Implied P/B Multiple of 0.53 time of the Company are significantly higher than the maximum P/B Multiple of the Industry Comparables.

As mentioned above, there is only one Industry Comparable (i.e. Maoye) with a P/E Multiple of approximately 4.14 times calculated by dividing the market capitalisation of the Industry Comparable as at the Latest Practicable Date by the most recently published full financial year profit attributable to the shareholders of the Industry Comparable. It is noted that the implied P/E Multiple of 13.63 times (which is calculated by dividing the Implied Market Value by the net profit attributable to owners of the Company for FY2022 which was reported in RMB and converted into HK\$ based on the Exchange Rate) is significantly higher than the only P/E Multiple available of the Industry Comparables.

In short, it is worth noting that all the Implied P/B Multiple, the Adjusted Implied P/B Multiple and the Implied P/E Multiple, compare favourably against the corresponding multiples of the Industry Comparables.

#### ***E. Privatisation Comparables***

We have reviewed successful privatisation proposals to identify comparable privatisation transactions (the “**Privatisation Comparables**”) in order to assess the fairness and reasonableness of the Cancellation Price.

After considering that: (i) the Cancellation Price was determined after taking into account other similar privatisation transactions relating to companies listed on the Stock Exchange in recent years; (ii) the Company is listed on the Main Board; and (iii) the Proposal is by way of a scheme of arrangement, we have researched for the Privatisation Comparables: (i) of which the shares of the target company were listed on the Main Board of the Stock Exchange; (ii) which was also conducted by way of a scheme of arrangement; and (iii) which were announced during the period (the “**PC Review Period**”) from two years prior to the Last Trading Date up to and including the Last Trading Date and were successfully privatised on or before the Latest Practicable Date.

Based on the above selection criteria, we have exhaustively identified 12 Privatisation Comparables which are considered sufficient and representative. It should be noted that the subject companies in the Privatisation Comparables were involved in industries which are not exactly identical to that of the Company. As such, the analysis should not be considered on an isolated basis but should be taken into account in totality with other factors for considering whether to accept the Proposal. Nevertheless, the Privatisation Comparables as a whole should provide us with a meaningful analysis of the recent market trend of the pricing of privatisation in the Hong Kong capital market. The table below illustrates the premiums or discounts of the cancellation prices offered by the corresponding offerors in each of the Privatisation Comparables over or to the corresponding prevailing share prices prior to the issue of the relevant privatisation announcements and the latest NAV/re-assessed NAV per share attributable to shareholders:

Table 7: Privatisation Comparables

Date of the announcement	Company name and stock code	Premium/ (discount) of cancellation price over/to the Last trading day %	Premium/(discount) of cancellation price over/to the average of <sup>Note 1</sup>						Premium/(discount) of cancellation price over/to the re-assessed latest	
			Last 5 trading days %	Last 10 trading days %	Last 30 trading days %	Last 60 trading days %	Last 90 trading days %	Last 180 trading days %	NAV per share attributable to shareholders %	NAV per share attributable to shareholders %
25 Jun 2021	Bestway Global Holding Inc. (3358)	27.00	29.51	32.70	47.00	62.80	71.80	101.80	10.90	0.00
12 Aug 2021	Good Friend International Holdings Inc. (2398)	50.00	73.61	73.81	61.58	49.01	38.89	28.39	31.58	(20.21)
25 Aug 2021	Suchuang Gas Corporation Ltd. (1430)	2.88	19.62	23.15	25.63	26.26	26.26	23.76	96.85	N/A
6 Sep 2021	Hop Hing Group Holdings Ltd. (47)	73.90	74.70	76.21	70.90	62.90	61.00	66.30	57.80	N/A
30 Sep 2021	C.P. Pokphand Co. Ltd. (43)	19.79	22.34	17.35	27.78	33.72	30.68	27.78	7.52	N/A
15 Oct 2021	Yorkey Optical International (Cayman) Ltd (2788) (“Yorkey”) <sup>Note 2</sup>	75.30	95.88	101.01	102.60	101.00	101.00	102.60	24.30	6.30
2 Dec 2021	Razer Inc. (1337)	5.62	5.22	2.32	18.99	38.90	42.40	27.96	487.50	N/A
14 Jan 2022	AKM Industrial Company Limited (1639)	15.19	22.15	28.44	25.57	28.44	39.90	60.00	70.88	N/A
9 Jun 2022	China VAST Industrial Urban Development Company Limited (6166)	30.43	29.17	28.82	31.39	36.90	42.07	30.66	(41.18)	(41.89)
7 Aug 2022	Lifestyle International Holdings Limited (1212) (“Lifestyle”)	62.34	75.93	81.88	70.11	58.66	48.08	30.01	287.54	(52.83)
24 Oct 2022	Kingston Financial Group Limited (1031)	47.78	48.37	47.57	39.41	33.27	29.87	10.99	(80.24)	(57.79)
21 Feb 2023	Jiangnan Group Limited (“Jiangnan”) (1366)	12.68	72.41	89.57	101.44	99.55	90.48	77.48	(63.78)	N/A

Date of the announcement	Company name and stock code	Premium/ (discount) of cancellation price over/to the Last trading day %	Premium/(discount) of cancellation price over/to the average of <sup>Note 1</sup>					Last 180 trading days %	NAV per share attributable to shareholders %		NAV per share attributable to shareholders %	Premium/(discount) of cancellation price over/to the re-assessed latest
			Last 5 trading days %	Last 10 trading days %	Last 30 trading days %	Last 60 trading days %	Last 90 trading days %		Last 180 trading days %	NAV per share attributable to shareholders %		
	<b>Maximum</b>	75.30	95.88	101.01	102.60	101.00	101.00	102.60	487.50	6.30		
	<b>Minimum</b>	2.88	5.22	2.32	18.99	26.26	26.26	10.99	(80.24)	(57.79)		
	<b>Average</b>	35.24	47.41	50.24	51.87	52.62	51.87	48.98	74.14	(27.74)		
	<b>Median</b>	28.72	38.94	40.13	43.21	43.96	42.24	30.34	27.94	(31.05)		
	<b>The Cancellation Price</b>	40.41 <sup>Note 3</sup>	66.59 <sup>Note 4</sup>	61.50 <sup>Note 4</sup>	55.30 <sup>Note 4</sup>	49.89 <sup>Note 4</sup>	54.61 <sup>Note 4</sup>	45.15 <sup>Note 4</sup>	10.79 <sup>Note 5</sup>	(47.40) <sup>Note 6</sup>		

Sources: Website of the Stock Exchange and Bloomberg

Notes:

1. Premiums/(discounts) shown above for certain trading periods are independently calculated as they are not disclosed in their respective scheme documents and they are subject to rounding differences.
2. As noted in the announcement of Yorkey Dated 4 January 2022, the cancellation price was increased from HK\$0.88 to HK\$0.999 per scheme share. As such, the analysis is based on the final cancellation price, being HK\$0.999 per scheme share.
3. The Last Trading Day was not a full trading day as the trading in the Shares was halted at 2:55 p.m. on 22 May 2023 as stated in the announcement of the Company dated 22 May 2023. As stated in the Letter from the Board, the Cancellation Price represented a premium of approximately 63.42% over the closing price of HK\$4.21 per Share on the Last Full Trading Day.
4. It refers to average closing price of based on the daily closing prices as quoted on the Stock Exchange for the corresponding number of trading days up to and including on the Last Full Trading Day.
5. It is the Implied P/B Multiple.
6. It is the Adjusted Implied P/B Multiple.

As shown in the table above, the premiums represented by the Cancellation Price over the Last Trading Day, 5, 10, 30, 60, 90 and 180 trading days are all within ranges of the premiums of the Privatisation Comparables. Further, the premiums represented by the Cancellation Price over the Last Trading Day, last 5, 10, 30 and 90 trading days are higher than the corresponding average and median premiums of the Privatisation Comparables. Although the premiums represented by the Cancellation Price over the last 60 and 180 trading days are slightly lower than the corresponding average but higher than the corresponding median premiums of the Privatisation Comparables. It was noted that the Last Trading Day was not a full trading day due to trading halt in the Shares in the afternoon trading session on the Last Trading Day while the last trading day of all of the Privatisation Comparables (except for Yorkey and Jiangnan) was a full trading day. The premium of approximately 63.42% represented by the Cancellation Price over the Last Full Trading Day is significantly higher than the average and median premiums of the Cancellation Price over the last trading day of the Privatisation Comparables.

The premium represented by the Cancellation Price to the latest audited NAV attributable to owners of the Company of 10.79% and the discount represented by the Cancellation Price to the Unaudited Adjusted NAV per Share of approximately 47.40% are within the corresponding range of the Privatisation Comparables although they are below the corresponding average and median premium and discount of the Privatisation Comparables. It is worth noting that Lifestyle is considered the most comparable Privatisation Comparable as it was mainly engaged in the operation of department stores, property development and investment in Hong Kong and the United Kingdom, and the discount represented by the Cancellation Price to the Unaudited Adjusted NAV per Share of approximately 47.40% is less than that of the discount of 52.83% for Lifestyle.

Based on the above illustration, we note that the Cancellation Price is supported by most of the measures such as the Last Trading Day, last 5, 10, 30 and 90 trading days while it did not compare too well against the Privatisation Comparables under few measures such as last 60 days, 180 days, the premium to the latest audited NAV attributable to owners of the Company and the discount to the Unaudited Adjusted NAV per Share.

## **OPINION AND RECOMMENDATION**

Based on the above principal factors and reasons, in particular:

- (i) the future prospects of the Group are mostly challenging, owing to (i) the difficulty and uncertainty in regaining consumer confidence back to pre-COVID levels which created an overall weak consumption environment for non-essential product categories which contributed the majority of the Group's GSP; and (ii) the ongoing challenges posed by online platforms and e-commerce to the industry;
- (ii) the Cancellation Price represents premiums over the prevailing market prices of the Shares, in particular, the Cancellation Price has been, at most of the time during the Review Period, higher than the observed closing Share prices. In addition, the Cancellation Price of HK\$6.88 per Scheme Share generally fares better than the average closing price of the Shares during the Pre-announcement Period of HK\$5.67 per Share;

- (iii) given the thin trading volume of the Shares (i.e. the average daily trading volume during the Review Period was less than 250,000 Shares), as discussed above, it is uncertain whether there would be sufficient liquidity in the trading of the Shares for the Disinterested Scheme Shareholders to dispose of a significant number of the Shares in the open market without depressing the Share price. We therefore consider that the Proposal provides the Disinterested Scheme Shareholders, particularly those who hold a large block of Shares, with an assured exit to dispose of all of their Shares at the Cancellation Price if they wish to (subject to the Conditions of the Proposal being satisfied);
- (iv) both the Implied P/B Multiple of 1.11 times and the Adjusted Implied P/B Multiple of 0.53 time of the Company are significantly above the maximum of the P/B Multiples of the Industry Comparables and are markedly higher than the average and median P/B Multiples of the Industry Comparables of approximately 0.14 time and 0.11 time respectively;
- (v) the premiums represented by the Cancellation Price over the Last Trading Day, 5, 10, 30, 90 trading days of approximately 40.41%, 66.59%, 61.50%, 55.30% and 54.61% are across the board higher than the corresponding average and median premiums of the Privatisation Comparables, the premiums represented by the Cancellation Price over the 60 trading days and 180 trading days of approximately 49.89% and 45.15% also compare favourably against the median premiums of the Privatisation Comparables;
- (vi) the premiums of approximately 40.41% and 63.42% represented by the Cancellation Price over the Last Trading Day and the Last Full Trading Day are higher than the average and median premiums of the Cancellation Price over the last trading day of the Privatisation Comparables;
- (vii) the premium represented by the Cancellation Price to the latest audited NAV attributable to owners of the Company of 10.79% is within the range of those of the Privatisation Comparables although it is less than the average and median premiums of the Privatisation Comparables, and
- (viii) although the discount represented by the Cancellation Price to the Unaudited Adjusted NAV per Share of approximately 47.40% is higher than the average and median discounts of the Privatisation Comparables, it is within the range of those of the Privatisation Comparables while it is comparatively less than the discount to re-assessed NAV per share attributable to shareholders of Lifestyle for the privatisation of Lifestyle, being the only department store operator subject to privatisation during the PC Review Period,

we consider the terms of the Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend (a) the Disinterested Scheme Shareholders to vote IN FAVOUR OF the resolution to approve the Scheme at the Court Meeting; and (b) the Shareholders to vote IN FAVOUR OF the special resolution and the ordinary resolution in connection with the implementation and completion of the Proposal at the EGM.

Disinterested Scheme Shareholders should note that the closing Share prices have been trading below the Cancellation Price with an average of around HK\$6.52 per Share since the publication of the Announcement but above the average closing Share price during the Pre-announcement Period of HK\$5.67 per Share. Therefore, there is no assurance that the Share price will remain at the current level if the Proposal and the Scheme lapse.

Further details regarding the procedures of the Proposal and the Scheme are set out in the Explanatory Memorandum. Disinterested Scheme Shareholders are urged to act according to the timetable set out in the Scheme Document if they wish to qualify for entitlements under the Scheme.

Yours faithfully,  
For and on behalf of  
**Opus Capital Limited**  
**Cheung On Kit Andrew**  
*Executive Director*

*Mr. Cheung On Kit Andrew is an Executive Director of Opus Capital Limited and is licensed under the SFO as a Responsible Officer to conduct Type 6 (advising on corporate finance) regulated activity. Mr. Cheung has over 15 years of corporate finance experience in Asia Pacific and has participated in and completed various financial advisory and independent financial advisory transactions.*

\* *For identification purpose only*

*This Explanatory Memorandum constitutes the statement required under Order 102, rule 20(4)(e) of the Rules of the Grand Court of the Cayman Islands 1995 (revised).*

**A SCHEME OF ARRANGEMENT  
(UNDER SECTION 86 OF THE COMPANIES ACT) TO CANCEL AND EXTINGUISH  
ALL THE SCHEME SHARES**

**INTRODUCTION**

Pursuant to the Announcement, the Offeror and the Company jointly announced that, on 25 May 2023, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme.

If the Proposal is approved and implemented:

- (a) all of the Scheme Shares held by the Disinterested Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the Cash Cancellation Consideration payable in cash by the Offeror to the Disinterested Scheme Shareholders whose names appear on the Register on the Scheme Record Date;
- (b) the 1,151,268,000 Scheme Shares held by GEIRG (representing all the Shares held by GEIRG) will be cancelled and extinguished on the Effective Date in exchange for the GEIRG Cancellation Consideration, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG;
- (c) pursuant to paragraphs (a) to (b) above, the issued share capital of the Company will be reduced by cancelling and extinguishing the Scheme Shares, and upon such reduction, the issued share capital of the Company will be simultaneously increased to its former amount by the new issuance at par to the Offeror, credited as fully paid, of an aggregate number of Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of the cancellation and extinguishment of Scheme Shares will be applied to pay up in full at par the new Shares so issued, credited as fully paid, to the Offeror;
- (d) approximately 89.06% of the total number of Shares in issue will be held by the Offeror (as a result of the new issuance mentioned in (c) above), and approximately 0.95% and 9.99% of the total number of Shares in issue will continue to be held by the Founder Family Members and RVJD STAR Company respectively (as a result of the Rollover Arrangement); and

- (e) the Company will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange pursuant to Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date.

The purpose of this Explanatory Memorandum is to explain the terms and effects of the Proposal and to provide the Scheme Shareholders with other relevant information in relation to the Proposal.

The particular attention of the Scheme Shareholders is drawn to the following sections of this Scheme Document: (a) the “Letter from the Board” in Part III of this Scheme Document; (b) the “Letter from the Independent Board Committee” in Part IV of this Scheme Document; (c) the “Letter from the Independent Financial Adviser” in Part V of this Scheme Document; and (d) the terms of the Scheme as set out in Appendix IV to this Scheme Document.

## **TERMS OF THE PROPOSAL**

### **Cancellation Price**

Under the Scheme, the Cancellation Price of HK\$6.88 per Scheme Share will be payable by the Offeror to the Scheme Shareholders in the form of:

- (a) the Cash Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by the Disinterested Scheme Shareholders; and
- (b) the GEIRG Cancellation Consideration for the cancellation and extinguishment of the Scheme Shares held by GEIRG.

The Cancellation Price of HK\$6.88 per Scheme Share cancelled and extinguished represents:

- (a) a premium/discount of approximately 6.17% over the closing price of HK\$6.48 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a premium of approximately 40.41% over the last traded price of HK\$4.90 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a premium of approximately 63.42% over the closing price of HK\$4.21 per Share as quoted on the Stock Exchange on the Last Full Trading Day;
- (d) a premium of approximately 66.59% over the average closing price of approximately HK\$4.13 per Share based on the daily closing prices as quoted on the Stock Exchange for the 5 trading days up to and including on the Last Full Trading Day;

- (e) a premium of approximately 61.50% over the average closing price of approximately HK\$4.26 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 trading days up to and including on the Last Full Trading Day;
- (f) a premium of approximately 55.30% over the average closing price of approximately HK\$4.43 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 trading days up to and including on the Last Full Trading Day;
- (g) a premium of approximately 49.89% over the average closing price of approximately HK\$4.59 per Share based on the daily closing prices as quoted on the Stock Exchange for the 60 trading days up to and including on the Last Full Trading Day;
- (h) a premium of approximately 54.61% over the average closing price of approximately HK\$4.45 per Share based on the daily closing prices as quoted on the Stock Exchange for the 90 trading days up to and including on the Last Full Trading Day;
- (i) a premium of approximately 45.15% over the average closing price of approximately HK\$4.74 per Share based on the daily closing prices as quoted on the Stock Exchange for the 180 trading days up to and including on the Last Full Trading Day;
- (j) a premium of approximately 10.79% over the audited consolidated net asset value attributable to the Shareholders of approximately HK\$6.21 per Share as at 31 December 2022 (based on the audited consolidated equity attributable to owners of the Company of approximately RMB9,281 million (equivalent to approximately HK\$10,305 million) as at 31 December 2022 and 1,660,205,000 Shares in issue as the Latest Practicable Date);
- (k) a premium of approximately 4.24% over the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$6.60 per Share as at 30 June 2023 (based on the unaudited consolidated equity attributable to owners of the Company of approximately RMB9,864 million (equivalent to approximately HK\$10,953 million) as at 30 June 2023 and 1,660,205,000 Shares in issue as the Latest Practicable Date); and
- (l) a discount of approximately 47.40% to the Unaudited Adjusted NAV per Share of approximately HK\$13.08 as at 30 June 2023.

**Basis for determining the Cancellation Price**

The Cancellation Price has been determined on a commercial basis after taking into account, among other things, recent and historical traded prices of the Shares, the financial performance of the Company, the trading multiples of comparable companies listed on the Stock Exchange and the factors as set out in the section headed “Reasons for and benefits of the Proposal” in this Scheme Document and with reference to other similar privatisation transactions relating to companies listed on the Stock Exchange in recent years.

**The Offeror will not increase the Cancellation Price and does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.**

**Dividend payment by the Company**

If, after the date of the Announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the Offer Period in relation to the Proposal. As at the Latest Practicable Date, there is no outstanding dividend in respect of the Shares that has been announced but not yet paid.

**Conditions of the Proposal and the Scheme**

The Proposal and the Scheme will only become effective and binding on the Company and all the Scheme Shareholders if the following Conditions are fulfilled, waived or remain satisfied (as applicable):

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting with any Scheme Shareholder being parties acting in concert with the Offeror (including GEIRG) abstaining from voting;
- (b) (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting; and

- (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Disinterested Scheme Shareholders;
- (c)
  - (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares; and
  - (ii) the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to, simultaneously upon the reduction of issued share capital, the increase of issued Shares in the share capital of the Company to the amount prior to the cancellation and extinguishment of the Scheme Shares by the allotment and new issuance at par to the Offeror of the aggregate number of new Shares, credited as fully paid, as is equal to the number of Scheme Shares cancelled and extinguished and the application of the reserve created in the Company's books of account as a result of the capital reduction to pay up in full at par such number of the new Shares so allotted and issued to the Offeror;
- (d) the sanction of the Scheme (with or without modifications) by the Grand Court and, to the extent necessary, its confirmation of the reduction of the issued share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies of a copy of the order of the Grand Court for registration;
- (e) to the extent necessary, compliance with the procedural requirements and conditions under Sections 15 and 16 of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation and extinguishment of the Scheme Shares;
- (f) all Authorisations (if any) having been obtained or made from, with or by (as the case may be) the Relevant Authorities in the Cayman Islands, Hong Kong, and any other relevant jurisdictions; and, if applicable, any waiting periods having expired or terminated;
- (g) all Authorisations (if any) remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, which are material in the context of the Group (taken as a whole), in each aforesaid case up to the Effective Date;

- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal;
- (i) since the date of the Announcement, there having been no adverse change in the business, assets, financial or trading positions, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal); and
- (j) all necessary consents in connection with the Proposal and the withdrawal of listing of the Shares on the Stock Exchange which may be required under any existing contractual obligations of any member of the Group being obtained or waived by the relevant party(ies) and remaining in effect (if applicable).

The Conditions in paragraphs (a) to (d) cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (j), to the extent permissible by relevant laws and regulations, the Listing Rules and the Takeovers Code, either in whole or in respect of any particular matter. The Company does not have the right to waive any of the Conditions. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

All of the Conditions will have to be fulfilled, waived or remain satisfied, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse. If the Scheme is withdrawn, not approved or lapsed, the listing of the Shares on the Stock Exchange will not be withdrawn. If the Conditions are satisfied or waived (as applicable), the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

As at the Latest Practicable Date, none of the Conditions set out in paragraphs (a) to (j) have been fulfilled or waived (as the case may be).

As at the Latest Practicable Date, with respect to the Condition in:

- (a) paragraphs (f) and (g), each of the Offeror and the Company is not aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (a) to (d);

- (b) paragraph (h), each of the Offeror and the Company is not aware of any such action, proceeding, suit, investigation, enquiry, statute, regulation, demand or order; and
- (c) paragraph (j), each of the Offeror and the Company is not aware of any such consents other than those from certain facility agreement entered into by the Group.

**Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.**

### **THE SHARE SWAP UNDERTAKING**

On 28 May 2023, GEIRG entered into the Share Swap Undertaking in favour of the Offeror. Pursuant to the Share Swap Undertaking, GEIRG has undertaken and agreed to the cancellation and extinguishment of the 1,151,268,000 Scheme Shares held by it, representing all the Shares held by it in the Company and representing approximately 69.35% of the total issued Shares, in exchange for the GEIRG Cancellation Consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG.

As at the Latest Practicable Date, 100 nil-paid Offeror Shares, representing 100% of the issued share capital of the Offeror, have been issued to GEICO. In accordance with the terms of the Share Swap Undertaking, such Offeror Shares will be credited as fully paid upon the Scheme becoming effective in satisfaction of the GEIRG Cancellation Consideration.

The Share Swap Undertaking will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

### **ROLLOVER ARRANGEMENT**

As at the Latest Practicable Date, Mr. Wang, Mrs. Wang, Ms. Janice Wang and RVJD STAR Company, respectively, directly holds 4,000,000 Shares, 250,000 Shares, 11,590,000 Shares and 165,880,000 Shares, representing approximately 0.24%, 0.01%, 0.70% and 9.99% of the Shares in issue.

Mrs. Wang is the spouse of Mr. Wang. Ms. Janice Wang is a daughter of Mr. Wang and Mrs. Wang.

As at the Latest Practicable Date, RVJD STAR Company is a wholly-owned subsidiary of RVJD Holding Limited, which is wholly-owned by the RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang. The discretionary objects of the RVJD STAR Trust are

the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living and the trustee of the RVJD STAR Trust is Cititrust Private Trust (Cayman) Limited.

The Offeror intends to allow the Founder Family Members and RVJD STAR Company to retain their respective shareholdings in the Company after the Scheme becoming effective pursuant to the Rollover Arrangement.

On 28 May 2023, the Offeror, the Founder Family Members and RVJD STAR Company entered into the Rollover Agreement, pursuant to which:

- (a) each of the Founder Family Members and RVJD STAR Company will remain as a Shareholder after the Scheme becomes effective;
- (b) none of the Shares held by each of the Founder Family Members and RVJD STAR Company will constitute Scheme Shares, nor will they be voted on the Scheme at the Court Meeting;
- (c) the Shares held by each of the Founder Family Members and RVJD STAR Company will not be cancelled and extinguished when the Scheme becomes effective;
- (d) each of the Founder Family Members and RVJD STAR Company has undertaken, to the extent permitted under the Takeovers Code, the Listing Rules and applicable laws and regulations, to exercise, or, as the case may be, to procure the exercise of the voting rights in respect of the Shares owned by him/her/it directly on resolutions in relation to the implementation of the Scheme in accordance with the Offeror's directions, and in the absence of any such directions, to vote in favour of all resolutions which are necessary to implement the Scheme proposed at a general meeting of the Company, and that it shall be bound by, and take all actions necessary to implement the Scheme; and
- (e) each of the Founder Family Members and RVJD STAR Company has further undertaken that he/she/it will not:
  - (i) directly or indirectly, sell, transfer, charge, encumber, grant any option over or otherwise dispose of any interest in any of the Shares held by it;
  - (ii) accept any other offer in respect of the Shares;
  - (iii) acquire, subscribe for or otherwise deal in the securities of the Company without prior consent of the Offeror.

The Rollover Agreement will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

The Founder Family Members are close family members and RVJD STAR Company is a related trust founded by Mr. Wang and Mrs. Wang, and therefore the Rollover Arrangement is not considered to be a special deal under Rule 25 of the Takeovers Code.

As the Rollover Agreement was entered into by the Offeror and the Founder Family Members and RVJD STAR Company, and none of the Company or member of the Group is a party to the Rollover Agreement, the Rollover Arrangement does not constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

### **IRREVOCABLE UNDERTAKING**

As at the Latest Practicable Date, the Offeror has received the Irrevocable Undertaking from the Undertaking Shareholder, which, save as a Shareholder, (i) has no relationship with the Offeror and the Offeror Concert Parties; and (ii) is independent of and not acting in concert with the Offeror and the Offeror Concert Parties, pursuant to which the Undertaking Shareholder has unconditionally and irrevocably undertaken to, among other things, exercise, or procure the exercise, of all voting rights attached to the Undertaking Scheme Shares owned by the Undertaking Shareholder to vote in favour of all resolutions required to approve and give effect to the Proposal and the Scheme (including any resolution that may impact the fulfilment of any Condition). The Undertaking Scheme Shares held by the Undertaking Shareholder represent approximately 7.18% of the Shares in issue as at the Latest Practicable Date.

Furthermore, the Undertaking Shareholder has undertaken, among other things, not to (i) dispose of the Shares held by it and (ii) enter into any arrangement which would restrict or impede the Conditions from being fulfilled or the Scheme from becoming effective.

The Irrevocable Undertaking will be terminated if the Proposal lapses or is withdrawn in accordance with its terms.

### **SHAREHOLDING STRUCTURE OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company is HK\$500,000,000 divided into 5,000,000,000 Shares, of which 1,660,205,000 Shares are in issue. As at the Latest Practicable Date, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than 1,660,205,000 Shares in issue;
- (b) there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares;

- (c) the Offeror does not hold any Shares and the Offeror Concert Parties hold 1,332,988,000 Shares in aggregate, representing approximately 80.29% of the total number of Shares in issue, among which GEIRG, Mr. Wang, Mrs. Wang, Ms. Janice Wang and RVJD STAR Company, respectively, directly hold 1,151,268,000 Shares, 4,000,000 Shares, 250,000 Shares, 11,590,000 Shares and 165,880,000 Shares, representing approximately 69.35%, 0.24%, 0.01%, 0.70% and 9.99% of the total number of Shares in issue, respectively. Save as disclosed, none of the Offeror and the Offeror Concert Parties owns or has control or direction over any voting rights and rights over the Shares;
- (d) the Scheme Shares comprise 1,151,268,000 Shares held by GEIRG and 327,217,000 Shares held by the Disinterested Scheme Shareholders, and in aggregate represent approximately 89.06% of the total number of Shares in issue;
- (e) save for the 1,332,988,000 Shares held by the Offeror Concert Parties, none of the Offeror or the Offeror Concert Parties owns or has control or direction over the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (f) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or Offeror Concert Parties;
- (g) there were no dealings by the Offeror or the Offeror Concert Parties in the Shares during the Relevant Period;
- (h) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror or any of the Offeror Concert Parties;
- (i) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any of the Offeror Concert Parties has borrowed or lent; and
- (j) save for Mr. Wang, none of the Directors had any interest or short position in any Shares, underlying shares or debentures of the Company or any of its associated corporations.

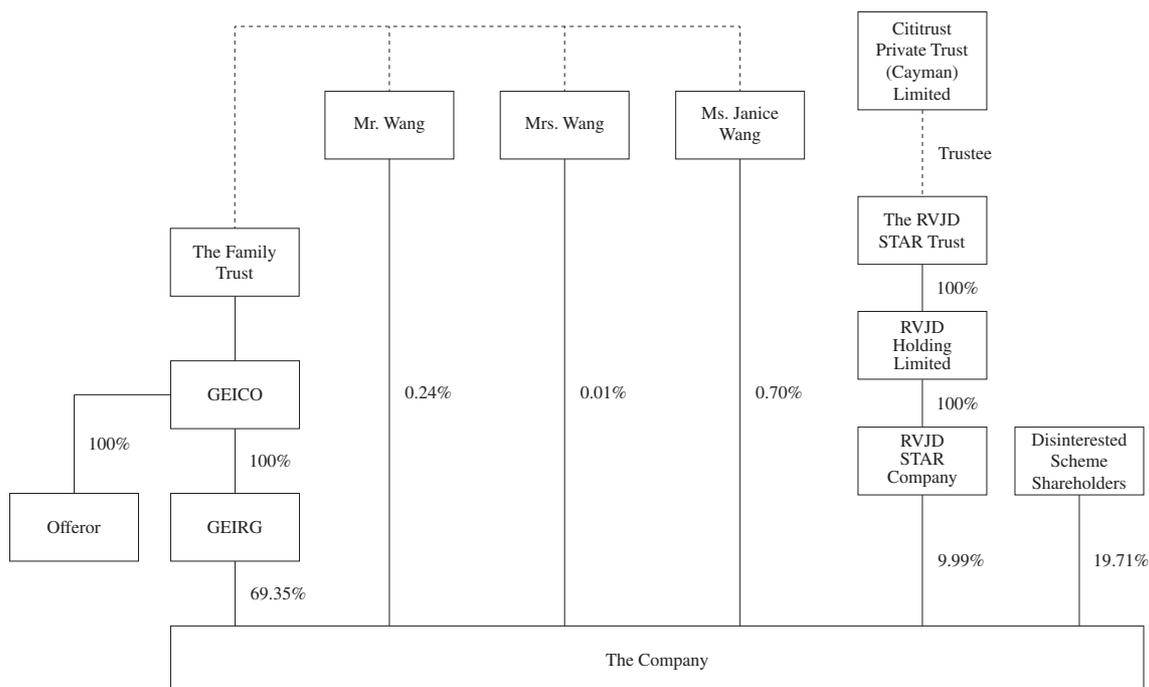
The table below sets out the shareholding structure of the Company as at the Latest Practicable Date and immediately upon completion of the Proposal, assuming that there is no other change in the shareholding of the Company before the Effective Date:

Shareholders	As at the Latest Practicable Date		Immediately upon completion of the Proposal	
	No. of Shares	% of total issued Shares (Note 5)	No. of Shares	% of total issued Shares (Note 5)
Offeror (Note 1)	–	–	1,478,485,000	89.06
<b>Offeror Concert Parties</b>				
<i>Shares held not subject to the Scheme</i>				
<b>Founder Family Members</b>				
– Mr. Wang (Note 2)	4,000,000	0.24	4,000,000	0.24
– Mrs. Wang (Note 2)	250,000	0.01	250,000	0.01
– Ms. Janice Wang (Note 3)	11,590,000	0.70	11,590,000	0.70
Sub-total	15,840,000	0.95	15,840,000	0.95
<b>RVJD STAR Company (Note 4)</b>	165,880,000	9.99	165,880,000	9.99
Sub-total	181,720,000	10.94	181,720,000	10.94
<i>Shares held subject to the Scheme</i>				
<b>GEIRG (Note 1)</b>	1,151,268,000	69.35	–	–
<b>Sub-total: Offeror and the Offeror Concert Parties</b>	<b>1,332,988,000</b>	<b>80.29</b>	<b>1,660,205,000</b>	<b>100.00</b>
<b>Undertaking Shareholder</b>	119,232,588	7.18	–	–
<b>Other Disinterested Scheme Shareholders</b>	207,984,412	12.53	–	–
Sub-total	327,217,000	19.71	–	–
<b>Total</b>	<b>1,660,205,000</b>	<b>100.00</b>	<b>1,660,205,000</b>	<b>100.00</b>

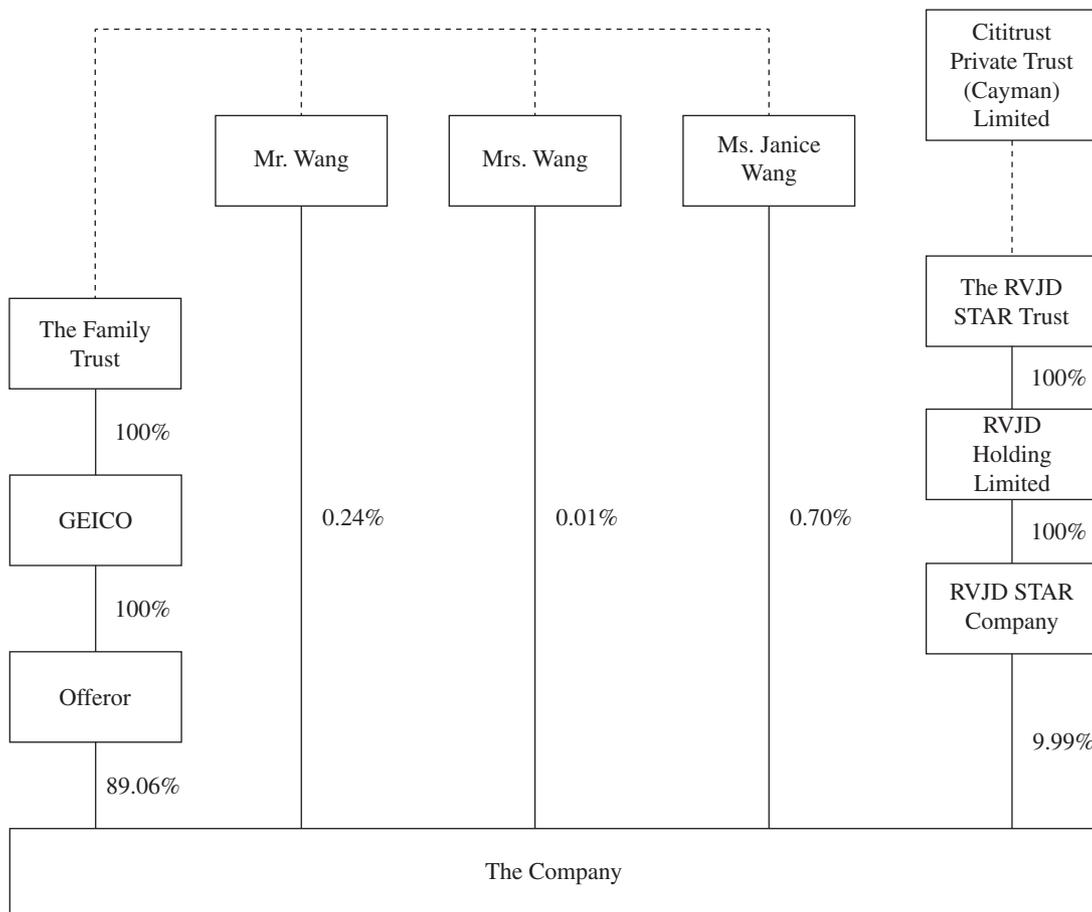
## Notes:

- As at the Latest Practicable Date, each of the Offeror and GEIRG is a wholly-owned subsidiary of GEICO, which is in turn wholly-owned by the Family Trust. As such, GEICO and the Family Trust are deemed to be interested in the 1,151,268,000 Shares held by GEIRG, which will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming binding and effective in accordance with its terms.
- Mr. Wang is the Chairman of the Board and an executive Director. As at the Latest Practicable Date, Mr. Wang is interested in 1,155,518,000 Shares, which comprise (i) 1,151,268,000 Shares beneficially held by the Family Trust; (ii) 4,000,000 Shares held by Mr. Wang as the beneficial owner; and (iii) 250,000 Shares beneficially held by Mrs. Wang, the spouse of Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in all the Shares held by the Family Trust and Mrs. Wang, and Mrs. Wang is deemed to be interested in all the Shares held by Mr. Wang. The 4,250,000 Shares pursuant to (ii) and (iii) will not form part of the Scheme Shares pursuant to the Rollover Arrangement.
- Ms. Janice Wang is a daughter of Mr. Wang and Mrs. Wang. As at the Latest Practicable Date, Ms. Janice Wang is interested in 1,162,858,000 Shares, which comprise (i) 1,151,268,000 Shares beneficially held by the Family Trust, to which Ms. Janice Wang is one of the beneficiaries; and (ii) 11,590,000 Shares held by Ms. Janice Wang as the beneficial owner. The 11,590,000 Shares pursuant to (ii) will not form part of the Scheme Shares pursuant to the Rollover Arrangement.
- As at the Latest Practicable Date, these Shares are held by RVJD STAR Company, a wholly-owned subsidiary of RVJD Holding Limited which is in turn wholly-owned by the RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang with Cititrust Private Trust (Cayman) Limited as the trustee. The discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living. These Shares will not form part of the Scheme Shares pursuant to the Rollover Arrangement.
- Certain percentage figures included in the above table are subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

The chart below sets out the illustrative shareholding structure of the Company as at the Latest Practicable Date:



The chart below sets out the illustrative shareholding structure of the Company upon completion of the Proposal and the Scheme:



#### TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$6.88 per Scheme Share and there being 1,660,205,000 Shares in issue as at the Latest Practicable Date, the entire issued share capital of the Company is valued at HK\$11,422,210,400.

Pursuant to the Share Swap Undertaking, GEIRG has undertaken and agreed to the cancellation and extinguishment of its 1,151,268,000 Shares under the Scheme in exchange for the GEIRG Cancellation Consideration in the amount of HK\$7,920,723,840, being the Cancellation Price multiplied by 1,151,268,000, which will be satisfied by the Offeror crediting as fully paid 100 nil-paid Offeror Shares (representing 100% of the issued share capital of the Offeror) held by GEICO at the direction of GEIRG. In accordance with the Rollover Arrangement, the aggregate of 181,720,000 Shares held by the Founder Family Members and RVJD STAR Company will not form part of the Scheme Shares and will not be cancelled and extinguished on the Effective Date.

As a result, based on the 327,217,000 Scheme Shares held by the Disinterested Scheme Shareholders as at the Latest Practicable Date, representing approximately 19.71% of the total Shares in issue, the cash consideration payable under the Proposal is HK\$2,251,252,960.

The Offeror intends to finance the entire cash amount required for the Proposal by a facility provided by China Merchants Bank Co., Ltd.. The facility is secured by, among others, a share charge in favour of China Merchants Bank Co., Ltd., Hai Kou Branch over all of the Shares to be owned by the Offeror after the Scheme becomes effective in accordance with the loan documentation entered into between the Offeror and China Merchants Bank Co., Ltd., Hai Kou Branch.

CMB International, as the financial adviser to the Offeror in connection with the Proposal, is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the full implementation of the Proposal in accordance with its terms.

### **INFORMATION ON THE GROUP**

The Company was incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are lifestyle centre and stylish department store chain development and operation, property development and hotel operation in the PRC.

### **INFORMATION ON THE OFFEROR AND THE OFFEROR CONCERT PARTIES**

#### **The Offeror**

The Offeror is a company incorporated in the Cayman Islands with limited liability and is an investment holding company. As at the Latest Practicable Date, the Offeror is wholly-owned by GEICO.

#### **GEICO**

GEICO is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, GEICO is wholly-owned by the Family Trust.

As at the Latest Practicable Date, GEICO, through GEIRG, indirectly holds approximately 69.35% of the entire issued share capital of the Company and is accordingly the controlling shareholder of the Company.

#### **The Family Trust**

The Family Trust is a trust founded by Mr. Wang and Mrs. Wang and established under the laws of California, the U.S.. Mr. Wang, Mrs. Wang and their two daughters including Ms. Janice Wang are beneficiaries of the Family Trust.

**The Founder Family Members**

The Founder Family Members comprise Mr. Wang, the Chairman of the Board and an executive Director, Mrs. Wang, the spouse of Mr. Wang, and Ms. Janice Wang, a daughter of Mr. Wang and Mrs. Wang.

**RVJD STAR Company**

RVJD STAR Company is a company incorporated in the Cayman Islands with limited liability and is principally engaged in investment holding. As at the Latest Practicable Date, RVJD STAR Company is wholly-owned by RVJD Holding Limited, which is in turn wholly-owned by the RVJD STAR Trust.

The RVJD STAR Trust is a discretionary trust founded by Mr. Wang and Mrs. Wang and established under the laws of the Cayman Islands. Cititrust Private Trust (Cayman) Limited is the trustee of the RVJD STAR Trust and the discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living.

**INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP**

Following the implementation of the Proposal, the Offeror intends the Group to maintain its existing business upon the successful privatisation of the Company. The Offeror has no intention to retain the listing of the Shares on the Stock Exchange or have the Shares listed in other markets and to make major changes to the business of the Group including any redeployment of the fixed assets of the Group, and the employment of the employees of the Group, save for those changes which the Offeror may from time to time implement following the review of its strategy relating to the business, structure and/or direction of the Group.

The Board welcomes the intentions of the Offeror in respect of the Company and its employees and will cooperate with and provide full support to the Offeror to facilitate the continued smooth business operations and management of the Group.

**FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Offeror has appointed CMB International as its financial adviser in connection with the Proposal and the Scheme.

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan, has been established by the Board to make recommendation to the Disinterested Scheme Shareholders in relation to the Proposal and the Scheme and Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Disinterested Scheme Shareholders in relation to the same. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

The full text of the letter from the Independent Board Committee and the letter from the Independent Financial Adviser is set out in Part IV and Part V of this Scheme Document, respectively.

## **REASONS FOR AND BENEFITS OF THE PROPOSAL**

### **For the Scheme Shareholders**

#### *Cancellation Price represents an attractive exit premium*

As set out in the paragraph headed “Cancellation Price” under the section headed “Terms of the Proposal” in this Scheme Document, the Cancellation Price represents a significant premium ranging from approximately 61.50% and 54.61% over the average closing price of approximately HK\$4.26 and HK\$4.45 per Share for the 10 and 90 trading days up to and including on the Last Full Trading Day, respectively, and a premium of 21.80% over the highest closing price of HK\$5.65 during the six-month period ending on the Last Full Trading Day. The Cancellation Price also represents (i) a premium of approximately 10.79% over the audited consolidated net asset value per Share attributable to Shareholders of approximately HK\$6.21 as at 31 December 2022; and (ii) a premium of approximately 4.24% over the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$6.60 as at 30 June 2023.

In light of the challenging market environment and execution, market and financial risks in implementing a long-term strategy for business growth, the Offeror considers that the Proposal provides an attractive opportunity for the Disinterested Scheme Shareholders to dispose of their Scheme Shares at an attractive premium to the prevailing market price and to lower the risk of suffering from illiquidity discount and settlement risk.

#### *An opportunity for Scheme Shareholders to monetise the Shares*

The trading liquidity of the Shares has been at a low level over a prolonged period in recent years. The average daily trading volume of Shares for the six-month period, 12-month period and 24-month period up to and including the Last Full Trading Day were approximately 95,943 Shares, 65,047 Shares and 130,859 Shares per trading day, representing only approximately 0.01%, 0.00% and 0.01% respectively of the total number of Shares in issue as at the Latest Practicable Date.

The low trading liquidity of the Shares could make it difficult for the Disinterested Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares. As such, the Scheme presents an immediate opportunity for the Disinterested Scheme Shareholders to monetise their investments for cash and redeploy the proceeds from accepting the Scheme into other investment opportunities.

**For the Offeror and the Company*****Limited usage of the listing platform***

The Company has not conducted any equity fund raising activities in recent years, due to the relatively low liquidity in the trading of the Shares as aforesaid and the downward trend of the closing price of the Shares. Under such circumstances, the Company is unable to fully utilise its current listing platform as a source of funding for its long term growth. It is expected that continued listing of the Shares may not provide any meaningful benefit to the Company in the near future given the adverse business environment faced by the Group.

***Reducing cost and expenses of maintaining the Company's listing status while enabling the Offeror to run the business of the Group in a more efficient and effective way***

The Proposal, which entails the delisting of the Company, is expected to reduce the administrative, compliance and other listing-related costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements. It could also provide more flexibility to the Offeror and the Group to achieve long-term commercial development and to maintain competitiveness in the challenging market environment, free from the pressure of market expectations, share price fluctuations and additional costs and expenses that may arise from the Company being a publicly listed company.

Taking into account the above reasons and factors, the Board has decided to put forward the Proposal to the Scheme Shareholders for their consideration. The Directors (excluding Mr. Wang, being a Director and an Offeror Concert Party, who has abstained from voting due to his interest in the Proposal and the Scheme and members of the Independent Board Committee whose views have been given after considering the advice of the Independent Financial Adviser) believe that the Proposal and the Scheme are fair and reasonable so far as the Disinterested Scheme Shareholders are concerned.

**WITHDRAWAL OF LISTING**

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title.

The Company does not intend to maintain its listing on the Stock Exchange and will make an application to the Stock Exchange for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect immediately following the Effective Date. The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

#### **OVERSEAS SCHEME SHAREHOLDERS**

This Scheme Document has been prepared for the purposes of complying with the laws of Hong Kong and Cayman Islands, the Takeovers Code, the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this Scheme Document had been prepared in accordance with the laws of any other jurisdictions.

This Scheme Document does not constitute an offer to buy or sell Shares or the solicitation of an offer to buy or subscribe for the Shares in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The making and implementation of the Proposal to the Scheme Shareholders who are not residents in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not residents in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions. The Offeror and the Company do not represent that this Scheme Document may be lawfully distributed in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Offeror and the Company which is intended to permit a public offering or the distribution of this Scheme Document in any jurisdiction (other than Hong Kong) where action for that purpose is required. Accordingly, it is prohibited to (a) copy, distribute or publish all or part of this Scheme Document or any advertisement or other offering material in any jurisdiction; (b) disclose its content; or (c) use information contained therein for any purpose other than assessment of the Proposal, unless the information is already publicly available in another form.

It is the responsibility of any overseas Scheme Shareholders wishing to take any actions in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. The Offeror and the Company expressly decline any liability for breach of any of these restrictions by any persons.

Any acceptance of the Proposal by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror, the Company and their respective advisers, including CMB International and the Independent Financial Adviser, that

those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers. For the avoidance of doubt, neither HKSCC or HKSCC Nominees Limited will give, or be subject to, the above warranty and representation.

As at the Latest Practicable Date, there was no Scheme Shareholder whose address as shown in the Register was not in Hong Kong.

### **TAXATION ADVICE**

As the Scheme does not involve the sale and purchase of Hong Kong stock, no stamp duty will be payable pursuant to the Stamp Duty Ordinance on the cancellation of the Scheme Shares upon the Scheme becoming effective.

The Scheme Shareholders, whether in Hong Kong or in other jurisdictions, are encouraged to consult their own professional advisers if they are in any doubt as to the taxation implications of the Scheme and in particular, whether the receipt of the Cancellation Price under the Scheme would make such Scheme Shareholders liable to taxation in Hong Kong or in other jurisdictions.

**It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, CMB International, the Independent Financial Adviser or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of the implementation of the Proposal.**

### **COSTS OF THE SCHEME**

In light of the recommendation of the Independent Board Committee as set out in Part IV of this Scheme Document and the recommendation of the Independent Financial Adviser as set out in Part V of this Scheme Document, Rule 2.3 of the Takeovers Code is not applicable. The Offeror and the Company have agreed that all costs, charges and expenses of the advisers and counsel appointed by the Company, including the Independent Financial Adviser, will be borne by the Company, whereas all costs, charges and expenses of the advisers and counsel appointed by Offeror will be borne by the Offeror, and other costs, charges and expenses of the Proposal will be shared between the Offeror and the Company equally.

### **REGISTRATION AND PAYMENT**

#### **Closure of the Register**

Assuming the Scheme Record Date falls on Friday, 6 October 2023, it is proposed that the Register will be closed from Tuesday, 26 September 2023 onwards (or such other date as may be notified to the Scheme Shareholders by announcement) for purpose of determining entitlements of Scheme Shareholders under the Scheme. In order to qualify for entitlements

under the Scheme, Scheme Shareholders should ensure that their Shares are lodged with the Registrar for registration in their names before the latest time for lodging transfer of Shares documents to qualify for entitlements to the Cancellation Price under the Scheme, being 4:30 p.m. on Monday, 25 September 2023. The registered office of the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

#### **Payment of the Cancellation Price to the Scheme Shareholders**

Upon the Scheme becoming effective, cheques in respect of the Cancellation Price in the form of the Cash Cancellation Consideration for the Scheme Shares will be made to the Disinterested Scheme Shareholders whose names appear on the Register as at the Scheme Record Date as soon as possible but in any event within seven (7) Business Days (as defined in the Takeovers Code) following the Effective Date. On the basis that the Scheme becomes effective on Friday, 6 October 2023 (Cayman Islands time), cheques for payment of the Cancellation Price in the form of the Cash Cancellation Consideration payable under the Scheme are expected to be despatched on or before Tuesday, 17 October 2023.

Cheques for the payment of the Cancellation Price in the form of the Cash Cancellation Consideration will be sent by posting the same by ordinary post in postage pre-paid envelopes addressed to the persons entitled thereto at their respective registered addresses or, in the case of joint holders, to the registered address of that joint holder whose name stands first in the Register in respect of the joint holding. For Beneficial Owners that hold Scheme Shares through a Registered Owner (other than HKSCC Nominees Limited), cheques made out in the name of the Registered Owner will be sent by posting the same by ordinary post in postage pre-paid envelopes addressed to the Registered Owner. For Beneficial Owners whose Scheme Shares are deposited in CCASS and registered under the name of HKSCC Nominees Limited, the Cancellation Price will be paid to HKSCC Nominees Limited by cheque and such payment will be caused to be credited to the designated bank accounts of the relevant CCASS Participants in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All such cheques will be posted at the risk of the addressees and other person(s) entitled thereto and none of the Offeror, the Company, CMB International, the Independent Financial Adviser, the Registrar or any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal will be responsible for any loss or delay in transmission.

On or after the day being six (6) calendar months after the posting of such cheques, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed or has been returned uncashed, and shall place all monies represented thereby in a deposit or custodian account in the name of the Offeror or, if directed by the Offeror, in the name of the Company, with a licensed bank in Hong Kong selected by the Offeror.

The Offeror or the Company (as the case maybe) shall hold such monies on trusts for those entitled under the terms of the Scheme until the expiry of six (6) years from the Effective Date and shall, prior to such date, make payments therefrom of the sums, without interest

earned thereon, to persons who satisfy the Offeror (or, if the monies are held by the Company, the Company) that they are respectively entitled thereto, provided that the cheques of which they are payees have not been cashed. On the expiry of six (6) years from the Effective Date, the Offeror and the Company shall be released from any further obligation to make any payments under the Scheme and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit or custodian account, including accrued interest, subject to any deduction required by law and expenses incurred.

Upon the Scheme becoming effective, all existing certificates representing the Scheme Shares will cease to have effect as documents or evidence of title as from the Effective Date, which is expected to be on Friday, 6 October 2023 (Cayman Islands time).

Settlement of the Cancellation Price to which the Scheme Shareholders are entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any such Scheme Shareholders.

#### **ACTIONS TO BE TAKEN**

Your attention is drawn to the section headed “ACTIONS TO BE TAKEN” at page ii of this Scheme Document.

#### **THE SCHEME AND THE COURT MEETING**

Pursuant to Section 86 of the Companies Act, where an arrangement is proposed between a company and its members or any class of them, the Grand Court may, on the application of the company or any member of the company, order a meeting of the members of the company or class of members, as the case may be, to be summoned in such manner as the Grand Court directs.

It is expressly provided in Section 86 of the Companies Act that if 75% in value of the members or class of members, as the case may be, present and voting either in person or by proxy at the meeting held as directed by the Grand Court as aforesaid, agree to any arrangement, the arrangement shall, if sanctioned by the Grand Court, be binding on all members or class of members, as the case may be, and also on the Company.

#### **ADDITIONAL REQUIREMENTS AS IMPOSED BY RULE 2.10 OF THE TAKEOVERS CODE**

In addition to satisfying any requirements imposed by the Companies Act as summarised above, other than with the consent of the Executive to dispense with compliance or strict compliance therewith, Rule 2.10 of the Takeovers Code requires that the Scheme may only be implemented if:

- (a) the Scheme is approved by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and
- (b) the number of votes cast by the Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by all the Disinterested Scheme Shareholders.

As at the Latest Practicable Date, the Disinterested Scheme Shareholders held in aggregate 327,217,000 Scheme Shares. On that basis, 10% of the votes attached to Scheme Shares held by all the Disinterested Scheme Shareholders referred to in paragraph (b) above would therefore represent approximately 32,721,700 Scheme Shares as at the Latest Practicable Date.

### **COURT MEETING AND EGM**

The Grand Court has directed the Court Meeting to be convened and held at Victoria Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15 September 2023 at 10:00 a.m. for the purpose of considering and, if thought fit, approving (with or without modifications) the Scheme.

Such resolution will be passed under Section 86 of the Companies Act if 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting vote in favour of the Scheme. However, the Scheme will only be considered to have been approved under the Takeovers Code if (a) the Scheme is approved (by way of a poll) by at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are voted either in person or by proxy at the Court Meeting; and (b) the number of votes cast (by way of a poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by all the Disinterested Scheme Shareholders.

Only Scheme Shareholders whose Scheme Shares are registered in their own names in the Register on the Meeting Record Date will be counted as members of the Company for the purpose of calculating whether or not 75% in value of members of the Company have approved the Scheme at the Court Meeting under Section 86 of the Companies Act. In accordance with the direction from the Grand Court, the number of votes cast in favour of the Scheme and the number of CCASS Participants on whose instructions they are cast and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be disclosed to the Grand Court and may be taken into account by the Grand Court in determining whether or not the Grand Court should exercise its discretion to sanction the Scheme.

Only the votes of the Disinterested Scheme Shareholders will be taken into account in determining if Condition (b) in the paragraph headed “Conditions of the Proposal and the Scheme” above is satisfied.

As at the Latest Practicable Date, the Offeror did not hold any Shares in the Company and the Offeror Concert Parties held 1,332,988,000 Shares in aggregate, representing approximately 80.29% of the total number of Shares in issue.

Among the 1,332,988,000 Shares held by the Offeror Concert Parties, the 1,151,268,000 Shares held by GEIRG will form part of the Scheme Shares with the 327,217,000 Shares held by the Disinterested Scheme Shareholders and be cancelled and extinguished upon the Scheme becoming effective, while pursuant to the Rollover Arrangement, the 4,000,000 Shares held by Mr. Wang, the 250,000 Shares held by Mrs. Wang, the 11,590,000 Shares held by Ms. Janice Wang, and the 165,880,000 Shares held by RVJD STAR Company will not form part of the Scheme Shares and will not be cancelled and extinguished upon the Scheme becoming effective.

All of the Offeror Concert Parties will abstain from voting on the Scheme at the Court Meeting. As such, as at the Latest Practicable Date, all Disinterested Scheme Shareholders (i.e. all the Scheme Shareholders other than GEIRG) are entitled to be voted on the Scheme at the Court Meeting. The Offeror will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

Immediately following the conclusion or adjournment of the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, approve (a) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares; and (b) the ordinary resolution to (i) approve the simultaneous increase in the issued share capital of the Company immediately thereafter to the amount prior to the cancellation and extinguishment of the Scheme Shares and apply the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, for issuance to the Offeror; and (ii) authorise any one of the Directors to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme.

All Shareholders whose names appear in the Register as at the Meeting Record Date will be entitled to vote, in person or by proxy, on the above resolutions to be proposed at the EGM.

The Offeror and the Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, the Offeror and the Offeror Concert Parties will vote in favour of the above resolutions to be proposed at the EGM.

Voting at the Court Meeting and at the EGM will be taken by poll as required under the Listing Rules and the Takeovers Code.

An announcement will be jointly made by the Offeror and the Company in relation to the results of the Court Meeting and the EGM. Such announcement will contain the information as required by Rule 19.1 of the Takeovers Code. Information on the number of votes cast for and the number of votes cast against the Scheme and the number of CCASS Participants on whose instructions they are cast will be included in such announcement.

Notices of the Court Meeting and the EGM are set out in Appendix V and Appendix VI of this Scheme Document, respectively.

### **RECOMMENDATIONS**

Your attention is drawn to (i) the letter from the Independent Board Committee in Part IV of this Scheme Document; and (ii) the letter from the Independent Financial Adviser in Part V of this Scheme Document which sets out the factors and reasons taken into account by the Independent Financial Adviser in arriving at its advice to the Independent Board Committee.

### **FURTHER INFORMATION**

Further information is set out in the appendices to, and elsewhere in, this Scheme Document, all of which form part of this Explanatory Memorandum.

You should rely only on the information contained in this Scheme Document in order to vote your Shares at the Court Meeting and/or the EGM. None of the Offeror, the Company, CMB International, the Independent Financial Adviser, any of their respective directors, officers, employees, agents, affiliates or advisers or any other persons involved in the Proposal has authorised anyone to provide you with information that is different from what is contained in this Scheme Document.

### **LANGUAGE**

In case of any inconsistency, the English language text of this Scheme Document and the accompanying forms of proxy shall prevail over the Chinese language text.

## FINANCIAL SUMMARY

Set out below is a summary of the audited consolidated financial information of the Company for each of the three years ended 31 December 2020, 31 December 2021 and 31 December 2022 and the unaudited condensed consolidated financial information of the Company for the six months ended 30 June 2022 and 30 June 2023. The figures for the years ended 31 December 2020, 31 December 2021 and 31 December 2022 are extracted from the annual reports of the Company for the respective years, and the figures for the six months ended 30 June 2022 and 30 June 2023 are extracted from the interim report and the interim results announcement of the Company respectively for the respective periods.

The independent auditors' reports issued by the auditors of the Company, Deloitte Touche Tohmatsu, in respect of the audited consolidated financial statements of the Company for each of the three years ended 31 December 2020, 31 December 2021 and 31 December 2022 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern. Save as disclosed below, there were no items of any income or expense which are material in respect of the consolidated financial results of the Company for each of the three years ended 31 December 2020, 31 December 2021 and 31 December 2022.

## Summary of consolidated statement of profit and loss and other comprehensive income

	For the year ended 31 December			For the six months ended 30 June	
	2022	2021	2020	2023	2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
<b>Revenue</b>	<b>5,331,582</b>	<b>5,717,498</b>	<b>5,588,268</b>	<b>2,786,882</b>	<b>2,786,224</b>
Other income, gains and losses	258,642	926,056	1,118,153	261,959	138,934
Changes in inventories of merchandise	(1,990,391)	(2,119,394)	(2,270,764)	(1,139,887)	(1,042,890)
Cost of properties sold	(171,134)	(83,586)	(130,172)	(25,316)	(99,252)
Employee benefits expense	(326,188)	(380,983)	(336,273)	(156,802)	(162,955)
Depreciation and amortisation of property, plant and equipment and intangible asset	(384,144)	(386,586)	(378,126)	(189,981)	(191,733)
Depreciation of right-of-use assets	(79,408)	(76,270)	(70,238)	(49,429)	(37,642)
Rental expenses	(383,921)	(396,283)	(306,018)	(203,001)	(197,291)
Other expenses	(681,040)	(780,418)	(706,724)	(315,509)	(316,158)
Share of results of associates	12,948	14,125	(55,021)	5,199	6,726
Share of results of joint ventures	435	(955)	(2,126)	(170)	(198)
Finance income	150,001	79,616	57,362	130,728	56,351
Finance costs	(370,709)	(262,849)	(325,369)	(241,714)	(149,879)
<b>Profit before tax</b>	<b>1,366,673</b>	<b>2,249,971</b>	<b>2,182,952</b>	<b>862,959</b>	<b>790,237</b>
Income tax expense	(603,817)	(637,697)	(629,056)	(285,272)	(319,971)
<b>Profit for the year/period</b>	<b>762,856</b>	<b>1,612,274</b>	<b>1,553,896</b>	<b>577,687</b>	<b>470,266</b>
<b>Profit (loss) for the year/period attributable to:</b>					
Owners of the Company	748,456	1,613,957	1,562,595	577,735	460,816
Non-controlling interests	14,400	(1,683)	(8,699)	(48)	9,450
	<b>762,856</b>	<b>1,612,274</b>	<b>1,553,896</b>	<b>577,687</b>	<b>470,266</b>

## APPENDIX I

## FINANCIAL INFORMATION OF THE GROUP

	For the year ended 31 December			For the six months ended 30 June	
	2022	2021	2020	2023	2022
	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (audited)	RMB'000 (unaudited)	RMB'000 (unaudited)
Profit for the year/period	762,856	1,612,274	1,553,896	577,687	470,266
Other comprehensive (expense) income					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Share of exchange difference of associates	(794)	(4,007)	(5,642)	2,860	(3,341)
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Fair value (loss) gain on investments in equity instruments at fair value through other comprehensive income	(16,025)	11,314	(7,599)	2,339	(3,925)
Income tax expenses relating to items that will not be reclassified to profit or loss	801	(1,672)	(1,005)	67	761
	(15,224)	9,642	(8,604)	2,406	(3,164)
Other comprehensive (expense) income for the year/period, net of tax	(16,018)	5,635	(14,246)	5,266	(6,505)
<b>Total comprehensive income for the year/period</b>	<b>746,838</b>	<b>1,617,909</b>	<b>1,539,650</b>	<b>582,953</b>	<b>463,761</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the Company	732,438	1,619,592	1,548,349	583,001	454,311
Non-controlling interests	14,400	(1,683)	(8,699)	(48)	9,450
	<b>746,838</b>	<b>1,617,909</b>	<b>1,539,650</b>	<b>582,953</b>	<b>463,761</b>

	For the year ended 31 December			For the six months ended 30 June	
	2022 RMB'000 (audited)	2021 RMB'000 (audited)	2020 RMB'000 (audited)	2023 RMB'000 (unaudited)	2022 RMB'000 (unaudited)
Earnings per share					
- Basic (RMB per share)	<u>0.451</u>	<u>0.972</u>	<u>0.938</u>	<u>0.348</u>	<u>0.278</u>
- Diluted (RMB per share)	<u>N/A</u>	<u>N/A</u>	<u>0.938</u>	<u>N/A</u>	<u>N/A</u>
Dividend paid to owners of the Company	<u>-</u>	<u>772,725</u>	<u>580,518</u>	<u>-</u>	<u>-</u>
Dividend paid per share (expressed in RMB per share)	<u>-</u>	<u>0.468</u>	<u>0.349</u>	<u>-</u>	<u>-</u>

### CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY

The Company is required to set out or refer to in this Scheme Document the consolidated statement of financial position, consolidated statement of cash flows and any other primary statement as shown in the last published audited accounts, together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The audited consolidated financial statements of the Company for the year ended 31 December 2020 (the “**2020 Financial Statements**”) are set out on pages 97 to 216 of the annual report of the Company for the year ended 31 December 2020 (the “**2020 Annual Report**”), which was published on 23 April 2021. The 2020 Annual Report is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2020 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0423/2021042300151.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2021 (the “**2021 Financial Statements**”) are set out on pages 113 to 218 of the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”), which was published on 29 April 2022. The 2021 Annual Report is posted on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). Please also see below a direct link to the 2021 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042903182.pdf>

The audited consolidated financial statements of the Company for the year ended 31 December 2022 (the “**2022 Financial Statements**”) are set out on pages 108 to 216 of the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), which was published on 28 April 2022. The 2022 Annual Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2022 Annual Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800081.pdf>

The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2022 (the “**2022 Interim Financial Statements**”) are set out on pages 8 to 33 of the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”), which was published on 9 September 2022. The 2022 Interim Report is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2022 Interim Report:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0909/2022090900003.pdf>

The unaudited condensed consolidated financial information of the Company for the six months ended 30 June 2023 (the “**2023 Interim Financial Information**”) are set out on pages 2 to 14 of the interim results announcement of the Company for the six months ended 30 June 2023 (the “**2023 Interim Results Announcement**”), which was published on 16 August 2023. The 2023 Interim Results Announcement is posted on the website of the Stock Exchange (www.hkexnews.hk). Please also see below a direct link to the 2023 Interim Results Announcement:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0816/2023081601193.pdf>

The 2020 Financial Statements, the 2021 Financial Statements, the 2022 Financial Statements, the 2022 Interim Financial Statements and the 2023 Interim Financial Information (but not any other part of the 2020 Annual Report, the 2021 Annual Report, the 2022 Annual Report, the 2022 Interim Report and the 2023 Interim Results Announcement in which they respectively appear) are incorporated by reference into this Scheme Document and form part of this Scheme Document.

## INDEBTEDNESS STATEMENT

As at 31 May 2023, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Scheme Document, the Group had (i) total bank loans of approximately RMB5,499.3 million, of which RMB413.2 million are unsecured and unguaranteed, RMB5,086.1 million are secured by certain of the Group’s property, plant and equipment, rights-of-use assets, interests in subsidiaries, equity instruments at fair value through other comprehensive income, financial assets at fair value through profit or loss, intellectual property, restricted bank deposits and cash and cash equivalents; (ii) total lease liabilities of approximately RMB410.1 million, of which RMB0.5 million are unsecured

and unguaranteed, RMB409.6 million are unguaranteed but secured by the Group's rental deposits; and (iii) total financial guarantees to banks of approximately RMB129.9 million for mortgage loan facilities in favor of certain property purchasers.

Save as disclosed above and apart from intra-group liabilities and normal trade payables in the ordinary course of business, at the close of business on 31 May 2023, the Group did not have any other loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

#### UNAUDITED ADJUSTED NET ASSET VALUE OF THE GROUP

The total appraised value of the properties attributable to the Group as at 31 May 2023 as set out in Appendix II amounted to approximately RMB23,392.1 million.

The table below shows the calculations of the Group's Unaudited Adjusted NAV, after taking into account the market valuation of the property interests attributable to the Group as at 31 May 2023 as set out in Appendix II, and other adjustments as appropriate:

	<i>RMB million</i>
<b>Unaudited NAV of the Group attributable to owners of the Company as at 30 June 2023</b>	<b>9,863.6</b>
Adjusted for:	
<i>Add:</i> Revaluation surplus arising from the valuation of property interests of the Group attributable to owners of the Company <sup>(Note 1)</sup>	14,611.6
<i>Less:</i> Net tax as a result of the revaluation surplus on the property interests of the Group <sup>(Note 2)</sup>	<u>(4,916.4)</u>
<b>Unaudited adjusted NAV</b>	<b>19,558.8</b>
<b>Unaudited adjusted NAV per Share:</b>	
in RMB <sup>(Note 3)</sup>	RMB11.78
in HK\$ <sup>(Note 4)</sup>	HK\$13.08

*Notes:*

1. This represents the revaluation surplus calculated by comparing the fair value of the property interests held by the Group as set out in Appendix II, including the property interests that the Group has not yet obtained title certificates, with their corresponding book values as at 30 June 2023, after adjusting for relevant interests not attributable to the Group.

The Independent Valuer has ascribed no commercial value to certain of the property interests that the Group has not yet obtained title certificates as at 31 May 2023. For indicative purpose only and assuming the relevant title certificates were obtained and the property interests were freely transferrable in the market, the aggregate market value of these properties would be approximately RMB4,403.2 million.

For the purpose of this analysis, such property interests have been included in the above calculation. These properties mainly included (i) portions of Xinjiekou Store Block B that the Group has not yet obtained title certificates as at 31 May 2023 as legal title of property has not been vested in the Group, details of the transaction have been disclosed in the Company's announcement and circular dated 11 November 2009 and 2 December 2009, respectively; (ii) Kunshan Lifestyle Centre that the Group has not yet obtained title certificates as at 31 May 2023 as legal title of property has not been vested in the Group, details of the transaction have been disclosed in the Company's announcement and circular dated 28 March 2011 and 21 April 2011, respectively; (iii) Nantong Lifestyle Centre that the Group has not yet obtained title certificates as at 31 May 2023 as legal title of property has not been vested in the Group; and (iv) underground basement floors, mainly underground car parks, which as advised by the management of the Group after consulting with the Company's PRC legal adviser, separate title certificates would not be issued by the relevant authorities which with aggregate market value of approximately RMB128.2 million.

2. This represents the potential PRC taxes attributable to the valuation surplus on the property interests held by the Group.
3. It is calculated based on 1,660,205,000 Shares in issue as at the Latest Practicable Date.
4. An exchange rate of RMB1.00 to HK\$1.1104 was used for illustration only.

**MATERIAL CHANGE STATEMENT**

The Directors confirm that there had been no material change in the financial or trading position or outlook of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up, and up to the Latest Practicable Date.

*The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this Scheme Document received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer and consultant, in connection with its valuation of the property interests held by the Group as at 31 May 2023.*



Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
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979 King's Road,  
Hong Kong  
tel +852 2846 5000 fax +852 2169 6001  
Company Licence No.: C-030171

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電話 +852 2846 5000 傳真 +852 2169 6001  
公司牌照號碼：C-030171

23 August 2023

The Board of Directors  
Golden Eagle Retail Group Limited  
Unit 1206, 12th Floor,  
Tower 2, Lippo Centre,  
89 Queensway, Hong Kong

Dear Sirs,

On 28 May 2023, Golden Eagle Retail Investment Limited (the “**Offeror**”) and Golden Eagle Retail Group Limited (the “**Company**”) jointly announced, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Act, and the proposed withdrawal of listing of the Company.

In accordance with your instructions to value the property interests held by the Company and its subsidiaries (hereinafter together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”) for disclosure purpose, we confirm that we have carried out inspections, made relevant enquiries 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 May 2023 (the “**valuation date**”).

## **BASIS OF VALUATION**

Our valuation is carried out 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”.

**VALUATION METHODOLOGY**

In valuing properties in Group I (except property no. 27), we have adopted the income approach in our valuation of the properties as at the valuation date by taking into account the rental income of the properties derived from its existing leases and/or achievable in the existing market with due allowance for the reversionary income potential of the leases, which have been then capitalised to determine the market value at an appropriate capitalisation rate. Where appropriate, reference has also been made to the comparable sale transactions as available in the relevant market.

In valuing the properties in Group II which are held for sale by the Group and Group IV which are held for future development by the Group, we have valued property interests by market approach assuming sale of the property interests in their existing state with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the marketplace can be extrapolated to similar properties, subject to allowances for variable factors.

In valuing the properties in Group III which were under development as at the valuation date, we have assumed that they will be developed and completed in accordance with the latest development proposals provided to us by the Group. In arriving at our opinion of values, we have adopted a combination of cost approach and market approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Group according to the different stages of construction of the properties as at the valuation date, and we did not find any material inconsistency from those of other similar developments.

In valuing the property no. 27, which was an operating hotel property as at the valuation date, we have adopted the Discounted Cash Flow (“DCF”) Approach in our valuation. The DCF approach is adopted by discounting future net cash flow of the property to its present value by using an appropriate discount rate that reflects the rate of return required by a third-party investor for an investment of this type. In the analysis, we incorporated an assumed 10-year holding period with cash flow forecast and the reversionary value in year eleven and discounted by an appropriate discount rate to derive a net present value. The projections in the discounted cash flow have been prepared for valuation purpose and not as a business plan forecast.

In addition, for the property nos. 2, 3 and 18 in Group V, which are property interests to be acquired by the Group, the Group has entered into agreements with relevant owner of the properties. Since the Group has not yet obtained title certificates of the properties as at the date of valuation, the legal title of the properties has not been vested in the Group, and as such we have attributed no commercial value to the property interests.

**VALUATION ASSUMPTION**

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

**VALUATION CONSIDERATIONS**

In valuing the property interests, we have complied with all requirements contained in Chapter 5, Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited, Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission, the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors, the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

**TITLE INVESTIGATION**

We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including State-owned Land Use Rights Certificates, Building Ownership Certificates, Real Estate Title Certificates and other official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC legal adviser Gaopeng & Partners, Nanjing office (the "Company's PRC legal adviser"), concerning the validity of the property interests in the PRC.

**SITE INSPECTION**

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out between April to June 2023 by about 9 technical staff including Ms. Joan Zhu, Ms. Evelyn Xu, Ms. Queena Qiao, Ms. Peiling Cai, Ms. Shengqiao Hu, Ms. Rachel Liu, Mr. Stone Chen, Mr. Henson Zhang and Mr. Simo Wu. They are China Qualified Real Estate Appraisers/China Qualified Land Valuers/Member of the RICS or have more than 2 to 14 years' experience in the valuation of properties in the PRC.

This valuation and its conclusions are necessarily based on information provided to us by the Group. We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

#### **POTENTIAL TAX LIABILITY**

As advised by the Company, the potential tax liabilities which would arise on the disposal of the property interests of the Group in the PRC specified in this report mainly include value-added tax (5.0% or 9.0% of the transaction amount for self-built properties; 5.0% or 9.0% of the capital gains for purchased properties), land appreciation tax (30% to 60% of appreciated amount), stamp duty (0.05% of the transaction amount) and income tax (15% or 25% of the capital gains after deducting the potential tax fee in effecting the sales).

As confirmed by the Company, the properties in Group I which are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the properties over time and the Company has no intention to dispose of these properties at present. Therefore, the possibility of the incurrence of such tax liabilities is negligible. For the properties in Group II which are held for sale by the Group, part of the properties in Group III which are held under development for future sale and part of the properties in Group IV which are held for future development by the Group for future sale, the Group may dispose of these properties in the future, therefore, potential tax liability would be incurred on disposal of such property interests and this mainly includes value-added tax (5.0% or 9.0% of the transaction amount for self-built properties; 5.0% or 9.0% of the capital gains for purchased properties), land appreciation tax (30% to 60% of appreciated amount), stamp duty (0.05% of the transaction amount) and income tax (15% or 25% of the capital gains after deducting the potential tax in effecting the sales). The estimated total potential tax liabilities for the properties in Group II which are held for sale by the Group, part of the properties in Group III which are held under development for future sale and part of the properties in Group IV which are held for future development by the Group for future sale, according to the information prepared by the Group, would be RMB4,910.0 million.

**REMARKS**

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

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,

For and on behalf of

**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**

**Eddie T. W. Yiu**

*MRICS MHKIS RPS (GP)*

*Senior Director*

*Note:* Eddie T.W. Yiu is a Chartered Surveyor who has 29 years’ experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region

## SUMMARY OF VALUES

Abbreviation:

Group I – Properties held and under operation by the Group

Group II – Properties held for sale by the Group

Group III – Properties held under development by the Group

Group IV – Properties held for future development by the Group

Group V – Properties contracted to be acquired by the Group

–: Not Available or Not Applicable

No.	Property	Market value	The total	The total					
		in existing state as at 31 May 2023 RMB	market value in existing state as at 31 May 2023 RMB	Interest attributable to the Group	market value in existing state attributable to the Group as at 31 May 2023 RMB				
		Group I:	Group II:	Group III:	Group IV:	Group V:			
1.	Xinjiekou Store Block A located at No. 89 Hanzhong Road Qinhuai District Nanjing City Jiangsu Province The PRC (南京•新街口A座)	1,556,000,000	-	-	-	-	1,556,000,000	100.00%	1,556,000,000
2.	Portions of Xinjiekou Store Block B located at No. 89 Hanzhong Road Qinhuai District Nanjing City Jiangsu Province The PRC (南京•新街口B座)	-	-	-	-	No Commercial Value	No Commercial Value	100.00%	No Commercial Value
3.	Nantong Lifestyle Centre located at No. 57 Gongnong Road Chongchuan District Nantong City Jiangsu Province The PRC (南通•中心店)	-	-	-	-	No Commercial Value	No Commercial Value	100.00%	No Commercial Value

No.	Property	Market value	The total		The total				
		in existing state as at 31 May 2023	market value in existing state as at 31 May 2023	Interest attributable to the Group					
		<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>		<i>RMB</i>
		Group I:	Group II:	Group III:	Group IV:	Group V:			
4.	Nantong Store located at No. 28 South Avenue Chongchuan District Nantong City Jiangsu Province The PRC (南通•南大街店)	128,000,000	-	-	-	-	128,000,000	100.00%	128,000,000
5.	Yangzhou Store located at No. 118 and No. 120 South Wenhe Road Guangling District Yangzhou City Jiangsu Province The PRC (揚州•文昌店)	1,111,900,000	-	-	-	-	1,111,900,000	100.00%	1,111,900,000
6.	Levels 1 to 7 of Block A of Xuzhou Store located at the eastern side of North Zhongshan Road and the northern side of Pengcheng Square Gulou District Xuzhou City Jiangsu Province The PRC (徐州•彭城廣場A座一至七 層)	1,785,400,000	-	-	-	-	1,785,400,000	100.00%	1,785,400,000

No.	Property	Market value	The total	Interest	The total				
		in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	market value in existing state as at 31 May 2023		market value in existing state attributable to the Group as at 31 May 2023
		RMB	RMB	RMB	RMB	RMB	RMB		RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:			
7.	Basement Levels 1 to 2 and Level 8 of Block A of Xuzhou Store and the basement portion close to Xuzhou Confucius Temple located at the eastern side of North Zhongshan Road and the northern side of Heqing Road Gulou District Xuzhou City Jiangsu Province The PRC (徐州•彭城廣場A座負一、負二、八樓及文廟地下)	53,400,000	-	8,000,000	-	-	61,400,000	100.00%	61,400,000
8.	Basement Levels 1 to 3 and Levels 1 to 10 of Block B of Xuzhou Store located at the eastern side of Pengcheng Road and the northern side of Heqing Road Gulou District Xuzhou City Jiangsu Province The PRC (徐州•彭城廣場B座)	786,200,000	-	-	-	-	786,200,000 (refer to note 1)	100.00%	786,200,000 (refer to note 1)
9.	Xi'an Gaoxin Store located at Keji Road Yanta District Xi'an City Shaanxi Province The PRC (西安•高新店)	928,000,000	-	-	-	-	928,000,000	100.00%	928,000,000

No.	Property	Market value	The total	Interest	The total				
		in existing state as at 31 May 2023	market value in existing state as at 31 May 2023		market value in existing state attributable to the Group 31 May 2023				
		RMB	RMB	RMB	RMB	RMB	RMB		RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:			
10.	Taizhou Store located at No. 18 East Dongjin Road Hailing District Taizhou City Jiangsu Province The PRC (泰州店)	1,023,800,000	-	-	-	-	1,023,800,000	100.00%	1,023,800,000
11.	Kunming Lifestyle Centre Block A located at No. 418 Qingnian Road Wuhua District Kunming City Yunnan Province The PRC (昆明店-A座)	442,800,000	-	-	-	-	442,800,000	100.00%	442,800,000
12.	Kunming Lifestyle Centre Block B located at No. 168 Weiyuan Street Wuhua District Kunming City Yunnan Province The PRC (昆明店-B座)	1,028,700,000	-	-	-	-	1,028,700,000	100.00%	1,028,700,000
13.	Huai'an Store located at No. 130 East Huaihai Road Qingjiangpu District Huai'an City Jiangsu Province The PRC (淮安店)	766,500,000	-	-	-	-	766,500,000	100.00%	766,500,000

No.	Property	Market value	The total	Interest	The total				
		in existing state as at 31 May 2023	market value in existing state as at 31 May 2023		market value in existing state attributable to the Group 31 May 2023				
		RMB	RMB	RMB	RMB	RMB	RMB		RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:			
14.	Yancheng Lifestyle Centre located at No. 169 Middle Jianjun Road Tinghu District Yancheng City Jiangsu Province The PRC (鹽城•建軍路店)	1,630,300,000	-	-	-	-	1,630,300,000	100.00%	1,630,300,000
15.	Suqian Store located at the eastern side of Qingnian Road Sucheng District Suqian City Jiangsu Province The PRC (宿遷店)	759,700,000	-	-	-	-	759,700,000	100.00%	759,700,000
16.	Liyang Store located at No. 6 Tianmu Road Liyang City Changzhou City Jiangsu Province The PRC (常州•溧陽店)	365,000,000	-	-	-	-	365,000,000	100.00%	365,000,000
17.	Xuzhou People Square Store located at No. 270 West Huaihai Road Quanshan District Xuzhou City Jiangsu Province The PRC (徐州•人民廣場店)	551,300,000	-	-	-	-	551,300,000	100.00%	551,300,000

No.	Property	Market value	The total	The total					
		in existing state as at 31 May 2023	market value in existing state as at 31 May 2023	Interest attributable to the Group					
		RMB	RMB	RMB	RMB	RMB	RMB		RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:			
18.	Kunshan Lifestyle Centre located at No. 199 Middle Zhujiang Road Kunshan Development Zone Kunshan City Suzhou City Jiangsu Province The PRC (蘇州•昆山店)	-	-	-	-	No Commercial Value	No Commercial Value	100.00%	No Commercial Value
19.	Suzhou Lifestyle Centre located at No. 310 Shishan Road Huqiu District Suzhou City Jiangsu Province The PRC (蘇州•高新店)	2,045,600,000	-	-	-	-	2,045,600,000	100.00%	2,045,600,000
20.	Nanjing Hubin Tiandi Zone B located at No. 1 Xuejin Road Qixia District Nanjing City Jiangsu Province The PRC (南京•仙林店B區)	1,709,400,000	-	-	-	-	1,709,400,000	100.00%	1,709,400,000
21.	Yangzhou New City Centre located at No. 1177 East Wenchang Road Xiannv Town Jiangdu District Yangzhou City Jiangsu Province The PRC (揚州•江都店)	1,710,000,000	-	-	-	-	1,710,000,000	100.00%	1,710,000,000

No.	Property	Market value	The total	The total					
		in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	market value in existing state as at 31 May 2023	market value in existing state attributable to the Group as at 31 May 2023	
		RMB	RMB	RMB	RMB	RMB	RMB	RMB	
		Group I:	Group II:	Group III:	Group IV:	Group V:			
22.	Yangzhou New City Centre Project located at the western side of South Longchuan Road and the southern side of East Wenchang Road Jiangdu District Yangzhou City Jiangsu Province The PRC (揚州•江都開發)	-	179,200,000	-	755,000,000	-	934,200,000	100.00%	934,200,000
23.	The unsold office units, residential units, 1,124 underground car parking spaces and the portion under construction of Riverside Century Plaza Project located at No. 289 South Zhongshan Road Yijiang District Wuhu City Anhui Province The PRC (蕪湖•濱江項目)	244,600,000	186,600,000	307,400,000	-	-	738,600,000 (refer to note 1)	100.00%	738,600,000 (refer to note 1)
24.	Wuhu New City Store located at No. 289 South Zhongshan Road Yijiang District Wuhu City Anhui Province The PRC (蕪湖•新城市店)	483,000,000	-	-	-	-	483,000,000	100.00%	483,000,000

No.	Property	Market value	The total	Interest	The total				
		in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	market value in existing state as at 31 May 2023	attributable to the Group	market value in existing state attributable to the Group as at 31 May 2023
		RMB	RMB	RMB	RMB	RMB	RMB		RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:			
25.	Wuhu Shopping Store and various unsold office units and underground car parking spaces located at the western side of North Zhongshan Road and the southern side of South Yinhu Road Jinghu District Wuhu City Anhui Province The PRC (蕪湖•金鷹國際商城)	281,200,000	-	-	-	-	281,200,000 (refer to note 1)	100.00%	281,200,000 (refer to note 1)
26.	Various retail units and underground car parking spaces of Phoenix Garden Project located at No. 88 South Yinhu Road Jinghu District Wuhu City Anhui Province The PRC (蕪湖•鳳凰花園商舖)	14,900,000	-	-	-	-	14,900,000 (refer to note 1)	100.00%	14,900,000 (refer to note 1)
27.	Wuhu Golden Eagle Summit Hotel located at No. 77 North Zhongshan Road Jinghu District Wuhu City Anhui Province The PRC (蕪湖•金鷹尚美酒店)	248,000,000	-	-	-	-	248,000,000	100.00%	248,000,000

No.	Property	Market value	The total	The total					
		in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	in existing state as at 31 May 2023	market value in existing state as at 31 May 2023	market value in existing state attributable to the Group as at 31 May 2023	
		RMB	RMB	RMB	RMB	RMB	RMB	RMB	
		Group I:	Group II:	Group III:	Group IV:	Group V:	Interest attributable to the Group		
28.	Lianyungang Project located at No. 121 North Haichang Road Haizhou District Lianyungang City Jiangsu Province The PRC (連雲港項目)	-	-	163,400,000	-	-	163,400,000	100.00%	163,400,000
29.	Level B2 (Changzhou Chuangda) located at No. 10-Di 1 Mooc Star Zhonglou District Changzhou City Jiangsu Province The PRC (常州創達)	67,200,000	-	-	-	-	67,200,000	100.00%	67,200,000
30.	Changchun Golden Eagle World Project located at the eastern side of Wukai River Avenue and the southern side of East Jilin Avenue Lianhua Mountain Eco-tourism Zone Erdao District Changchun City Jilin Province The PRC (長春•吉林正業)	-	521,900,000	1,156,900,000	1,182,600,000	-	2,861,400,000	51.00%	1,459,300,000 (refer to note 2)

No.	Property	Market value	The total	Interest	The total				
		in existing state as at 31 May 2023	market value in existing state as at 31 May 2023		market value in existing state attributable to the Group as at 31 May 2023				
		RMB	RMB	RMB	RMB	RMB	RMB		RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:			
31.	Nantong Jianghai Garden located at the western side of East Huancheng Road and the northern side of South Huancheng Road Chongchuan District Nantong City Jiangsu Province The PRC (南通•江海名苑)	65,100,000	-	-	-	-	65,100,000 <i>(refer to note 1)</i>	100.00%	65,100,000 <i>(refer to note 1)</i>
32.	Nantong Renmin Road Store located at No. 106 Middle Renmin Road Chongchuan District Nantong City Jiangsu Province The PRC (南通•人民路店)	260,200,000	-	-	-	-	260,200,000	100.00%	260,200,000
33.	Nantong Baxian City located at the intersection of Middle Renmin Road and South Street and 2 neighbouring units Chongchuan District Nantong City Jiangsu Province The PRC (南通•八仙城)	287,000,000	-	-	-	-	287,000,000	100.00%	287,000,000
	<b>Total:</b>						<b>24,794,200,000</b>		<b>23,392,100,000</b>

## Notes:

- As at the valuation date, portions of property nos. 8, 23, 25, 26 and 31 have not obtained proper title certificates, therefore we have attributed no commercial value to the property interests of these portions. Please refer to each certificate for details.
- In this property valuation report, the value has been rounded to the nearest hundred thousand.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>																
1.	Xinjiekou Store Block A located at No. 89 Hanzhong Road Qinhuai District Nanjing City Jiangsu Province The PRC (南京·新街口A座)	<p>Xinjiekou Store Block A is located at the western side of Wangfu Street and the southern side of Hanzhong Road. The locality of the project is a mature developed area including many commercial developments. This area is well-served by infrastructure facilities and public transportation along Hanzhong Road.</p> <p>The project occupies a total apportioned site area of approximately 2,556.44 sq.m.. The property comprises portions of a 6-storey shopping centre with a total gross floor area of approximately 33,446.58 sq.m. which was completed in 1998.</p> <p>The classification, usage and gross floor area details of the property are listed as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr><td>Level 1</td><td style="text-align: right;">4,062.93</td></tr> <tr><td>Level 2</td><td style="text-align: right;">4,908.49</td></tr> <tr><td>Level 3</td><td style="text-align: right;">6,150.04</td></tr> <tr><td>Level 4</td><td style="text-align: right;">6,093.36</td></tr> <tr><td>Level 5</td><td style="text-align: right;">6,150.51</td></tr> <tr><td>Level 6</td><td style="text-align: right;">6,081.25</td></tr> <tr><td><b>Total:</b></td><td style="text-align: right;"><b><u>33,446.58</u></b></td></tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level 1	4,062.93	Level 2	4,908.49	Level 3	6,150.04	Level 4	6,093.36	Level 5	6,150.51	Level 6	6,081.25	<b>Total:</b>	<b><u>33,446.58</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	<p>1,556,000,000</p> <p>(100% interest attributable to the Group: 1,556,000,000)</p>
Level	Gross Floor Area (sq.m.)																			
Level 1	4,062.93																			
Level 2	4,908.49																			
Level 3	6,150.04																			
Level 4	6,093.36																			
Level 5	6,150.51																			
Level 6	6,081.25																			
<b>Total:</b>	<b><u>33,446.58</u></b>																			

The land use rights of the property have been granted for a term expiring on 26 April 2063 for wholesale and retail uses.

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Ning Bai Guo Yong (2013) Di No. 02678, the land use rights of the property with a total apportioned site area of approximately 2,556.44 sq.m. have been granted to Golden Eagle International Retail Group (China) Co., Ltd. (金鷹國際商貿集團(中國)有限公司, “Golden Eagle (China)”, a wholly-owned subsidiary of the Company) for a term expiring on 26 April 2063 for wholesale and retail uses.
2. Pursuant to 6 Building Ownership Certificates – Ning Fang Quan Zheng Bai Bian Zi Di Nos. 393703, 393707, 394086, 437402, 393730 and 393731, the property with a total gross floor area of approximately 33,446.58 sq.m. for commercial use is owned by Golden Eagle (China).
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 1,118.87 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 31 January 2026, and the total passing annual rental as at 31 May 2023 was RMB8,030,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB28.0 to RMB34.0 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 5.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.0% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Golden Eagle (China) has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificate of the property, Golden Eagle (China) has the rights to occupy and use the land use rights of the property; and
  - b. Golden Eagle (China) has legally and validly in possession of the building ownership rights of the property. Golden Eagle (China) has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB																		
2.	Portions of Xinjiekou Store Block B located at No. 89 Hanzhong Road Qinhuai District Nanjing City Jiangsu Province The PRC (南京·新街口B座)	<p>Xinjiekou Store Block B is located at the western side of Xinjiekou Store Block A and the southern side of Hanzhong Road. The locality of the project is a mature developed area including many commercial developments. This area is well-served by infrastructure facilities and public transportation along Hanzhong Road.</p> <p>The project occupies a total apportioned site area of approximately 27,595.87 sq.m. (including of the land use rights of the property). The property comprises a 6-storey shopping centre plus one level basement with 144 underground car parking spaces with a total gross floor area of approximately 50,281.41 sq.m. which was completed in 2014.</p> <p>The classification, usage and gross floor area details of the property are listed as follows:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B2</td> <td>8,223.96</td> </tr> <tr> <td>Level 1</td> <td>5,419.12</td> </tr> <tr> <td>Level 2</td> <td>6,327.90</td> </tr> <tr> <td>Level 3</td> <td>7,610.76</td> </tr> <tr> <td>Level 4</td> <td>7,670.23</td> </tr> <tr> <td>Level 5</td> <td>7,543.18</td> </tr> <tr> <td>Level 6</td> <td>7,486.26</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>50,281.41</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B2	8,223.96	Level 1	5,419.12	Level 2	6,327.90	Level 3	7,610.76	Level 4	7,670.23	Level 5	7,543.18	Level 6	7,486.26	<b>Total:</b>	<b><u>50,281.41</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	No Commercial Value
Level	Gross Floor Area (sq.m.)																					
Level B2	8,223.96																					
Level 1	5,419.12																					
Level 2	6,327.90																					
Level 3	7,610.76																					
Level 4	7,670.23																					
Level 5	7,543.18																					
Level 6	7,486.26																					
<b>Total:</b>	<b><u>50,281.41</u></b>																					
		The land use rights of the property have been granted for a term expiring on 21 December 2050 for retail use.																				

*Notes:*

1. Pursuant to the terms of the Framework Agreement of Golden Eagle Phase 3 (currently known as Xinjiekou Store Block B) dated 9 November 2009, the property was contracted to be purchased by Golden Eagle International Retail Group (China) Co., Ltd. (金鷹國際商貿集團(中國)有限公司, “Golden Eagle (China)”, a wholly-owned subsidiary of the Company) from a connected party Nanjing Golden Eagle International Group Limited (南京金鷹國際集團有限公司) at a preliminary consideration of approximately RMB879,925,000 (subject to further adjustment depending on the actual gross floor area of the property to be delivered).
2. The Group has not yet obtained title certificates of the property as at the date of valuation, the legal title of the property has not been vested in the Group. Therefore, we have attributed no commercial value to the property interest. However, for reference purpose, we are of the opinion that the market value of the property would be RMB1,899,000,000 as at 31 May 2023, assuming that the relevant title certificates have been obtained by Golden Eagle (China), and Golden Eagle (China) is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 3,990.59 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 31 October 2028, and the total passing annual rental as at 31 May 2023 was RMB20,200,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB28.0 to RMB34.0 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 5.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.0% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. The Real Estate Title Certificates of the property have not been obtained as mentioned in note 2. The Group does not beneficially in possession of the building ownership rights and the land use rights of the property. After the ownership registration of the property has been obtained according to the laws of the PRC, the Group will have the building ownership rights and the corresponding land use rights of the property.
6. For the purpose of this report, the property is classified into Group V – Properties contracted to be acquired by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB																		
3.	Nantong Lifestyle Centre located at No. 57 Gongnong Road Chongchuan District Nantong City Jiangsu Province The PRC (南通·中心店)	<p>Nantong Lifestyle Centre is located at the eastern side of Gongnong Road and the southern side of Middle Qingnian Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Gongnong Road.</p> <p>The project occupies a total apportioned site area of approximately 14,628.00 sq.m.. The property comprises a 6-storey shopping centre plus one level basement including 630 underground car parking spaces with a total gross floor area of approximately 62,634.06 sq.m. which was completed in 2014.</p> <p>The details of the property are listed as follows:</p> <table border="1" data-bbox="515 1193 852 1587"> <thead> <tr> <th data-bbox="515 1193 571 1215">Level</th> <th data-bbox="727 1193 852 1278">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 1310 603 1332">Level B1</td> <td data-bbox="756 1310 852 1332">12,947.44</td> </tr> <tr> <td data-bbox="515 1342 587 1364">Level 1</td> <td data-bbox="769 1342 852 1364">7,806.39</td> </tr> <tr> <td data-bbox="515 1374 587 1395">Level 2</td> <td data-bbox="769 1374 852 1395">8,055.38</td> </tr> <tr> <td data-bbox="515 1406 587 1427">Level 3</td> <td data-bbox="769 1406 852 1427">8,555.37</td> </tr> <tr> <td data-bbox="515 1438 587 1459">Level 4</td> <td data-bbox="769 1438 852 1459">8,676.88</td> </tr> <tr> <td data-bbox="515 1470 587 1491">Level 5</td> <td data-bbox="769 1470 852 1491">8,315.60</td> </tr> <tr> <td data-bbox="515 1502 587 1523">Level 6</td> <td data-bbox="769 1502 852 1523">8,277.00</td> </tr> <tr> <td data-bbox="515 1555 576 1576"><b>Total:</b></td> <td data-bbox="756 1555 852 1587"><b>62,634.06</b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B1	12,947.44	Level 1	7,806.39	Level 2	8,055.38	Level 3	8,555.37	Level 4	8,676.88	Level 5	8,315.60	Level 6	8,277.00	<b>Total:</b>	<b>62,634.06</b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	No Commercial Value
Level	Gross Floor Area (sq.m.)																					
Level B1	12,947.44																					
Level 1	7,806.39																					
Level 2	8,055.38																					
Level 3	8,555.37																					
Level 4	8,676.88																					
Level 5	8,315.60																					
Level 6	8,277.00																					
<b>Total:</b>	<b>62,634.06</b>																					

*Notes:*

1. Pursuant to the terms of the Co-operation Agreement of Nantong Harmony Times Plaza (currently known as Nantong Lifestyle Centre) dated 9 July 2010 and a Supplementary Contract dated 4 November 2010, the property was contracted to be purchased by Nantong Golden Eagle Yuanrong Shopping Centre Co., Ltd. (南通金鷹圓融購物中心有限公司, “Nantong Yuanrong”, a wholly-owned subsidiary of the Company) from Suzhou Harmony Development Group Co., Ltd. (蘇州圓融發展集團有限公司) at a combination of the land cost, the construction cost, taxes incurred on sale of the property, and the construction management fee (subject to further adjustment depending on the actual gross floor area of the property to be delivered).
2. The Group has not yet obtained title certificates of the property as at the date of valuation, the legal title of the property has not been vested in the Group. Therefore, we have attributed no commercial value to the property interest. However, for reference purpose, we are of the opinion that the market value of the property would be RMB1,085,000,000 as at 31 May 2023, assuming that the relevant title certificates have been obtained by Nantong Yuanrong, and Nantong Yuanrong is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 13,315.80 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 24 August 2029, and the total passing annual rental as at 31 May 2023 was RMB31,400,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB8.3 to RMB10.0 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 5.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. The Real Estate Title Certificates of the property have not been obtained as mentioned in note 2. The Group does not beneficially in possession of the building ownership rights and the land use rights of the property. After the ownership registration of the property has been obtained according to the laws of the PRC, the Group will have the building ownership rights and the corresponding land use rights of the property.
6. For the purpose of this report, the property is classified into Group V – Properties contracted to be acquired by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
4.	Nantong Store located at No. 28 South Avenue Chongchuan District Nantong City Jiangsu Province The PRC (南通·南大街店)	Nantong Store is located at the western side of South Avenue. The locality of the project is a mature developed area including many commercial developments. This area is well-served by infrastructure facilities and public transportation along South Avenue.	We are advised by the Company that the property was under operation in the past few years. As at valuation date, the property was vacant.	128,000,000  (100% interest attributable to the Group: 128,000,000)

The project occupies a parcel of land with a site area of approximately 1,101.47 sq.m.. The property comprises a 7-storey shopping centre with a total gross floor area of approximately 9,297.10 sq.m. which was completed in 1996.

The details of the property are listed as follows:

Level	Gross Floor Area (sq.m.)
Level 1	1,236.36
Level 2	1,667.13
Level 3	1,694.79
Level 4	1,694.79
Level 5	1,836.84
Level 6	720.06
Level 7	447.13
<b>Total:</b>	<b>9,297.10</b>

The land use rights of the property have been granted for a term expiring on 2 July 2043 for composite use.

*Notes:*

1. Pursuant to 5 Real Estate Title Certificates – Su (2017) Nantong Shi Bu Dong Chan Quan Di Nos. 0063160, 0063161, 0063134, 0063135 and 0063010, the land use rights of the property with a total site area of approximately 1,101.47 sq.m. have been granted to Nantong Golden Eagle Yuanrong Shopping Centre Co., Ltd. (南通金鷹圓融購物中心有限公司, “Nantong Yuanrong”, a wholly-owned subsidiary of the Company) for a term with the expiry date on 2 July 2043 for composite use. The building ownership rights of the property with a total gross floor area of approximately 9,297.10 sq.m. for commercial and office uses is owned by Nantong Yuanrong.
2. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the rental level of similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB6.7 to RMB8.9 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 5.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% the commercial units as the capitalisation rate in the valuation.
3. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Nantong Yuanrong has legally and validly in possession of the land use rights and building ownership rights of the property. Nantong Yuanrong has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
4. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB								
5.	Yangzhou Store located at No. 118 and No. 120 South Wenhe Road Guangling District Yangzhou City Jiangsu Province The PRC (揚州·文昌店)	Yangzhou Store is located at the western side of South Wenhe Road and the southern side of Middle Wenchang Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Middle Wenchang Road.  The project occupies two parcels of land with a total site area of approximately 11,401.90 sq.m.. The property comprises three buildings, including a 7-storey commercial building, a 7-storey car parking building and a 5-storey ancillary building. The total gross floor area of the property is approximately 37,199.01 sq.m..  The details of the property are listed as follows:	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store, office, storage and ancillary purposes.	1,111,900,000  (100% interest attributable to the Group: 1,111,900,000)								
		<table border="1"> <thead> <tr> <th data-bbox="515 1221 608 1242">Building</th> <th data-bbox="727 1221 852 1306">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 1338 639 1423">Commercial building Car parking building</td> <td data-bbox="756 1338 852 1455">34,600.94  1,118.07</td> </tr> <tr> <td data-bbox="515 1455 699 1476">Ancillary building</td> <td data-bbox="756 1455 852 1476">1,480.00</td> </tr> <tr> <td data-bbox="515 1523 576 1544"><b>Total:</b></td> <td data-bbox="756 1523 852 1561"><b>37,199.01</b></td> </tr> </tbody> </table>	Building	Gross Floor Area (sq.m.)	Commercial building Car parking building	34,600.94  1,118.07	Ancillary building	1,480.00	<b>Total:</b>	<b>37,199.01</b>		
Building	Gross Floor Area (sq.m.)											
Commercial building Car parking building	34,600.94  1,118.07											
Ancillary building	1,480.00											
<b>Total:</b>	<b>37,199.01</b>											
		The land use rights of the property have been granted for the terms expiring on 29 May 2041 and 15 September 2044 for commercial use.										

## Notes:

1. Pursuant to a State-owned Land Use Rights Certificate – Yang Guo Yong (2001D) Zi Di No. 0123 and a Real Estate Registration Certificate No. 20230106104754005, the land use rights of a parcel of land with a site area of approximately 9,003.30 sq.m. have been granted to Yangzhou Golden Eagle International Industry Co., Ltd. (揚州金鷹國際實業有限公司, “Yangzhou Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 15 September 2044 for commercial use.
2. Pursuant to 3 Building Ownership Certificates – Yang Fang Quan Zheng Guang Zi Di Nos. 97786 and 84331, and Yang Fang Quan Zheng Guang (Ji) Zi Di No. 1021069936, the building ownership rights of portions of the property with a total gross floor area of approximately 34,600.94 sq.m for non-residential use are owned by Yangzhou Golden Eagle.
3. Pursuant to 2 Real Estate Title Certificates – Su (2022) Yang Zhou Shi Bu Dong Chan Quan Di Nos. 0038908 and 0038948, the land use rights of 2 parcels of land with a total site area of approximately 2,398.60 sq.m. have been granted to Yangzhou Golden Eagle for a term expiring on 29 May 2041 for commercial use, and the other portions of the property with a total gross floor area of approximately 2,598.07 sq.m. for car parking and non-residential uses are owned by Yangzhou Golden Eagle.
4. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group I – Properties held and under operation by the Group	Retail	34,600.94	
	Ancillary	1,480.00	
	Car parking building	1,118.07	158
	<b>Total:</b>	<b>37,199.01</b>	<b>158</b>

5. Pursuant to 11 Tenancy Agreements, portions of the property with a net leasable area of approximately 807.43 sq.m. are leased to 11 tenants for commercial purpose with the expiry dates between 5 July 2023 and 31 December 2025, and the total passing annual rental as at 31 May 2023 was RMB3,800,000, exclusive of management fees, water and electricity charges.
6. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB15.0 to RMB16.0 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 5.5% to 6.5% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.25% for the commercial units as the capitalisation rate in the valuation.
7. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Yangzhou Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificate of the property, Yangzhou Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Yangzhou Golden Eagle has legally and validly in possession of the building ownership rights of the property. Yangzhou Golden Eagle has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates and Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
8. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.



*Notes:*

1. Pursuant to 2 State-owned Land Use Rights Certificates – Xu Tu Guo Yong (2005) Di No. 37464 and Xu Tu Guo Yong (2011) Di No. 28085, the land use rights of 2 parcels of land with a total site area of approximately 11,502.38 sq.m. have been granted to Xuzhou Golden Eagle International Industry Co., Ltd. (徐州金鷹國際實業有限公司, “Xuzhou Golden Eagle International Industry”, a wholly-owned subsidiary of the Company) for a term expiring on 20 August 2043 for commercial use.
2. Pursuant to 7 Building Ownership Certificates – Xu Fang Quan Zheng Gu Lou Zi Di Nos. 32394, 32395, 32396, 32397, 32398, 32399 and 106920, the building ownership rights of the property with a total gross floor area of approximately 59,934.31 sq.m. for commercial use are owned by Xuzhou Golden Eagle International Industry.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 1,897.88 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 31 May 2023 and 30 November 2026, and the total passing annual rental as at 31 May 2023 was RMB7,800,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB18.3 to RMB22.8 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Xuzhou Golden Eagle International Industry has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificates of the property, Xuzhou Golden Eagle International Industry has the rights to occupy and use the land use rights of the property; and
  - b. Xuzhou Golden Eagle International Industry has legally and validly in possession of the building ownership rights of the property. Xuzhou Golden Eagle International Industry has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates, and subject to the consent from the mortgagee to transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
7.	Basement Levels 1 to 2 and Level 8 of Block A of Xuzhou Store and the basement portion close to Xuzhou Confucius Temple located at the eastern side of North Zhongshan Road and the northern side of Heqing Road Gulou District Xuzhou City Jiangsu Province The PRC (徐州·彭城廣場A座負一、負二、八樓及文廟地下)	<p>Block A of Xuzhou Store (the “Project”) is located at the eastern side of North Zhongshan Road and the northern side of Heqing Road. The locality of the Project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along North Zhongshan Road.</p> <p>The property comprises two parts, one part is completed that comprises the office units on Level 8, the underground car parking spaces on Basement Level 1 and the ancillary units on Basement Level 2, which were completed in 2003 with a total gross floor area of approximately 7,309.45 sq.m.. This part occupies an apportioned site area of approximately 1,401.20 sq.m..</p> <p>The other part is the portion under construction (the “CIP”) of the Project. As advised by the Group, the CIP is the basement portion close to Xuzhou Confucius Temple, which is being developed into underground car parking spaces, and is scheduled to be completed in 2023 with a total gross floor area of approximately 2,847.95 sq.m.. This part occupies a parcel of land with a site area of approximately 1,144.60 sq.m..</p> <p>The classification, usage and gross floor area details of the property are set out in note 5.</p> <p>As advised by the Group, the construction cost of the property is estimated to be approximately RMB47,100,000, of which approximately RMB43,100,000 had been incurred as at the valuation date.</p> <p>The land use rights of the property have been granted for the terms expiring on 20 August 2043 for commercial use and 1 December 2069 for transportation service use.</p>	<p>As at the valuation date, apart from portions of the property which were under construction, portions of office units were occupied by the Group for office use and the remaining portions of the office units were vacant.</p>	<p>61,400,000</p> <p>(100% interest attributable to the Group: 61,400,000)</p>

## Notes:

1. Pursuant to a Real Estate Title Certificate – Su (2016) Xu Zhou Shi Bu Dong Chan Quan Di No. 0033493, the land use rights of an apportioned site area of approximately 1,401.20 sq.m. have been granted to Xuzhou Golden Eagle Culture Development Co., Ltd. (徐州金鷹文化發展有限公司, “Xuzhou Golden Eagle Culture Development”, a wholly-owned subsidiary of the Company) for a term expiring on 20 August 2043 for commercial use, and the property with a gross floor area of approximately 7,309.45 sq.m. for commercial use is owned by Xuzhou Golden Eagle Culture Development.
2. Pursuant to a Real Estate Title Certificate (for land) – Su (2020) Xu Zhou Shi Bu Dong Chan Quan Di No. 0009063, the land use rights of the basement of the property with a site area of approximately 1,144.60 sq.m. have been granted to Xuzhou Golden Eagle Culture Development for a term expiring on 1 December 2069 for transportation service use.
3. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 320302202001015 in favour of Xuzhou Golden Eagle Culture Development, the basement portion close to Xuzhou Confucius Temple with a gross floor area of approximately 2,847.95 sq.m. has been approved for construction.
4. Pursuant to a Construction Work Commencement Permit – No. 320302202106290101 in favour of Xuzhou Golden Eagle Culture Development, permission by the relevant local authority was given to commence the construction of the afore-mentioned basement with a gross floor area of approximately 2,847.95 sq.m.
5. According to the information provided by the Group, the gross floor area of the property is set out as below:

Status	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group I – Properties held and under operation by the Group	Underground car parking spaces (B1)	2,656.68	125
	Ancillary (B2)	766.28	
	Office (Level 8)	3,886.49	
	<b>Sub-total:</b>	<b>7,309.45</b>	<b>125</b>
Group III – Properties held under development by the Group	Basement (Basement portion close to Xuzhou Confucius Temple)	2,847.95	182
	<b>Sub-total:</b>	<b>2,847.95</b>	<b>182</b>
	<b>Total:</b>	<b>10,157.40</b>	<b>307</b>

6. The market value of the CIP of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB13,000,000.
7. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these office unit comparables with gross floor area basis ranges from RMB2.0 to RMB2.3 per sq.m. per day;
  - c. Based on our research on office market in the surrounding area of the property, the stabilised market yield ranged from 5.5% to 6.5% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.0% for the office units as the capitalisation rate in the valuation;

- d. For the CIP of the property, we have identified and analysed various relevant sales evidences in the locality which have similar characteristics as the subject property such as nature, use, size, layout and accessibility of the property. The selected comparables are car parking spaces within the same development of the subject property and other to be completed buildings located in the area close to the subject property with similar building conditions and facilities as the subject property, which were transacted between 2020 to 2023. The unit price of these comparable properties ranges from RMB60,000 to RMB80,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of physical characteristics like age, size and layout, etc. and location such as accessibility is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered; and
- e. For the land of the basement portion close to Xuzhou Confucius Temple of the property, we have identified and analysed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The selected comparables are transportation service land which were transacted in the last four years. The site unit rate of these comparable land sites ranges from RMB1,000 to RMB1,800 per sq.m. for transportation service use. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and other characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of location such as accessibility and characteristics related to development potential like site area, layout, tenure, etc. is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered.
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
- a. Xuzhou Golden Eagle Culture Development has legally and validly in possession of the land use rights and building ownership rights of portions of the property as mentioned in note 1. Xuzhou Golden Eagle Culture Development has the rights to occupy, use these portions of the property for the purposes specified in the Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of these portions of the property according to the laws of the PRC;
- b. After the ownership registration of the basement portions of the property as mentioned in note 2 has been obtained according to the laws of the PRC, Xuzhou Golden Eagle Culture Development will have the rights to occupy, use or otherwise dispose of the building ownership rights and the corresponding land use rights of these basement portions of the property; and
- c. Xuzhou Golden Eagle Culture Development has obtained all requisite construction work approvals in respect of the actual development progress.
9. For the purpose of this report, the property is classified into the following groups according to the status, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

<b>Group</b>	<b>Market value in existing state as at the valuation date (RMB)</b>
Group I – Properties held and under operation by the Group	53,400,000
Group III – Properties held under development by the Group	8,000,000
<b>Total:</b>	<b>61,400,000</b>

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB																														
8.	Basement Levels 1 to 3 and Levels 1 to 10 of Block B of Xuzhou Store located at the eastern side of Pengcheng Road and the northern side of Heqing Road Gulou District Xuzhou City Jiangsu Province The PRC (徐州•彭城廣場B座)	<p>Block B of Xuzhou Store is located at the eastern side of Pengcheng Road and the northern side of Heqing Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along North Zhongshan Road.</p> <p>The project occupies a parcel of land with a site area of approximately 4,925.20 sq.m., and a 10-storey commercial building plus three levels basement with a total gross floor area of approximately 41,808.25 sq.m. erected thereon which was completed in 2019.</p> <p>The details of the property are listed as follows:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr><td>Level B3</td><td>1,919.00</td></tr> <tr><td>Level B2</td><td>2,156.22</td></tr> <tr><td>Level B1</td><td>6,180.96</td></tr> <tr><td>Level 1</td><td>2,509.08</td></tr> <tr><td>Level 2</td><td>2,717.45</td></tr> <tr><td>Level 3</td><td>2,659.84</td></tr> <tr><td>Level 4</td><td>2,716.30</td></tr> <tr><td>Level 5</td><td>2,729.08</td></tr> <tr><td>Level 6</td><td>3,857.59</td></tr> <tr><td>Level 7</td><td>3,708.36</td></tr> <tr><td>Level 8</td><td>3,654.65</td></tr> <tr><td>Level 9</td><td>3,639.76</td></tr> <tr><td>Level 10</td><td>3,359.96</td></tr> <tr> <td><b>Total:</b></td> <td><b>41,808.25</b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B3	1,919.00	Level B2	2,156.22	Level B1	6,180.96	Level 1	2,509.08	Level 2	2,717.45	Level 3	2,659.84	Level 4	2,716.30	Level 5	2,729.08	Level 6	3,857.59	Level 7	3,708.36	Level 8	3,654.65	Level 9	3,639.76	Level 10	3,359.96	<b>Total:</b>	<b>41,808.25</b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	786,200,000  (100% interest attributable to the Group: 786,200,000) (Refer to Note 3)
Level	Gross Floor Area (sq.m.)																																	
Level B3	1,919.00																																	
Level B2	2,156.22																																	
Level B1	6,180.96																																	
Level 1	2,509.08																																	
Level 2	2,717.45																																	
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Level 8	3,654.65																																	
Level 9	3,639.76																																	
Level 10	3,359.96																																	
<b>Total:</b>	<b>41,808.25</b>																																	
		The land use rights of the property have been granted for terms expiring on 22 November 2057 for commercial use and 22 November 2067 for office and composite uses.																																

*Notes:*

1. Pursuant to 10 Real Estate Title Certificates, the land use rights of a parcel of land with a total site area of approximately 4,925.20 sq.m. have been granted to Xuzhou Golden Eagle Culture Development Co., Ltd. (徐州金鷹文化發展有限公司, "Xuzhou Golden Eagle Culture Development", a wholly-owned subsidiary of the Company) for the terms expiring on 22 November 2057 for commercial use and 22 November 2067 for office and composite uses, and portions of the property with a total gross floor area of approximately 31,552.07 sq.m. for commercial use are owned by Xuzhou Golden Eagle Culture Development.
2. Pursuant to a Real Estate Title Certificate – Su (2021) Xu Zhou Shi Bu Dong Chan Di No. 0114176, the land use rights of the basement of the property with an apportioned site area of approximately 2,261.13 sq.m. have been granted to Xuzhou Golden Eagle Culture Development for a term expiring on 22 November 2057 for commercial use, and portion of the property with a gross floor area of approximately 6,180.96 sq.m. for commercial use is owned by Xuzhou Golden Eagle Culture Development.
3. As at the date of valuation, portions of the property with a total gross floor area of approximately 4,075.22 sq.m. on Levels B2 and B3 (inclusive of 128 underground car parking spaces) have not obtained Real Estate Title Certificates. Therefore, we have attributed no commercial value to the property interests of these portions. However, for reference purpose, we are of the opinion that the market values of these portions would be RMB19,000,000 as at 31 May 2023, assuming that the relevant title certificates have been obtained by Xuzhou Golden Eagle Culture Development, and Xuzhou Golden Eagle Culture Development is entitled to freely transfer, lease, mortgage or otherwise dispose of these portions of the property.
4. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 10,270.59 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 13 October 2029, and the total passing annual rental as at 31 May 2023 was RMB20,300,000, exclusive of management fees, water and electricity charges.
5. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB10.4 to RMB11.9 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
  - a. Xuzhou Golden Eagle Culture Development has legally and validly in possession of the land use rights and building ownership rights of portions of the property as mentioned in notes 1 and 2. Xuzhou Golden Eagle Culture Development has the rights to occupy, use these portions of the property for the purposes specified in the Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of these portions of the property according to the laws of the PRC; and
  - b. The Real Estate Title Certificates of portions of the property have not been obtained as mentioned in note 3. Xuzhou Golden Eagle Culture Development does not beneficially in possession of the ownership of these portions of the property, but Xuzhou Golden Eagle Culture Development can derive benefit from these portions by way of managing or leasing in accordance with the laws of the PRC.
7. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>																
9.	Xi'an Gaoxin Store located at Keji Road Yanta District Xi'an City Shaanxi Province The PRC (西安·高新店)	<p>Haixing City Plaza (the "Project") is located at the southern side of Keji Road and the eastern side of Gaoxin Road. The locality of the Project is a mature developed area including many commercial, office and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Keji Road.</p> <p>The Project occupies two parcels of land with a total site area of approximately 16,940.07 sq.m. (inclusive of the land use rights of the property). The property comprises Level B1 to Level 5 of Haixing City Plaza, with a total gross floor area of approximately 32,878.58 sq.m. which was completed in 2006.</p> <p>The classification, usage and gross floor area details of the property were set out in note 3.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B1</td> <td style="text-align: right;">5,591.29</td> </tr> <tr> <td>Level 1</td> <td style="text-align: right;">4,620.95</td> </tr> <tr> <td>Level 2</td> <td style="text-align: right;">6,819.89</td> </tr> <tr> <td>Level 3</td> <td style="text-align: right;">6,997.25</td> </tr> <tr> <td>Level 4</td> <td style="text-align: right;">6,932.84</td> </tr> <tr> <td>Level 5</td> <td style="text-align: right;">1,916.36</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>32,878.58</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 21 December 2051 for composite use.</p>	Level	Gross Floor Area (sq.m.)	Level B1	5,591.29	Level 1	4,620.95	Level 2	6,819.89	Level 3	6,997.25	Level 4	6,932.84	Level 5	1,916.36	<b>Total:</b>	<b><u>32,878.58</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store, office and ancillary purposes.	928,000,000  (100% interest attributable to the Group: 928,000,000)
Level	Gross Floor Area (sq.m.)																			
Level B1	5,591.29																			
Level 1	4,620.95																			
Level 2	6,819.89																			
Level 3	6,997.25																			
Level 4	6,932.84																			
Level 5	1,916.36																			
<b>Total:</b>	<b><u>32,878.58</u></b>																			

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Shaan (2019) Xi'an Shi Bu Dong Chan Quan Di No. 0225205, the land use rights of a parcel of land with a site area of approximately 13,191.44 sq.m. (inclusive of the land use rights of the property) have been granted to Xi'an Golden Eagle International Shopping Centre Co., Ltd. (西安金鷹國際購物中心有限公司, "Xi'an Golden Eagle", a wholly-owned subsidiary of the Company) for a term expiring on 21 December 2051 for composite use and the property with a gross floor area of approximately 5,591.29 sq.m. for commercial use is owned by Xi'an Golden Eagle.
2. Pursuant to 3 Building Ownership Certificates – Xi'an Shi Fang Quan Zheng Gao Xin Qu Zi Di Nos. 107510601-25-1-10401, 1075104022-52-1-10501 and 1075104022-52-1-10101, the building ownership rights of the property with a total gross floor area of approximately 27,287.29 sq.m. for commercial and office uses are owned by Xi'an Golden Eagle.
3. According to the information provided by the Group, the gross floor area of the property is set out as below:

<b>Group</b>	<b>Usage</b>	<b>Gross Floor Area</b> (sq.m.)
Group I – Properties held and under operation by the Group	Retail	30,962.22
	Office	1,916.36
	<b>Total:</b>	<b><u>32,878.58</u></b>

4. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 3,254.34 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 30 November 2026, and the total passing annual rental as at 31 May 2023 was RMB6,840,000, exclusive of management fees, water and electricity charges.
5. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB13.0 to RMB14.0 per sq.m. per day. The unit rent of these office unit comparables on gross floor area basis ranges from RMB3.0 to RMB3.6 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 5.5% to 6.5% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.0% for the commercial units as the capitalisation rate in the valuation.
6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
  - a. Xi'an Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the Real Estate Title Certificate of the property, Xi'an Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Xi'an Golden Eagle has legally and validly in possession of the building ownership rights of the property. Xi'an Golden Eagle has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificate and Building Ownership Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
7. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>																				
10.	Taizhou Store located at No. 18 East Dongjin Road Hailing District Taizhou City Jiangsu Province The PRC (泰州店)	<p>Taizhou Store is located at the northern side of East Dongjin Road. The locality of the property is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along East Dongjin Road.</p> <p>The project occupies a parcel of land with a total site area of approximately 10,719.20 sq.m.. The property comprises a 7-storey commercial building plus one level basement having a total gross floor area of approximately 58,374.10 sq.m. erected thereon which was completed in 2011.</p> <p>The details of the property are listed as follows:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B1</td> <td>8,470.67</td> </tr> <tr> <td>Level 1</td> <td>9,777.95</td> </tr> <tr> <td>Level 2</td> <td>9,407.30</td> </tr> <tr> <td>Level 3</td> <td>9,610.09</td> </tr> <tr> <td>Level 4</td> <td>7,121.75</td> </tr> <tr> <td>Level 5</td> <td>7,121.75</td> </tr> <tr> <td>Level 6</td> <td>6,423.06</td> </tr> <tr> <td>Level 7</td> <td>441.53</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>58,374.10</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B1	8,470.67	Level 1	9,777.95	Level 2	9,407.30	Level 3	9,610.09	Level 4	7,121.75	Level 5	7,121.75	Level 6	6,423.06	Level 7	441.53	<b>Total:</b>	<b><u>58,374.10</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	1,023,800,000  (100% interest attributable to the Group: 1,023,800,000)
Level	Gross Floor Area (sq.m.)																							
Level B1	8,470.67																							
Level 1	9,777.95																							
Level 2	9,407.30																							
Level 3	9,610.09																							
Level 4	7,121.75																							
Level 5	7,121.75																							
Level 6	6,423.06																							
Level 7	441.53																							
<b>Total:</b>	<b><u>58,374.10</u></b>																							
		The land use rights of the property have been granted for a term expiring on 12 July 2044 for commercial and financial uses.																						

*Notes:*

1. Pursuant to 4 State-owned Land Use Rights Certificates – Tai Zhou Guo Yong 2008 Zi Di No. 1323, Tai Zhou Guo Yong 2009 Zi Di Nos. 19111, 19110 and 19104, the land use rights of the property with a total site area of approximately 10,719.20 sq.m. have been granted to Taizhou Golden Eagle Retail Co., Ltd. (泰州金鷹商貿有限公司, “Taizhou Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 12 July 2044 for commercial and financial uses.
2. Pursuant to 5 Building Ownership Certificates – Tai Fang Quan Zheng Hai Ling Zi Di Nos. 50001478, 50001480, 1000008993, 1000008994 and 1000008995, the property with a total gross floor area of approximately 58,374.10 sq.m. for non-residential use is owned by Taizhou Golden Eagle.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 2,102.96 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 15 July 2023 and 12 December 2031, and the total passing annual rental as at 31 May 2023 was RMB5,640,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB8.3 to RMB9.3 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.25% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Taizhou Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificates of the property, Taizhou Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Taizhou Golden Eagle has legally and validly in possession of the building ownership rights of the property. Taizhou Golden Eagle has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>																
11.	Kunming Lifestyle Centre Block A located at No. 418 Qingnian Road Wuhua District Kunming City Yunnan Province The PRC (昆明店-A座)	<p>Kunming Lifestyle Centre Block A is located at the western side of Qingnian Road and the southern side of Weiyuan Street. The locality of the property is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Qingnian Road.</p> <p>The property occupies a total site area of approximately 8,103.35 sq.m.. The property comprises a 5-storey commercial building plus one level basement having a total gross floor area of approximately 33,446.28 sq.m. erected thereon which was completed in 2007.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B1</td> <td style="text-align: right;">5,969.28</td> </tr> <tr> <td>Level 1</td> <td style="text-align: right;">5,901.00</td> </tr> <tr> <td>Level 2</td> <td style="text-align: right;">5,394.00</td> </tr> <tr> <td>Level 3</td> <td style="text-align: right;">5,394.00</td> </tr> <tr> <td>Level 4</td> <td style="text-align: right;">5,394.00</td> </tr> <tr> <td>Level 5</td> <td style="text-align: right;">5,394.00</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>33,446.28</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B1	5,969.28	Level 1	5,901.00	Level 2	5,394.00	Level 3	5,394.00	Level 4	5,394.00	Level 5	5,394.00	<b>Total:</b>	<b><u>33,446.28</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	442,800,000  (100% interest attributable to the Group: 442,800,000)
Level	Gross Floor Area (sq.m.)																			
Level B1	5,969.28																			
Level 1	5,901.00																			
Level 2	5,394.00																			
Level 3	5,394.00																			
Level 4	5,394.00																			
Level 5	5,394.00																			
<b>Total:</b>	<b><u>33,446.28</u></b>																			

The land use rights of the property have been granted for the terms expiring on 13 March 2048 and 21 May 2058 for commercial and office uses.

*Notes:*

1. Pursuant to 2 State-owned Land Use Rights Certificates – Kun Guo Yong (2009) Di Nos 00060 and 00061, the land use rights of the property with a total site area of approximately 8,103.35 sq.m. have been granted to Kunming Golden Eagle Shopping Centre Co., Ltd. (昆明金鷹購物中心有限公司), currently known as Kunming Golden Eagle Shopping Centre Co., Ltd. (昆明金鷹購物廣場有限公司, “Kunming Golden Eagle”, a wholly-owned subsidiary of the Company) for the terms expiring on 13 March 2048 and 21 May 2058 for commercial and office uses.
2. Pursuant to a Building Ownership Certificate – Kun Ming Shi Fang Quan Zheng Zi Di No. 200810829, the property with a gross floor area of approximately 33,446.28 sq.m. for commercial use is owned by Kunming Golden Eagle.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 17,612.85 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 09 February 2032, and the total passing annual rental as at 31 May 2023 was RMB13,984,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB7.7 to RMB9.6 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 5.5% to 6.5% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.25% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Kunming Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificates of the property, Kunming Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Kunming Golden Eagle has legally and validly in possession of the building ownership rights of the property. Kunming Golden Eagle has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificate, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>																								
12.	Kunming Lifestyle Centre Block B located at No. 168 Weiyuan Street Wuhua District Kunming City Yunnan Province The PRC (昆明店-B座)	<p>Kunming Lifestyle Centre Block B is located at the northern side of Weiyuan Street and the western side of Hugu Road. The locality of the property is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along the nearby Qingnian road.</p> <p>The property occupies a parcel of land with a total site area of approximately 9,349.85 sq.m.. The property comprises an 8-storey commercial building plus two levels basement having a total gross floor area of approximately 83,370.64 sq.m. erected thereon which was completed in 2011.</p> <p>The details of the property are listed as follows:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr><td>Level B1</td><td>9,751.96</td></tr> <tr><td>Level B2</td><td>11,408.79</td></tr> <tr><td>Level 1</td><td>6,778.05</td></tr> <tr><td>Level 2</td><td>7,600.88</td></tr> <tr><td>Level 3</td><td>8,259.88</td></tr> <tr><td>Level 4</td><td>8,224.50</td></tr> <tr><td>Level 5</td><td>8,224.50</td></tr> <tr><td>Level 6</td><td>8,160.24</td></tr> <tr><td>Level 7</td><td>8,111.54</td></tr> <tr><td>Level 8</td><td>6,850.30</td></tr> <tr><td><b>Total:</b></td><td><b><u>83,370.64</u></b></td></tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B1	9,751.96	Level B2	11,408.79	Level 1	6,778.05	Level 2	7,600.88	Level 3	8,259.88	Level 4	8,224.50	Level 5	8,224.50	Level 6	8,160.24	Level 7	8,111.54	Level 8	6,850.30	<b>Total:</b>	<b><u>83,370.64</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	1,028,700,000  (100% interest attributable to the Group: 1,028,700,000)
Level	Gross Floor Area (sq.m.)																											
Level B1	9,751.96																											
Level B2	11,408.79																											
Level 1	6,778.05																											
Level 2	7,600.88																											
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Level 5	8,224.50																											
Level 6	8,160.24																											
Level 7	8,111.54																											
Level 8	6,850.30																											
<b>Total:</b>	<b><u>83,370.64</u></b>																											
		The land use rights of the property have been granted for a term expiring on 1 September 2048 for wholesale and retail uses.																										

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Kun Ming Wu Hua Guo Yong (2012) Di No 0200339, the land use rights of the property with a total site area of approximately 9,349.85 sq.m. have been granted to Yunnan Shangmei Investment Management Co., Ltd. (雲南尚美投資管理有限公司, “Yunnan Shangmei”, a wholly-owned subsidiary of the Company) for a term expiring on 1 September 2048 for wholesale and retail uses.
2. Pursuant to 10 Building Ownership Certificates – Kun Fang Quan Zheng Kun Ming Shi Zi Di Nos. 201202395, 201202394, 201202389, 201202393, 201202392, 201202391, 201202514, 201202390, 201202522 and 201202523, the property with a total gross floor area of approximately 83,370.64 sq.m. for commercial and car parking uses is owned by Yunnan Shangmei.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 31,441.08 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 30 September 2030, and the total passing annual rental as at 31 May 2023 was RMB30,109,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB7.7 to RMB9.6 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 5.5% to 6.5% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.25% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Yunnan Shangmei has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificate of the property, Yunnan Shangmei has the rights to occupy and use the land use rights of the property; and
  - b. Yunnan Shangmei has legally and validly in possession of the building ownership rights of the property. Yunnan Shangmei has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB																		
13.	Huai'an Store located at No. 130 East Huaihai Road Qingjiangpu District Huai'an City Jiangsu Province The PRC (淮安店)	<p>Huai'an Store is located at the northern side of East Huaihai Road. The locality of the property is a mature developed area including many commercial developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along East Huaihai Road.</p> <p>The property occupies a total apportioned site area of approximately 2,366.00 sq.m. and a 5-storey commercial building plus two levels basement having a total gross floor area of approximately 55,767.66 sq.m. erected thereon which was completed in 2008.</p> <p>The details of the property are listed as follows:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B2</td> <td>587.29</td> </tr> <tr> <td>Level B1</td> <td>14,317.18</td> </tr> <tr> <td>Level 1</td> <td>9,164.69</td> </tr> <tr> <td>Level 2</td> <td>7,686.74</td> </tr> <tr> <td>Level 3</td> <td>8,154.36</td> </tr> <tr> <td>Level 4</td> <td>8,306.19</td> </tr> <tr> <td>Level 5</td> <td>7,551.21</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>55,767.66</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B2	587.29	Level B1	14,317.18	Level 1	9,164.69	Level 2	7,686.74	Level 3	8,154.36	Level 4	8,306.19	Level 5	7,551.21	<b>Total:</b>	<b><u>55,767.66</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	766,500,000  (100% interest attributable to the Group: 766,500,000)
Level	Gross Floor Area (sq.m.)																					
Level B2	587.29																					
Level B1	14,317.18																					
Level 1	9,164.69																					
Level 2	7,686.74																					
Level 3	8,154.36																					
Level 4	8,306.19																					
Level 5	7,551.21																					
<b>Total:</b>	<b><u>55,767.66</u></b>																					

The land use rights of the property have been granted for the terms expiring on 11 October 2042 for commercial use and 11 October 2072 for residential use.

*Notes:*

1. Pursuant to 11 State-owned Land Use Rights Certificates – Huai An Guo Yong (2010) Chu Di Nos. 3738 to 3748, the land use rights of the property with a total apportioned site area of approximately 2,366.00 sq.m. have been granted to Huai'an Golden Eagle International Shopping Centre Co., Ltd. (淮安金鷹國際購物中心有限公司, "Huai'an Golden Eagle", a wholly-owned subsidiary of the Company) for a term expiring on 11 October 2042 for commercial use.
2. Pursuant to 11 Building Ownership Certificates – Huai Fang Quan Zheng Qing He Zi Di Nos. 200943445, 200943446, 200943464, 200943471, 200943474, 200943475, 200943478, 200943479, 200943480, 200943481, and 200943484, the building ownership rights of portion of the property with a total gross floor area of approximately 49,688.97 sq.m. are owned by Huai'an Golden Eagle for commercial and car parking uses.
3. Pursuant to 137 Real Estate Title Certificates, the land use rights of 137 car parking spaces of the property with a site area of approximately 3,260.80 sq.m. (inclusive of the land use rights of the property) have been granted to Huai'an Golden Eagle for the terms expiring on 11 October 2042 for commercial use and 11 October 2072 for residential use and the 137 car parking spaces on basement with a gross floor area of approximately 6,078.69 sq.m. are owned by Huai'an Golden Eagle.
4. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 2,540.45 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 31 May 2023 and 31 October 2026, and the total passing annual rental as at 31 May 2023 was RMB7,168,000, exclusive of management fees, water and electricity charges.
5. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB11.1 to RMB14.0 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
6. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
  - a. Huai'an Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificates of the property, Huai'an Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Huai'an Golden Eagle has legally and validly in possession of the building ownership rights of the property. Huai'an Golden Eagle has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates and Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
7. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>						
14.	Yancheng Lifestyle Centre located at No. 169 Middle Jianjun Road Tinghu District Yancheng City Jiangsu Province The PRC (鹽城·建軍路店)	<p>Yancheng Lifestyle Centre is located at the western side of New Ximen Road and the southern side of Middle Jianjun Road. The locality of the property is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Middle Jianjun Road.</p> <p>The property occupies a total apportioned site area of approximately 11,799.60 sq.m. and an 8-storey commercial building plus two levels basement having a total gross floor area of approximately 88,164.84 sq.m. erected thereon which was completed in 2008.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Levels B2-8</td> <td style="text-align: right;">88,164.84</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>88,164.84</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for the terms expiring on 6 March 2047 and 17 April 2047 for commercial use.</p>	Level	Gross Floor Area (sq.m.)	Levels B2-8	88,164.84	<b>Total:</b>	<b><u>88,164.84</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	1,630,300,000  (100% interest attributable to the Group: 1,630,300,000)
Level	Gross Floor Area (sq.m.)									
Levels B2-8	88,164.84									
<b>Total:</b>	<b><u>88,164.84</u></b>									

*Notes:*

1. Pursuant to 29 State-owned Land Use Rights Certificates – Yan Guo Yong (2010) Di Nos. 612681 to 612685, (2011) Di Nos. 612948 to 612956, 612960, 612961, 612963 to 612970, and (2013) Di Nos. 618778 to 618782, the land use rights of portions of the property with a total apportioned site area of approximately 883.40 sq.m. have been granted to Yancheng Golden Eagle International Shopping Centre Co., Ltd. (鹽城金鷹國際購物中心有限公司, “Yancheng Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 17 April 2047 for commercial use.
2. Pursuant to 29 Building Ownership Certificates – Yan Fang Quan Zheng Shi Qu Zi Di Nos. 154865, 154868, 154859, 154869, 154860, 0076202, 0076453, 0076455, 0076456, 0076458, 0076454, 0076457, 0076460, 0076197, 0076195, 0076459, 0076461, 0076193, 0076196, 0076198, 0076199, 0076200, 0076194, 0076201, 0209425, 0210077, 0210078, 0210075, and 0210076, the building ownership rights of portions of the property with a total gross floor area of approximately 25,621.72 sq.m. for commercial use are owned by Yancheng Golden Eagle.
3. Pursuant to a Real Estate Title Certificate – Su (2018) Yan Cheng Shi Bu Dong Chan Quan Di No. 0007246, the land use rights of portions of the property with a total apportioned site area of approximately 10,916.20 sq.m. have been granted to Yancheng Golden Eagle for a term expiring on 6 March 2047 for commercial use and portions of the property with a total gross floor area of approximately 62,543.12 sq.m. for commercial, car parking and ancillary uses are owned by Yancheng Golden Eagle.
4. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 11,713.77 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 17 December 2030, and the total passing annual rental as at 31 May 2023 was RMB26,856,000, exclusive of management fees, water and electricity charges.
5. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB11.6 to RMB15.4 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
6. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Yancheng Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificates of the property, Yancheng Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Yancheng Golden Eagle has legally and validly in possession of the building ownership rights of the property. Yancheng Golden Eagle has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates and Real Estate Title Certificate, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
7. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB																
15.	Suqian Store located at the eastern side of Qingnian Road Sucheng District Suqian City Jiangsu Province The PRC (宿遷店)	<p>Suqian Store is located at the eastern side of Qingnian Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Qingnian Road.</p> <p>The project occupies a parcel of land with a total site area of approximately 19,282.00 sq.m.. The property comprises a 5-storey commercial building plus one level basement having a total gross floor area of approximately 65,410.02 sq.m. erected thereon which was completed in 2011.</p> <p>The details of the property are listed as follows:</p> <table border="1" data-bbox="515 1134 850 1504"> <thead> <tr> <th data-bbox="515 1134 571 1155">Level</th> <th data-bbox="727 1134 850 1219">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 1251 603 1272">Level B1</td> <td data-bbox="756 1251 850 1272">15,128.78</td> </tr> <tr> <td data-bbox="515 1278 587 1300">Level 1</td> <td data-bbox="756 1278 850 1300">10,242.98</td> </tr> <tr> <td data-bbox="515 1306 587 1327">Level 2</td> <td data-bbox="756 1306 850 1327">9,980.29</td> </tr> <tr> <td data-bbox="515 1334 587 1355">Level 3</td> <td data-bbox="756 1334 850 1355">10,046.77</td> </tr> <tr> <td data-bbox="515 1361 587 1383">Level 4</td> <td data-bbox="756 1361 850 1383">10,029.43</td> </tr> <tr> <td data-bbox="515 1389 587 1410">Level 5</td> <td data-bbox="756 1389 850 1410">9,981.77</td> </tr> <tr> <td data-bbox="515 1464 576 1485"><b>Total:</b></td> <td data-bbox="727 1464 850 1504"><b><u>65,410.02</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B1	15,128.78	Level 1	10,242.98	Level 2	9,980.29	Level 3	10,046.77	Level 4	10,029.43	Level 5	9,981.77	<b>Total:</b>	<b><u>65,410.02</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	759,700,000  (100% interest attributable to the Group: 759,700,000)
Level	Gross Floor Area (sq.m.)																			
Level B1	15,128.78																			
Level 1	10,242.98																			
Level 2	9,980.29																			
Level 3	10,046.77																			
Level 4	10,029.43																			
Level 5	9,981.77																			
<b>Total:</b>	<b><u>65,410.02</u></b>																			

The land use rights of the property have been granted for a term expiring on 26 April 2050 for wholesale and retail uses.

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Su Guo Yong 2010 Di No. 7522, the land use rights of the property with a total site area of approximately 19,282.00 sq.m. have been granted to Suqian Golden Eagle International Shopping Centre Co., Ltd. (宿遷金鷹國際購物中心有限公司, “Suqian Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 26 April 2050 for wholesale and retail uses.
2. Pursuant to 6 Building Ownership Certificates – Su Fang Quan Zheng Su Cheng Zi Di Nos. 13D02999, 13D03000, 13D03001, 13D03002, 13D03003 and 13D03004, the property with a total gross floor area of approximately 65,410.02 sq.m. for commercial use is owned by Suqian Golden Eagle.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 3,488.12 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 30 April 2031, and the total passing annual rental as at 31 May 2023 was RMB10,030,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB6.4 to RMB8.1 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Suqian Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificate of the property, Suqian Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Suqian Golden Eagle has legally and validly in possession of the building ownership rights of the property. Suqian Golden Eagle has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
16.	Liyang Store located at No. 6 Tianmu Road Liyang City Changzhou City Jiangsu Province The PRC (常州·溧陽店)	<p>Liyang Store is located at the western side of Tianmu Road and the southern side of Middle Pingling Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Middle Pingling Road.</p> <p>The project is a 7-storey commercial building plus two levels of basement, occupying a total apportioned site area of approximately 16,565.10 sq.m.. The property comprises a total gross floor area of approximately 52,065.99 sq.m. which was completed in 2012. The property was under internal renovation and decoration as at the valuation date and was scheduled to be re-opened in 2023.</p> <p>The land use rights of the property have been granted for a term of 40 years expiring on 6 December 2050 for commercial use.</p>	<p>We are advised by the Company that the property was under operation in the past few years. As at the valuation date, the property was under internal renovation and decoration.</p>	<p>365,000,000  (100% interest attributable to the Group: 365,000,000)</p>

## Notes:

1. Pursuant to a Real Estate Title Certificate – Su (2021) Li Yang Shi Bu Dong Chan Quan Di No. 0005122, the land use rights of the property with an apportioned site area of approximately 10,125.90 sq.m. have been granted to Liyang Golden Eagle International Shopping Centre Co., Ltd. (瀋陽金鷹國際購物中心有限公司, “Liyang Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 6 December 2050 for commercial use and portion of the property with a gross floor area of approximately 35,286.09 sq.m. for commercial use is owned by Liyang Golden Eagle.
2. Pursuant to a Real Estate Title Certificate (for land) – Su (2021) Li Yang Shi Bu Dong Chan Quan Di No. 0005125, the land use rights of the basement of the property with a site area of approximately 6,439.20 sq.m. have been granted to Liyang Golden Eagle for a term expiring on 6 December 2050 for commercial use.
3. Pursuant to a Construction Work Completion and Inspection Certificate in favour of Liyang Golden Eagle, the construction of Liyang Store with a gross floor area of approximately 52,065.98 sq.m. has been completed and passed the inspection acceptance.
4. As advised by the Group, the internal renovation cost of the property is estimated to be approximately RMB55,000,000 of which approximately RMB44,000,000 had been incurred as at the valuation date.
5. Pursuant to a Construction Work Planning Permit (renovation work) – Jian Zi Di No. 320481202100020 in favour of Liyang Golden Eagle, basement of Liyang Store with a gross floor area of approximately 16,779.90 sq.m. has been approved for renovation.
6. Pursuant to 2 Construction Work Commencement Permits (renovation work) – Nos. 320481202203010501 and 320481202203180301 in favour of Liyang Golden Eagle, permission by the relevant local authority was given to commence the renovation work of portions of Liyang Store with a gross floor area of approximately 13,365.00 sq.m.
7. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group I – Properties held and under operation by the Group	Retail (Levels 1 to 7)	35,286.09	
	Retail (B1)	8,325.82	
	Basement (inclusive of car parking spaces)	8,454.08	165
<b>Total:</b>		<b>52,065.99</b>	<b>165</b>

8. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the market rents compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering the rental income of the property;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB6.5 to RMB8.0 per sq.m. per day;
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation; and
  - d. We have also taken into account the accrued renovation cost relevant to the stage of internal renovation as at the valuation date and the remainder of the cost expected to be incurred for completing the renovation.
9. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Liyang Golden Eagle has legally and validly in possession of the land use rights and building ownership rights of portions of the property as mentioned in note 1. Liyang Golden Eagle has the rights to occupy, use these portions of the property for the purposes specified in the Real Estate Title Certificate, and transfer, mortgage or otherwise dispose of these portions of the property according to the laws of the PRC; and
  - b. After the ownership registration of the basement portions of the property as mentioned in note 2 has been obtained according to the laws of the PRC, Liyang Golden Eagle will have the rights to occupy, use or otherwise dispose of the building ownership rights and the corresponding land use rights of these basement portions of the property.
10. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB																
17.	Xuzhou People Square Store located at No. 270 West Huaihai Road Quanshan District Xuzhou City Jiangsu Province The PRC (徐州·人民廣場店)	<p>Xuzhou People Square Store is located at the western side of East Kuangshan Road and the northern side of West Huaihai Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along West Huaihai Road.</p> <p>The project occupies a total apportioned site area of approximately 11,623.30 sq.m.. The property comprises a 4-storey commercial building and 100 underground car parking spaces with a total gross floor area of approximately 37,457.07 sq.m. which was completed in 2011.</p> <p>The classification, usage and gross floor area details of the property are set out in note 3.</p> <p>The details of the property are listed as follows:</p> <table border="1"> <thead> <tr> <th>Level</th> <th>Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B1</td> <td>1,648.16</td> </tr> <tr> <td>Level 1</td> <td>10,494.75</td> </tr> <tr> <td>Level 2</td> <td>7,471.68</td> </tr> <tr> <td>Level 3</td> <td>8,323.71</td> </tr> <tr> <td>Level 4</td> <td>8,331.06</td> </tr> <tr> <td>Level 4 Mezzanine</td> <td>1,187.71</td> </tr> <tr> <td><b>Total:</b></td> <td><b><u>37,457.07</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B1	1,648.16	Level 1	10,494.75	Level 2	7,471.68	Level 3	8,323.71	Level 4	8,331.06	Level 4 Mezzanine	1,187.71	<b>Total:</b>	<b><u>37,457.07</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	551,300,000  (100% interest attributable to the Group: 551,300,000)
Level	Gross Floor Area (sq.m.)																			
Level B1	1,648.16																			
Level 1	10,494.75																			
Level 2	7,471.68																			
Level 3	8,323.71																			
Level 4	8,331.06																			
Level 4 Mezzanine	1,187.71																			
<b>Total:</b>	<b><u>37,457.07</u></b>																			
		The land use rights of the property have been granted for a term expiring on 10 June 2045 for commercial use.																		

*Notes:*

1. Pursuant to 6 State-owned Land Use Rights Certificates – Xu Tu Guo Yong (2011) Di Nos. 44102, 44100, 44104, 44094, 44099 and 44103, the land use rights of the property with a total apportioned site area of approximately 11,623.30 sq.m. have been granted to Xuzhou Golden Eagle People Square Shopping Centre Co., Ltd. (徐州金鷹人民廣場購物中心有限公司, “Xuzhou Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 10 June 2045 for commercial use.
2. Pursuant to 6 Building Ownership Certificates – Xu Fang Quan Zheng Quan Shan Zi Di Nos. 224667, 205710, 205711, 205712, 205713 and 205714, the property with a total gross floor area of approximately 37,457.07 sq.m. for commercial and basement uses is owned by Xuzhou Golden Eagle.
3. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group I – Properties held and under operation by the Group	Retail	35,808.91	
	Underground car parking spaces	1,648.16	100
<b>Total:</b>		<b>37,457.07</b>	<b>100</b>

4. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 29,398.22 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 30 June 2023 and 14 August 2030, and the total passing annual rental as at 31 May 2023 was RMB15,200,000, exclusive of management fees, water and electricity charges.
5. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB6.0 to RMB10.5 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
6. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Xuzhou Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificates of the property, Xuzhou Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Xuzhou Golden Eagle has legally and validly in possession of the building ownership rights of the property. Xuzhou Golden Eagle has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
7. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>										
18.	Kunshan Lifestyle Centre located at No. 199 Middle Zhujiang Road Kunshan Development Zone Kunshan City Suzhou City Jiangsu Province The PRC (蘇州·昆山店)	<p>Kunshan Lifestyle Centre is located at the eastern side of Middle Zhujiang Road and the southern side of Dongxin Street. The locality of the project is a mature developed area including many commercial, office and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Middle Zhujiang Road.</p> <p>The property occupies a parcel of land with a site area of approximately 17,110.83 sq.m. (inclusive of the land use rights of the property). The property comprises an 8-storey commercial building plus one level basement with a total gross floor area of approximately 108,791.28 sq.m. which was completed in 2015.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B1</td> <td style="text-align: right;">11,262.25</td> </tr> <tr> <td>Level 1-7</td> <td style="text-align: right;">84,990.51</td> </tr> <tr> <td>Level 8-9</td> <td style="text-align: right;"><u>12,538.52</u></td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u><u>108,791.28</u></u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 18 January 2050 for commercial use.</p>	Level	Gross Floor Area (sq.m.)	Level B1	11,262.25	Level 1-7	84,990.51	Level 8-9	<u>12,538.52</u>	<b>Total:</b>	<b><u><u>108,791.28</u></u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	No Commercial Value
Level	Gross Floor Area (sq.m.)													
Level B1	11,262.25													
Level 1-7	84,990.51													
Level 8-9	<u>12,538.52</u>													
<b>Total:</b>	<b><u><u>108,791.28</u></u></b>													

*Notes:*

1. Pursuant to the terms of the Cooperation Framework Agreement of Kunshan Property (currently known as Kunshan Lifestyle Centre) dated 28 March 2011, the property was contracted to be purchased by Kunshan Golden Eagle International Shopping Centre Co., Ltd. (昆山金鷹國際購物中心有限公司, “Kunshan Golden Eagle”, a wholly-owned subsidiary of the Company) from a connected party Kunshan Golden Eagle Properties Co., Ltd. (昆山金鷹置業有限公司) at a consideration of RMB1,125,750,000 (subject to further adjustment depending on the actual gross floor area of the property to be delivered).
2. The Group has not yet obtained title certificates of the property as at the date of valuation, the legal title of the property has not been vested in the Group. Therefore, we have attributed no commercial value to the property interest. However, for reference purpose, we are of the opinion that the market value of the property would be RMB1,291,000,000 as at 31 May 2023, assuming that the relevant title certificates have been obtained by Kunshan Golden Eagle, and Kunshan Golden Eagle is entitled to freely transfer, lease, mortgage or otherwise dispose of the property.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 29,377.24 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 9 June 2023 and 10 May 2031, and the total passing annual rental as at 31 May 2023 was RMB52,005,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB6.1 to RMB7.7 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. The Real Estate Title Certificates of the property have not been obtained as mentioned in note 2. The Group does not beneficially in possession of the building ownership rights and the land use rights of the property. After the ownership registration of the property has been obtained according to the laws of the PRC, the Group will have the building ownership rights and the corresponding land use rights of the property.
6. For the purpose of this report, the property is classified into Group V – Properties contracted to be acquired by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>								
19.	Suzhou Lifestyle Centre located at No. 310 Shishan Road Huqiu District Suzhou City Jiangsu Province The PRC (蘇州·高新店)	<p>Suzhou Lifestyle Centre is located at the eastern side of Changjiang Road and the northern side of Shishan Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Shishan road.</p> <p>The project occupies a parcel of land with a site area of approximately 28,210.00 sq.m.. The property comprises a 6-storey commercial building plus three levels basement with a total gross floor area of approximately 154,699.76 sq.m. erected thereon which was completed in 2016.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level 1-6</td> <td style="text-align: right;">98,747.07</td> </tr> <tr> <td>Level B1-B3</td> <td style="text-align: right;"><u>55,952.66</u></td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u><u>154,699.73</u></u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 19 October 2044 for wholesale and retail uses.</p>	Level	Gross Floor Area (sq.m.)	Level 1-6	98,747.07	Level B1-B3	<u>55,952.66</u>	<b>Total:</b>	<b><u><u>154,699.73</u></u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	2,045,600,000  (100% interest attributable to the Group: 2,045,600,000)
Level	Gross Floor Area (sq.m.)											
Level 1-6	98,747.07											
Level B1-B3	<u>55,952.66</u>											
<b>Total:</b>	<b><u><u>154,699.73</u></u></b>											

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Su (2020) Su Zhou Shi Bu Dong Chan Quan Di No. 5027720, the land use rights of the property with a site area of approximately 28,210.00 sq.m. have been granted to Suzhou Gaoxin Golden Eagle Commercial Plaza Co., Ltd. (蘇州高新金鷹商業廣場有限公司, “Suzhou Gaoxin”, a wholly-owned subsidiary of the Company) for a term expiring on 19 October 2044 for wholesale and retail uses, portion of the property with a gross floor area of approximately 98,747.07 sq.m. for commercial use is owned by Suzhou Gaoxin.
2. Pursuant to a Real Estate Title Certificate – Su (2020) Su Zhou Shi Bu Dong Chan Quan Di No. 5027722, the land use rights of the basement of the property with a site area of approximately 25,483.00 sq.m. have been granted to Suzhou Gaoxin for a term expiring on 19 October 2044 for wholesale and retail uses, portion of the property with a gross floor area of approximately 55,952.66 sq.m. for commercial use is owned by Suzhou Gaoxin.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 35,496.46 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 9 June 2023 and 31 March 2029, and the total passing annual rental as at 31 May 2023 was RMB29,720,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB9.6 to RMB11.8 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.0% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Suzhou Gaoxin has legally and validly in possession of the land use rights and building ownership rights of the property. Suzhou Gaoxin has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>																
20.	Nanjing Hubin Tiandi Zone B located at No. 1 Xuejin Road Qixia District Nanjing City Jiangsu Province The PRC (南京·仙林店B區)	<p>Nanjing Hubin Tiandi Zone B is located at the eastern side of Xuejin Road and the northern side of West Shanhu Road. The locality of the project is a mature developed area including many commercial developments. This area is well-served by infrastructure facilities and public transportation along the nearby Xuehai Road.</p> <p>The project occupies a total apportioned site area of approximately 90,468.39 sq.m.. The property comprises a 4-storey shopping centre plus two levels basement with a total gross floor area of approximately 148,361.49 sq.m. which was completed in 2017.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B2</td> <td style="text-align: right;">41,065.85</td> </tr> <tr> <td>Level B1</td> <td style="text-align: right;">39,657.66</td> </tr> <tr> <td>Level 1</td> <td style="text-align: right;">18,839.66</td> </tr> <tr> <td>Level 2</td> <td style="text-align: right;">16,317.25</td> </tr> <tr> <td>Level 3</td> <td style="text-align: right;">15,665.61</td> </tr> <tr> <td>Level 4</td> <td style="text-align: right;">16,815.46</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>148,361.49</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B2	41,065.85	Level B1	39,657.66	Level 1	18,839.66	Level 2	16,317.25	Level 3	15,665.61	Level 4	16,815.46	<b>Total:</b>	<b><u>148,361.49</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	<p>1,709,400,000</p> <p>(100% interest attributable to the Group: 1,709,400,000)</p>
Level	Gross Floor Area (sq.m.)																			
Level B2	41,065.85																			
Level B1	39,657.66																			
Level 1	18,839.66																			
Level 2	16,317.25																			
Level 3	15,665.61																			
Level 4	16,815.46																			
<b>Total:</b>	<b><u>148,361.49</u></b>																			

The land use rights of the property have been granted for a term expiring on 6 January 2055 for commercial use.

*Notes:*

1. Pursuant to 2 Real Estate Title Certificates – Su (2018) Ning Xi Bu Dong Chan Quan Di Nos. 0035567 and 0035682, the land use rights of the property with a total apportioned site area of approximately 90,468.39 sq.m. have been granted to Nanjing Xianlin Golden Eagle Shopping Center Co., Ltd. (南京仙林金鷹購物中心有限公司, “Xianlin Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 6 January 2055 for commercial use and the property with a total gross floor area of approximately 148,361.49 sq.m. for shopping centre, car parking and ancillary uses is owned by Xianlin Golden Eagle.
2. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 37,958.07 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 31 May 2023 and 30 November 2032, and the total passing annual rental as at 31 May 2023 was RMB114,900,000, exclusive of management fees, water and electricity charges.
3. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB9.2 to RMB11.1 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.25% for the commercial units as the capitalisation rate in the valuation.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Xianlin Golden Eagle has legally and validly in possession of the land use rights and building ownership rights of the property. Xianlin Golden Eagle has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
5. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
21.	Yangzhou New City Centre located at No. 1177 East Wenchang Road Xiannv Town Jiangdu District Yangzhou City Jiangsu Province The PRC (揚州·江都店)	Yangzhou New City Centre is located at the western side of South Longchuan Road and the southern side of East Wenchang Road. The locality of the property is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along East Wenchang Road.	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	1,710,000,000  (100% interest attributable to the Group: 1,710,000,000)

The property occupies a parcel of land with a site area of approximately 30,754.12 sq.m.. The property comprises a 4-storey shopping centre plus one level basement including 927 underground car parking spaces with a total gross floor area of approximately 156,253.21 sq.m. which was completed in 2017.

The details of the property are listed as follows:

Level	Gross Floor Area (sq.m.)
Level B1	40,492.80
Level 1	27,600.54
Level 2	27,723.82
Level 3	28,198.97
Level 4	28,563.92
Roof area	668.90
Fire exits	3,004.26
<b>Total:</b>	<b><u>156,253.21</u></b>

The land use rights of the property have been granted for a term expiring on 24 December 2055 for commercial use.

*Notes:*

1. Pursuant to a Real Estate Title Certificate – Su (2020) Jiang Du Qu Bu Dong Chan Quan Di No. 0038934, the land use rights of the property with a site area of approximately 30,754.12 sq.m. have been granted to Yangzhou Golden Eagle New City Centre Development Co., Ltd. (揚州金鷹新城市中心開發有限公司, “Yangzhou New City”, a wholly-owned subsidiary of the Company) for a term expiring on 24 December 2055 for commercial use and the property with a gross floor area of approximately 156,253.21 sq.m. for commercial use is owned by Yangzhou New City.
2. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 38,396.16 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 31 May 2023 and 31 December 2032, and the total passing annual rental as at 31 May 2023 was RMB62,830,000, exclusive of management fees, water and electricity charges.
3. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB8.8 to RMB12.0 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.25% for the commercial units as the capitalisation rate in the valuation.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Yangzhou New City has legally and validly in possession of the land use rights and building ownership rights of the property. Yangzhou New City has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificate, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
5. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
22.	Yangzhou New City Centre Project located at the western side of South Longchuan Road and the southern side of East Wenchang Road Jiangdu District Yangzhou City Jiangsu Province The PRC (揚州·江都開發)	<p>Yangzhou New City Centre Project (the “Project”) is located beside the Yangzhou New City Centre Phase I which was opened in 2017. The locality of the Project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along East Wenchang Road.</p>	<p>As at the valuation date, the unsold units of the property were vacant and the remaining portion of the property was bare land.</p>	<p>934,200,000  (100% interest attributable to the Group: 934,200,000)</p>
		<p>The Project occupies two parcels of land with a total site area of approximately 213,221.00 sq.m. (inclusive of land use rights of the property), which is being developed into a residential and commercial development. Portions of the Project were completed during 2017 to 2019, and the unsold portion of that (the “unsold units”) was vacant for sale as at the valuation date. The remaining portions of the Project was bare land and the construction work had not been commenced as at the valuation date. As advised by the Group, portion of the bare land is planned to be developed into a commercial development complex namely Phase 2 of Yangzhou New City Centre, and the remaining portion of the bare land will be constructed with some residential buildings.</p>		
		<p>As at the valuation date, the property comprised the unsold units with a total gross floor area of approximately 36,713.74 sq.m. and the bare land of the Project.</p>		
		<p>The classification, usage and gross floor area details of the property were set out in note 6.</p>		
		<p>The land use rights of the property have been granted for the terms expiring on 24 December 2085 for residential use and 24 December 2055 for commercial use.</p>		

## Notes:

1. Pursuant to 2 Real Estate Title Certificates (for land) – Su (2016) Jiang Du Qu Bu Dong Chan Quan Di Nos. 0000001 and 0000003, the land use rights of two parcels of land with a total site area of approximately 213,221.00 sq.m. (inclusive of the land use rights of the property) have been granted to Yangzhou Golden Eagle New City Centre Development Co., Ltd. (揚州金鷹新城市中心開發有限公司, “Yangzhou New City”, a wholly-owned subsidiary of the Company) for the terms expiring on 24 December 2085 for residential use and 24 December 2055 for commercial use.
2. Pursuant to 5 Construction Work Planning Permits – Yang Gui Jian Zi Di Nos. 3210002016J0076, 3210002016J0084, 3210002016J0085, 3210002016J0091 and 3210002017J0023 in favour of Yangzhou New City, portion of the Project with a gross floor area of approximately 70,650 sq.m. (inclusive of the property) has been approved for construction.
3. Pursuant to a Construction Work Commencement Permit – No. 321088201607040101 in favour of Yangzhou New City, permission by the relevant local authority was given to commence the construction of portion of the Project with a gross floor area of approximately 167,633 sq.m. (inclusive of the property).
4. Pursuant to 4 Sales Permits – (Jiang) Fang Xiao Zheng Di Nos. 201637, 201714 and 201842, and (Jiang) Fang Xian Shou Bei Zi Di No. 2019004 in favour of Yangzhou New City, the Group is entitled to sell portions of the Project (representing a gross floor area of approximately 85,205.91 sq.m. including 1,716 underground car parking spaces) (inclusive of the property) to purchasers.
5. Pursuant to 3 Construction Work Completion and Inspection Certificates in favour of Yangzhou New City, the construction of portions of the Project with a gross floor area of approximately 232,648.10 sq.m. (inclusive of the property) has been completed and passed the inspection acceptance.
6. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group II – Properties held for sale by the Group	Residential	144.28	
	Retail	1,095.63	
	Storeroom	8.52	
	Basement (inclusive of car parking spaces)	35,465.31	1,005
	<b>Sub-total:</b>	<b>36,713.74</b>	<b>1,005</b>
Group IV – Properties held for future development by the Group	Residential (Planned)	94,802.00	
	Commercial (Planned)	130,976.00	
	<b>Sub-total:</b>	<b>225,778.00</b>	
	<b>Total:</b>	<b>262,491.74</b>	<b>1,005</b>

7. Our valuation has been made on the following basis and analysis:
  - a. For the unsold units of the property, we have identified and analysed various relevant sales evidences in the locality which have similar characteristics as the subject property such as nature, use, size, layout and accessibility of the property. The selected comparables are residential units, retail units and car parking spaces within the same development of the subject property and other to be completed buildings located in the area close to the subject property with similar building conditions and facilities as the subject property, which were transacted between 2021 to 2023. The unit price of these comparable properties ranges from RMB14,000 to RMB18,000 per sq.m. for residential units, RMB30,000 to RMB45,000 per sq.m. for retail units on the first floor and RMB130,000 to RMB140,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of physical characteristics like age, size and layout, etc. and location such as accessibility is that if the comparable property is

better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered; and

- b. For the bare land of the property, we have identified and analysed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The selected comparables are residential and commercial land which were transacted in the past year. The accommodation value of these comparable land sites ranges from RMB4,700 to RMB5,200 per sq.m. for residential use and RMB1,900 to RMB2,600 for commercial use. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and other characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of location such as accessibility and characteristics related to development potential like site area, layout, tenure, etc. is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered.
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
- a. Yangzhou New City has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the Real Estate Title Certificates (for land) of the property, Yangzhou New City has the rights to occupy and use the land use rights of the property; and
- b. Yangzhou New City has the rights to legally sell the portions of the property as mentioned in note 6 according to the obtained Sales Permits.
9. For the purpose of this report, the property is classified into the following groups according to the status, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

<b>Group</b>	<b>Market value in existing state as at the valuation date (RMB)</b>
Group II – Properties held for sale by the Group	179,200,000
Group IV – Properties held for future development by the Group	755,000,000
<b>Total:</b>	<b>934,200,000</b>

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
23.	The unsold office units, residential units, 1,124 underground car parking spaces and the portion under construction of Riverside Century Plaza Project located at No. 289 South Zhongshan Road Yijiang District Wuhu City Anhui Province The PRC (蕪湖·濱江項目)	<p>Riverside Century Plaza Project (the "Project") is located at the western side of South Zhongshan Road and the northern side of New Times Commercial Street. The locality of the Project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along the nearby South Changjiang Road.</p> <p>The Project is a development complex that occupies a total site area of approximately 32,401.00 sq.m.. It comprises three tower buildings erected on a 6-storey shopping mall plus three levels basement, the three tower buildings named as Block A (65-storey), Block B1 (48-storey) and Block B2 (48-storey). The property comprises two parts, one part is completed that comprises the unsold office units, unsold residential units and 1,124 underground car parking spaces, which were completed in 2016. The unsold office units are on Levels 9 to 48 of Block A, the unsold residential units are on Level 47 to Level 48 of Block B1 and Block B2, and the 1,124 underground car parking spaces are on Basement 1 to Basement 3. The other part is the portion under construction (the "CIP") of Block A. As advised by the Group, the CIP is on Level 6 to Level 8 and Level 49 to Level 65 of Block A, which is currently mostly in bare shell condition, pending application for completion of inspection acceptance for the construction work in the near future and is being developed into a commercial development complex with a total gross floor area of approximately 54,516.70 sq.m..</p> <p>The classification, usage and gross floor area details of the property were set out in note 8.</p> <p>As advised by the Group, the construction cost of the CIP of property is estimated to be approximately RMB380,900,000, of which approximately RMB304,200,000 had been incurred as at the valuation date.</p> <p>The land use rights of the property have been granted for the terms expiring on 17 June 2050 for commercial, office, hotel uses and 17 June 2060 for residential use.</p>	As at the valuation date, apart from portions of the property which were under construction, the unsold office units of the property were rented to various independent third parties for office purpose and the remaining portions of the office units and residential units were vacant.	738,600,000  (100% interest attributable to the Group: 738,600,000) (Refer to Note 10)

## Notes:

- Pursuant to a State-owned Land Use Rights Certificate – Wu Guo Yong (2011) Di No. 171, the land use rights of a parcel of land with a site area of approximately 32,401.00 sq.m. have been granted to Wuhu Qiaohong Riverside Century Development Co., Ltd. (蕪湖僑鴻濱江世紀發展有限公司, “Wuhu Qiaohong Riverside”), currently known as Wuhu Golden Eagle Riverside Century Development Co., Ltd. (蕪湖金鷹濱江世紀發展有限公司, “Wuhu Golden Eagle Riverside”, a wholly-owned subsidiary of the Company) for the terms expiring on 17 June 2050 for commercial, office, hotel uses and 17 June 2060 for residential use.
- Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 340201201100455 in favour of Wuhu Qiaohong Riverside (currently known as Wuhu Golden Eagle Riverside), the Project with a gross floor area of approximately 406,025.30 sq.m. has been approved for construction (inclusive of the property).
- Pursuant to 2 Construction Work Commencement Permits – Nos. 340200201206280201 and 340200201206280101 in favour of Wuhu Qiaohong Riverside (currently known as Wuhu Golden Eagle Riverside), permission by the relevant local authority was given to commence the construction of the Project with a gross floor area of approximately 406,025.30 sq.m. (inclusive of the property).
- Pursuant to 3 Pre-sale Permits – Wu Fang Shou Zheng Di Nos. 2012110190, (2013) 062 and (2014) 091 in favour of Wuhu Qiaohong Riverside (currently known as Wuhu Golden Eagle Riverside), the Group is entitled to sell the residential and office portions of the Project (representing a gross floor area of approximately 177,612.60 sq.m.) to purchasers.
- Pursuant to a Construction Work Completion and Inspection Certificate in favour of Wuhu Qiaohong Riverside (currently known as Wuhu Golden Eagle Riverside), the construction of portions of the Project with a gross floor area of approximately 260,412.90 sq.m. has been completed and passed the inspection acceptance.
- Pursuant to a Construction Work Fire Protection Acceptance Opinions Certificate in favour of Wuhu Qiaohong Riverside (currently known as Wuhu Golden Eagle Riverside), the construction of portions of the Project with a gross floor area of approximately 165,006.80 sq.m. has been completed and passed the fire protection acceptance.
- Pursuant to 296 Real Estate Registration Certificates, the land use rights of the unsold office and residential units of the property with a total apportioned site area of approximately 32,401.00 sq.m. have been granted to Wuhu Golden Eagle Riverside for a term expiring on 17 June 2050 for commercial, office, and hotel uses and 17 June 2060 for residential use. The property with a total gross floor area of approximately 53,575.60 sq.m. for residential and office uses is owned by Wuhu Golden Eagle Riverside.
- According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group I – Properties held and under operation by the Group	Office	31,163.89	
	<b>Sub-total:</b>	<b>31,163.89</b>	
Group II – Properties held for sale by the Group	Residential	2,020.23	
	Office	20,391.48	
	Basement (inclusive of car parking spaces)	57,230.89	1,124
	<b>Sub-total:</b>	<b>79,642.60</b>	<b>1,124</b>
Group III – Properties held under development by the Group	Commercial development complex	54,516.70	
	<b>Sub-total:</b>	<b>54,516.70</b>	
	<b>Total:</b>	<b>165,323.19</b>	<b>1,124</b>

9. The market value of the CIP of Block A as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB380,800,000.
10. As at the date of valuation, the basement of the property with a total gross floor area of approximately 57,230.89 sq.m. on Levels B1 to B3 (inclusive of 1,124 underground car parking spaces) have not obtained Building Ownership Certificates. Therefore, we have attributed no commercial value to the property interests of these portions. However, for reference purpose, we are of the opinion that the market value of these portions would be RMB85,100,000 as at 31 May 2023, assuming that the relevant title certificates have been obtained by Wuhu Golden Eagle Riverside, and Wuhu Golden Eagle Riverside is entitled to freely transfer, lease, mortgage or otherwise dispose of these portions of the property.
11. Pursuant to various Tenancy Agreements, the unsold office units of the property with a total gross floor area of approximately 22,942.09 sq.m. are leased to various tenants for office purpose with the expiry dates between 14 June 2023 and 14 April 2028, and the total passing annual rental as at 31 May 2023 was RMB12,300,000, exclusive of management fees, water and electricity charges.
12. Our valuation has been made on the following basis and analysis:
  - a. For the portion of unsold units and the CIP of Block A, we have identified and analysed various relevant sales evidence in the locality which have similar characteristics as the subject property such as nature, use, size, layout and accessibility of the property. The selected comparables are office units, residential units, and car parking spaces within the same development of the subject property and other to be completed buildings located in the area close to the subject property with similar building conditions and facilities as the subject property, which were transacted between 2020 to 2023. The unit price of these comparable properties ranges from RMB8,000 to RMB8,500 per sq.m. for office units, RMB10,000 to RMB13,000 per sq.m. for residential units, RMB95,000 to RMB105,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of physical characteristics like age, size and layout, etc. and location such as accessibility is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered;
  - b. In valuing the CIP of Block A, we made reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. For the land element, we have identified and analysed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The selected comparables are commercial/office land which were transacted in the last three years. The accommodation value of these comparable land sites ranges from RMB575 to RMB772 per sq.m. for commercial/office use. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and other characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of location such as accessibility and characteristics related to development potential like site area, layout, tenure, etc. is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered;
  - c. In undertaking our valuation of portion of unsold units and the CIP of Block A, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - d. The unit rent of these office unit comparables on gross floor area basis ranges from RMB1.7 to RMB1.8 per sq.m. per day, the unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB5.0 to RMB5.5 per sq.m. per day; and
  - e. Based on our research on office and commercial market in the surrounding area of the property, for office portions, the stabilised market yield ranged from 5.0% to 6.0%, for commercial portions, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 5.25% for the office units and 6.5% for the commercial units as the capitalisation rate in the valuation.

13. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
- a. Wuhu Golden Eagle Riverside has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificate of the property, Wuhu Golden Eagle Riverside has the rights to occupy and use the land use rights of the property;
  - b. Wuhu Golden Eagle Riverside has legally and validly in possession of the building ownership rights of portions of the property as mentioned in note 7. Wuhu Golden Eagle Riverside has the rights to occupy, use these portions of the property for the purposes specified in the Real Estate Registration Certificates, and transfer, mortgage or otherwise dispose of these portions of the property according to the laws of the PRC;
  - c. The Real Estate Title Certificates of portions of the property have not been obtained as mentioned in note 10. Wuhu Golden Eagle Riverside does not beneficially in possession of the ownership of these portions of the property, but Wuhu Golden Eagle Riverside can derive benefit from these portions by way of managing or leasing in accordance with the laws of the PRC;
  - d. Wuhu Golden Eagle Riverside has obtained all requisite construction work approvals in respect of the actual development progress; and
  - e. Wuhu Golden Eagle Riverside has the rights to legally pre-sell the portions of the property as mentioned in note 4 according to the obtained Pre-sale Permits.
14. For the purpose of this report, the property is classified into the following groups according to the status, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

<b>Group</b>	<b>Market value in existing state as at the valuation date (RMB)</b>
Group I – Properties held and under operation by the Group	244,600,000
Group II – Properties held for sale by the Group	186,600,000
Group III – Properties held under development by the Group	307,400,000
<b>Total:</b>	<b>738,600,000</b>

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>																
24.	Wuhu New City Store located at No. 289 South Zhongshan Road Yijiang District Wuhu City Anhui Province The PRC (蕪湖·新城市店)	<p>Wuhu New City Store, which is a portion of Riverside Century Plaza Project (the "Project") is located at the western side of South Zhongshan Road and the northern side of New Times Commercial Street. The locality of the Project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along the nearby South Changjiang Road.</p> <p>The Project is a development complex with three tower buildings erected on a 6-storey shopping mall plus three levels basement, occupies a total apportioned site area of approximately 32,401.00 sq.m.. The property is the shopping mall named as Wuhu New City Store on Level 1 to Level 6 of the Project with a total gross floor area of approximately 81,396.55 sq.m. which was completed in 2016.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr><td>Level 1</td><td style="text-align: right;">14,341.34</td></tr> <tr><td>Level 2</td><td style="text-align: right;">15,199.86</td></tr> <tr><td>Level 3</td><td style="text-align: right;">15,689.94</td></tr> <tr><td>Level 4</td><td style="text-align: right;">15,726.25</td></tr> <tr><td>Level 5</td><td style="text-align: right;">17,820.28</td></tr> <tr><td>Level 6</td><td style="text-align: right;">2,618.88</td></tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>81,396.55</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level 1	14,341.34	Level 2	15,199.86	Level 3	15,689.94	Level 4	15,726.25	Level 5	17,820.28	Level 6	2,618.88	<b>Total:</b>	<b><u>81,396.55</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	483,000,000  (100% interest attributable to the Group: 483,000,000)
Level	Gross Floor Area (sq.m.)																			
Level 1	14,341.34																			
Level 2	15,199.86																			
Level 3	15,689.94																			
Level 4	15,726.25																			
Level 5	17,820.28																			
Level 6	2,618.88																			
<b>Total:</b>	<b><u>81,396.55</u></b>																			
<p>The land use rights of the property have been granted for a term expiring on 17 June 2050 for commercial use.</p>																				

*Notes:*

1. Pursuant to 6 Real Estate Title Certificates – Wan (2017) Wu Hu Shi Bu Dong Chan Quan Di Nos. 0185898, 0185903 to 0185907, the land use rights of the property with a total apportioned site area of approximately 32,401.00 sq.m. have been granted to Wuhu Golden Eagle Riverside Century Development Co., Ltd. (蕪湖金鷹濱江世紀發展有限公司, “Wuhu Golden Eagle Riverside”, a wholly-owned subsidiary of the Company) for a term expiring on 17 June 2050 for commercial use and the property with a total gross floor area of approximately 81,396.55 sq.m. for commercial use is owned by Wuhu Golden Eagle Riverside.
2. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 33,812.94 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 12 June 2023 and 31 July 2029, and the total passing annual rental as at 31 May 2023 was RMB7,900,000, exclusive of management fees, water and electricity charges.
3. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB5.0 to RMB5.5 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Wuhu Golden Eagle Riverside has legally and validly in possession of the land use rights and building ownership rights of the property. Wuhu Golden Eagle Riverside has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
5. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB												
25.	Wuhu Shopping Store and various unsold office units and underground car parking spaces located at the western side of North Zhongshan Road and the southern side of South Yinhu Road Jinghu District Wuhu City Anhui Province The PRC (蕪湖·金鷹國際商城)	<p>Wuhu Golden Eagle International Shopping Centre (the "Project") is located at the western side of North Zhongshan Road and the southern side of South Yinhu Road. The locality of the Project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along North Zhongshan Road.</p> <p>The Project is a 32-storey composite building plus two levels basement, occupies a total apportioned site area of approximately 16,503.18 sq.m.. The property comprises 14 office units on Level 7, Level 12 and Level 15, a shopping mall named as Wuhu Shopping Store on Basement Level 2 to Level 6 and 308 underground car parking spaces of the Project with a total gross floor area of approximately 60,714.71 sq.m. which was completed in 2008.</p> <p>The classification, usage and gross floor area details of the property were set out in note 2.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>B2 to L6</td> <td style="text-align: right;">54,987.52</td> </tr> <tr> <td>Level 7</td> <td style="text-align: right;">2,336.82</td> </tr> <tr> <td>Level 12</td> <td style="text-align: right;">1,949.92</td> </tr> <tr> <td>Level 15</td> <td style="text-align: right;">1,440.45</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>60,714.71</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 1 May 2045 for office, commercial and storage uses.</p>	Level	Gross Floor Area (sq.m.)	B2 to L6	54,987.52	Level 7	2,336.82	Level 12	1,949.92	Level 15	1,440.45	<b>Total:</b>	<b><u>60,714.71</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for office and commercial purposes and the remaining portions of the property were vacant or occupied by the Group for retail store and ancillary purposes.	281,200,000  (100% interest attributable to the Group: 281,200,000) <i>(Refer to Note 3)</i>
Level	Gross Floor Area (sq.m.)															
B2 to L6	54,987.52															
Level 7	2,336.82															
Level 12	1,949.92															
Level 15	1,440.45															
<b>Total:</b>	<b><u>60,714.71</u></b>															

*Notes:*

1. Pursuant to 15 Real Estate Title Certificates, the land use rights of 14 office units and a shopping mall of the property with a total apportioned site area of approximately 16,503.18 sq.m. have been granted to Wuhu Golden Eagle Enterprises Co., Ltd. (蕪湖金鷹國際實業有限公司, “Wuhu Golden Eagle Enterprises”, a wholly-owned subsidiary of the Company) for a term expiring on 1 May 2045 for office, commercial and storage uses and the property with a total gross floor area of approximately 44,004.33 sq.m. for commercial and office uses is owned by Wuhu Golden Eagle Enterprises.

2. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group I – Properties held and under operation by the Group	Commercial	38,277.14	
	Office	5,727.19	
	Underground car parking spaces	16,710.38	308
	<b>Total:</b>	<b>60,714.71</b>	<b>308</b>

3. As at the date of valuation, portions of the property with a total gross floor area of approximately 16,710.38 sq.m. on Levels B1 and B2 (inclusive of 308 underground car parking spaces) have not obtained Real Estate Certificates. Therefore, we have attributed no commercial value to the property interests of these portions. However, for reference purpose, we are of the opinion that the market value of these portions would be RMB10,500,000 as at 31 May 2023, assuming that the relevant title certificates have been obtained by Wuhu Golden Eagle Enterprises, and Wuhu Golden Eagle Enterprises is entitled to freely transfer, lease, mortgage or otherwise dispose of these portions of the property.

4. Pursuant to 6 Tenancy Agreements, the 14 office units of the property with a total gross floor area of approximately 2,053.21 sq.m. are leased to 6 tenants for office purpose with the expiry dates between 4 July 2023 and 31 December 2027, and the total passing annual rental as at 31 May 2023 was RMB900,000, exclusive of management fees, water and electricity charges.

5. Pursuant to various Tenancy Agreements, portions of the shopping mall of the property with a net leasable area of approximately 5,270.68 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 14 August 2023 and 27 May 2027, and the total passing annual rental as at 31 May 2023 was RMB1,640,000, exclusive of management fees, water and electricity charges.

6. Our valuation has been made on the following basis and analysis:

- a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
- b. The average unit rent of these office unit comparables on gross floor area basis ranges from RMB1.6 to RMB1.7 per sq.m. per day; the unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB5.0 to RMB5.5 per sq.m. per day; and
- c. Based on our research on office and commercial market in the surrounding area of the property, for office portions, the stabilised market yield ranged from 5.0% to 6.0%, for commercial portions, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 5.25% for the office units and 6.5% for the commercial units as the capitalisation rate in the valuation.

7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
  - a. Wuhu Golden Eagle Enterprises has legally and validly in possession of the land use rights and building ownership rights of portions of the property as mentioned in note 1. Wuhu Golden Eagle Enterprises has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificates of these portions of the property, and transfer, mortgage or otherwise dispose of these portions of the property according to the laws of the PRC; and
  - b. The Real Estate Title Certificates of portions of the property have not been obtained as mentioned in note 3. Wuhu Golden Eagle Enterprises does not beneficially in possession of the ownership of these portions of the property, but Wuhu Golden Eagle Enterprises can derive benefit from these portions by way of managing or leasing in accordance with the laws of the PRC.
8. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>								
26.	Various retail units and underground car parking spaces of Phoenix Garden Project located at No. 88 South Yinhu Road Jinghu District Wuhu City Anhui Province The PRC (蕪湖·鳳凰花園商舖)	<p>Phoenix Garden Project (the “Project”) is located at the southern side of South Yinhu Road and the western side of Wuhu Golden Eagle International Shopping Centre. The locality of the Project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along the nearby North Zhongshan Road.</p> <p>The Project is a residential community that occupies a total apportioned site area of approximately 22,912.00 sq.m.. The property comprises the retail units on Level 1 of Building Nos. 3 and 4, Basement Level 1 of Building Nos. 5 and 6, and 23 underground car parking spaces with a total gross floor area of approximately 3,780.92 sq.m. which was completed in 2007.</p> <p>The classification, usage and gross floor area details of the property were set out in note 3.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level 1</td> <td style="text-align: right;">1,101.31</td> </tr> <tr> <td>Level B1</td> <td style="text-align: right;">2,679.61</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>3,780.92</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 30 April 2055 for residential and clubhouse uses.</p>	Level	Gross Floor Area (sq.m.)	Level 1	1,101.31	Level B1	2,679.61	<b>Total:</b>	<b><u>3,780.92</u></b>	As at the valuation date, portions of the property were rented to various independent third parties for commercial and car parking spaces purposes and the remaining portions of the property were vacant.	14,900,000  (100% interest attributable to the Group: 14,900,000) <i>(Refer to Note 4)</i>
Level	Gross Floor Area (sq.m.)											
Level 1	1,101.31											
Level B1	2,679.61											
<b>Total:</b>	<b><u>3,780.92</u></b>											

## Notes:

1. Pursuant to 2 Real Estate Title Certificates – Wan (2022) Wu Hu Shi Bu Dong Chan Quan Di Nos. 1374903 and 1374904, the land use rights of portions of the property with a total apportioned site area of approximately 22,912.00 sq.m. have been granted to Wuhu Golden Eagle Enterprises Co., Ltd. (蕪湖金鷹國際實業有限公司, “Wuhu Golden Eagle Enterprises”, a wholly-owned subsidiary of the Company) for a term expiring on 30 April 2055 for residential and clubhouse uses and the property with a total gross floor area of approximately 1,101.31 sq.m. is owned by Wuhu Golden Eagle Enterprises.
2. Pursuant to a Construction Work Completion and Inspection Certificate in favour of Wuhu Qiaohong International Enterprises Co., Ltd., (蕪湖僑鴻國際實業有限公司, currently known as Wuhu Golden Eagle Enterprises), the underground carparking spaces construction of the Project with a gross floor area of approximately 18,504.00 sq.m. (including the 23 underground car parking spaces of the property) has been completed and passed the inspection acceptance.
3. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group I – Properties held and under operation by the Group	Level 1 Retail	1,101.31	
	Level B1 Retail	2,363.36	
	Underground car parking spaces	316.25	23
<b>Total:</b>		<b>3,780.92</b>	<b>23</b>

4. As at the date of valuation, portions of the property with a total gross floor area of approximately 2,679.61 sq.m. on Level B1 (inclusive of 2,363.36 sq.m. for retail use and 23 underground car parking spaces) have not obtained Real Estate Title Certificates. Therefore, we have attributed no commercial value to the property interests of these portions. However, for reference purpose, we are of the opinion that the market value of these portions would be RMB5,900,000 as at 31 May 2023, assuming that the relevant title certificates have been obtained by Wuhu Golden Eagle Enterprises, and Wuhu Golden Eagle Enterprises is entitled to freely transfer, lease, mortgage or otherwise dispose of these portions of the property.
5. Pursuant to 9 Tenancy Agreements, portions of the property with a net leasable area of approximately 1,111.75 sq.m. are leased to 9 tenants for commercial purpose with the expiry dates between 14 September 2023 and 28 March 2026, and the total passing annual rental as at 31 May 2023 was RMB1,120,000, exclusive of management fees, water and electricity charges.
6. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB3.0 to RMB3.5 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.

7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
  - a. Wuhu Golden Eagle Enterprises has legally and validly in possession of the land use rights and building ownership rights of portions of the property as mentioned in note 1. Wuhu Golden Eagle Enterprises has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificates of these portions of the property, and transfer, mortgage or otherwise dispose of these portions of the property according to the laws of the PRC; and
  - b. The Real Estate Title Certificates of portions of the property have not been obtained as mentioned in note 4. Wuhu Golden Eagle Enterprises does not beneficially in possession of the ownership of these portions of the property, but Wuhu Golden Eagle Enterprises can derive benefit from these portions by way of managing or leasing in accordance with the laws of the PRC.
8. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>								
27.	Wuhu Golden Eagle Summit Hotel located at No. 77 North Zhongshan Road Jinghu District Wuhu City Anhui Province The PRC (蕪湖·金鷹尚美酒店)	<p>Wuhu Golden Eagle Summit Hotel, which is a portion of Wuhu Golden Eagle International Shopping Centre (the "Project"). It is located at the western side of North Zhongshan Road and the northern side of Shenyuan Road. The locality of the Project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along North Zhongshan Road.</p> <p>The Project is a 32-storey composite building plus two levels basement, occupies a total site area of approximately 16,503.18 sq.m. (inclusive of the land use rights of the property). The property comprises Basement Level 2 to Level 6 and Levels 21 to 32 of the Project, which comprises 337 fully furnished guest rooms and various ancillary facilities such as restaurants, meeting rooms and swimming pool, etc. The total gross floor area of the property is approximately 60,297.73 sq.m. which was completed in 2008.</p> <p>The details of the property are listed as follows:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>B2 to L6</td> <td style="text-align: right;">27,864.73</td> </tr> <tr> <td>L21 to L32</td> <td style="text-align: right;">32,433.00</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>60,297.73</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for a term expiring on 1 May 2045 for hotel use.</p>	Level	Gross Floor Area (sq.m.)	B2 to L6	27,864.73	L21 to L32	32,433.00	<b>Total:</b>	<b><u>60,297.73</u></b>	As at the valuation date, the property was in operation.	248,000,000  (100% interest attributable to the Group: 248,000,000)
Level	Gross Floor Area (sq.m.)											
B2 to L6	27,864.73											
L21 to L32	32,433.00											
<b>Total:</b>	<b><u>60,297.73</u></b>											

*Notes:*

1. Pursuant to 2 Real Estate Title Certificates – Wan (2017) Wu Hu Shi Bu Dong Chan Quan Di Nos. 0186631 and 0185866, the land use rights of the Project with a total site area of approximately 16,503.18 sq.m. (inclusive of the land use rights of the property) have been granted to Wuhu Golden Eagle Enterprises Co., Ltd. (蕪湖金鷹國際實業有限公司, “Wuhu Golden Eagle Enterprises”, a wholly-owned subsidiary of the Company) for a term expiring on 1 May 2045 for hotel use and the property with a total gross floor area of approximately 60,297.73 sq.m. for commercial use is owned by Wuhu Golden Eagle Enterprises.

2. The main parameters and assumptions of the valuation are considered as below:

<b>Average Daily Rent in the 1st year</b>	<b>Occupancy rate in the 1st year</b>	<b>Stabilised occupancy rate</b>	<b>Discount rate</b>
RMB275 per room per day	50%	80%	7.5%

3. Our valuation has been made on the following basis and analysis:

In undertaking our valuation, we have considered the actual average daily rent (“ADR”) in the actual daily operation and operation forecast provided by the Company and also compared with similar developments which are located in the similar areas as the hotel of the subject property.

4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Wuhu Golden Eagle Enterprises has legally and validly in possession of the land use rights and building ownership rights of the property. Wuhu Golden Eagle Enterprises has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
5. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
28.	Lianyungang Project located at No. 121 North Haichang Road Haizhou District Lianyungang City Jiangsu Province The PRC (連雲港項目)	Lianyungang Project (the “Project”) is located at the western side of Haichang Road and the southern side of Department Store. The locality of the Project is a mature developed area including many residential and commercial developments. This area is well-served by infrastructure facilities and public transportation is mainly available along Haichang Road.	As at the valuation date, the property was under construction.	163,400,000  (100% interest attributable to the Group: 163,400,000)
		<p>The Project occupies a parcel of land with a total site area of approximately 8,311.6 sq.m., which is being developed into a residential and commercial development. The property was under construction (the “CIP”) as at the valuation date and is scheduled to be completed in 2024. As advised by the Group, upon completion, the CIP will have a total gross floor area of approximately 36,642.70 sq.m.</p> <p>The classification, usage and planned gross floor area details of the property are set out in note 5.</p> <p>As advised by the Group, the construction cost of the property is estimated to be approximately RMB332,400,000, of which approximately RMB131,000,000 had been incurred as at the valuation date.</p> <p>The land use rights of the property have been granted for the terms expiring on 29 August 2074 for residential use and 29 August 2044 for commercial use.</p>		

## Notes:

1. Pursuant to a State-owned Land Use Rights Certificate – Lian Guo Yong (2009) Zi Di No. XP005224, the land use rights of a parcel of land with a total site area of approximately 8,311.60 sq.m. have been granted to Lianyungang Golden Eagle International Shopping Centre Co., Ltd. (連雲港金鷹國際購物中心有限公司, “Lianyungang Golden Eagle”, a wholly-owned subsidiary of the Company) for the terms expiring on 29 August 2074 for residential use and 29 August 2044 for commercial use.
2. Pursuant to a Construction Work Planning Permit – Jian Zi Di No. 320706202100057 and a Supplementary Permit in favour of Lianyungang Golden Eagle, Lianyungang Project with a gross floor area of approximately 36,642.70 sq.m. has been approved for construction.
3. Pursuant to a Construction Work Commencement Permit – No. 320706202108180101 in favour of Lianyungang Golden Eagle, permission by the relevant local authority was given to commence the construction of the Project with a gross floor area of approximately 36,642.70 sq.m.
4. Pursuant to 2 Pre-sale Permits – Lian Zhu Jian Shou Zheng Zi Di (2022) 088 and Lian Zhu Jian Shou Zheng Zi Di (2022) 089 in favour of Lianyungang Golden Eagle, the Group is entitled to sell the Lianyungang Project to purchasers.
5. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group III – Properties held under development by the Group	Residential	13,809.24	
	Retail	5,762.69	
	Apartment	8,910.86	
	Storeroom	840.22	
	Ancillary	3,781.30	
	Basement (inclusive of car parking spaces)	3,538.39	112
	<b>Total:</b>	<b>36,642.70</b>	<b>112</b>

6. As advised by the Group, various residential units and retail units with a total gross floor area of approximately 14,795.53 sq.m. have been pre-sold to various third parties at a consideration of RMB205,461,882. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
7. The market value of the CIP of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB394,700,000.
8. Our valuation has been made on the following basis and analysis:
  - a. For the CIP of the property, we have identified and analysed various relevant sales evidences in the locality which have similar characteristics as the subject property such as nature, use, size, layout and accessibility of the property. The selected comparables are apartment units, retail units, storeroom units and car parking spaces within the same development of the subject property and other to be completed buildings located in the area close to the subject property with similar building conditions and facilities as the subject property, which were transacted between 2020 to 2023. The unit price of these comparable properties ranges from RMB6,000 to RMB8,000 per sq.m. for apartment units, RMB18,000 to RMB25,000 per sq.m. for retail units on the first floor, RMB4,000 to RMB6,000 per sq.m. for storeroom units and RMB90,000 to RMB110,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of physical characteristics like age, size and layout, etc. and location such as accessibility is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered; and

- b. We have identified and analysed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The selected comparables are residential land which were transacted in the last three years. The accommodation value of these comparable land sites ranges from RMB2,500 to RMB4,200 per sq.m. for residential use and RMB2,700 to RMB5,000 per sq.m. for commercial use. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and other characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of location such as accessibility and characteristics related to development potential like site area, layout, tenure, etc. is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered.
9. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:

  - a. Lianyungang Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificate of the property, Lianyungang Golden Eagle has the rights to occupy and use the land use rights of the property;
  - b. Lianyungang Golden Eagle has obtained all requisite construction work approvals in respect of the actual development progress; and
  - c. Lianyungang Golden Eagle has the rights to legally pre-sell the portions of the property as mentioned in note 4 according to the obtained Pre-sale Permits.
10. For the purpose of this report, the property is classified into Group III – Properties held under development by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB						
29.	Level B2 (Changzhou Chuangda) located at No. 10-Di 1 Mooc Star Zhonglou District Changzhou City Jiangsu Province The PRC (常州創達)	Mooc Star is located at the junction of Diaoqiao Road and Middle Jinling Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Diaoqiao Road.  The property occupies an apportioned site area of approximately 2,043.00 sq.m. The property comprises the Basement Level 2 of the Mooc Star project with a gross floor area of approximately 18,362.37 sq.m. which was completed in 2009.  The details of the property are listed as follows:	As at the valuation date, the property was rented to two independent third parties for commercial purpose.	67,200,000  (100% interest attributable to the Group: 67,200,000)						
		<table border="1"> <thead> <tr> <th data-bbox="515 1136 571 1157">Level</th> <th data-bbox="727 1136 852 1221">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td data-bbox="515 1251 608 1272">Level B2</td> <td data-bbox="756 1251 852 1272">18,362.37</td> </tr> <tr> <td data-bbox="515 1321 576 1342"><b>Total:</b></td> <td data-bbox="756 1321 852 1357"><b>18,362.37</b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B2	18,362.37	<b>Total:</b>	<b>18,362.37</b>		
Level	Gross Floor Area (sq.m.)									
Level B2	18,362.37									
<b>Total:</b>	<b>18,362.37</b>									
		The land use rights of the property have been granted for a term expiring on 27 February 2046 for commercial use.								

*Notes:*

1. Pursuant to a State-owned Land Use Rights Certificate – Chang Guo Yong (2014) Di No. 65635, the land use rights of the property with an apportioned site area of approximately 2,043.00 sq.m. have been granted to Changzhou Chuangda Assets Management Co., Ltd. (常州創達資產經營有限公司, “Changzhou Chuangda Assets”, a wholly-owned subsidiary of the Company) for a term expiring on 27 February 2046 for commercial use.
2. Pursuant to a Building Ownership Certificate – Chang Fang Quan Zheng Zi Di No. 00746208, the building ownership rights of the property with a gross floor area of approximately 18,362.37 sq.m. for commercial use are owned by Changzhou Chuangda Assets.
3. Pursuant to 3 Tenancy Agreements, the property with a gross floor area of approximately 18,362.37 sq.m. is leased to 2 tenants for commercial purpose with the expiry dates between 30 May 2027 and 31 October 2031, and the total passing annual rental as at 31 May 2023 was RMB2,500,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering the reversionary rental income after the expiry of the existing leases for occupied area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB2.6 to RMB3.3 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 4.5% to 5.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 4.5% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Changzhou Chuangda Assets has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificate of the property, Changzhou Chuangda Assets has the rights to occupy and use the land use rights of the property; and
  - b. Changzhou Chuangda Assets has legally and validly in possession of the building ownership rights of the property. Changzhou Chuangda Assets has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificate, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
30.	Changchun Golden Eagle World Project located at the eastern side of Wukai River Avenue and the southern side of East Jilin Avenue Lianhua Mountain Eco-tourism Zone Erdao District Changchun City Jilin Province The PRC (長春·吉林正業)	<p>Changchun Golden Eagle World Project (the “Project”) is located at the eastern side of Wukai River Avenue and the southern side of East Jilin Avenue. The locality of the Project is a newly developed residential area where public facilities such as municipal facilities and amenities are still under development.</p> <p>The Project occupies nine parcels of land with a total site area of approximately 888,339.00 sq.m. (inclusive of land use rights of the property), which is being developed into a residential and commercial development. Portions of the Project were completed during 2021 to 2023, and the unsold portion of that (the “unsold units”) was vacant for sale as at the valuation date. Portions of the Project were under construction (the “CIP”) as at the valuation date and are scheduled to be completed during December 2024 to June 2027. As advised by the Group, upon completion, the CIP will have a gross floor area of approximately 642,359.03 sq.m.. The construction of the remaining portion of the Project (the “bare land”) had not been commenced as at the valuation date.</p> <p>As at the valuation date, the property comprised the unsold units and CIP of Changchun Golden Eagle World Project with a total gross floor area of approximately 725,648.10 sq.m. and the bare land of the Project.</p> <p>The classification, usage and gross floor area details of the property were set out in note 6.</p> <p>As advised by the Group, the construction cost of the property is estimated to be approximately RMB4,798,800,000, of which approximately RMB543,700,000 had been incurred as at the valuation date.</p> <p>The land use rights of the property have been granted for the terms expiring on 14 December 2087 for residential use and 14 December 2057 for commercial use.</p>	As at the valuation date, the unsold units of the property were vacant, portions of the property were under construction, and the remaining portion of the property was bare land.	2,861,400,000  (51% interest attributable to the Group: 1,459,300,000)

## Notes:

- Pursuant to 23 Real Estate Title Certificates (for land) – Ji (2019) Chang Chun Shi Bu Dong Chan Quan Di Nos. 0595106, 0595134, 0595146, 0595157, 0595174, 0595186, 0595205 and 0595226, and Ji (2022) Chang Chun Shi Bu Dong Chan Quan Di Nos. 00556405, 0055838, 0055848, 0055869, 0055874, 0055889, 0056232, 0056274, 0056375, 0056797, 0056820, 0056828, 0056834, 0058435 and 0059036, the land use rights of the aforesaid land parcels with a total site area of approximately 888,339.00 sq.m. (inclusive of the land use rights of the property) have been granted to Jilin Golden Eagle Property Holdings Co., Ltd. (吉林金鷹正業置業股份有限公司, “Jilin Golden Eagle”, a 51% owned subsidiary of the Company) for the terms expiring on 14 December 2087 for residential use and 14 December 2057 for commercial use.
- Pursuant to 12 Construction Work Planning Permits – Jian Zi Di Nos. 220000201900126, 220000202000500, 220000202000561, 220000202000562, 220000202000563, 220101202100097, 220101202100099, 220101202100112, 220101202100113, 220101202100414, 220101202100415, 220000201900191 and 2 Supplementary Permits in favour of Jilin Golden Eagle, the Project with a gross floor area of approximately 899,939.06 sq.m. (inclusive of portions of the property) has been approved for construction.
- Pursuant to 9 Construction Work Commencement Permits – Nos. 220111201912020101, 220111202003270101, 220111202012110101, 220111202012150101, 220111202102260101, 220111202104290101, 220111202110260101, 220111202110260201 and 220111202110280101 in favour of Jilin Golden Eagle, permission by the relevant local authority was given to commence the construction of the Project with a gross floor area of approximately 767,836.33 sq.m. (inclusive of portions of the property).
- Pursuant to 4 Pre-sale Permits – Chang Fang Shou Zheng (2020) Di Nos. 013, 037 and 044, and Chang Fang Shou Zheng (2021) Di No. 208 in favour of Jilin Golden Eagle, the Group is entitled to sell portions of the Project (representing a gross floor area of approximately 81,316.82 sq.m.) (inclusive of portions of the property) to purchasers.
- Pursuant to 4 Construction Work Completion and Inspection Certificates in favour of Jilin Golden Eagle, the construction of the Project with a gross floor area of approximately 125,643.86 sq.m. (inclusive of portions of the property) has been completed and passed the inspection acceptance.
- According to the information provided by the Group, the gross floor area of the unsold units and CIP of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group II – Properties held for sale by the Group	Residential	58,833.04	
	Retail	1,286.03	
	Basement (inclusive of car parking spaces)	23,170.00	549
	<b>Sub-total:</b>	<b>83,289.07</b>	<b>549</b>
Group III – Properties held under development by the Group	Residential	325,769.32	
	Retail	123,035.90	
	Ancillary	8,893.72	
	On-ground car parking spaces	29,303.49	1,297
	Basement (inclusive of car parking spaces)	155,356.60	3,542
	<b>Sub-total:</b>	<b>642,359.03</b>	<b>4,839</b>
	<b>Total:</b>	<b>725,648.10</b>	<b>5,388</b>

7. According to the information provided by the Group, the planned aboveground gross floor area of the bare land of the property is set out as below:

<b>Group</b>	<b>Usage</b>	<b>Planned Aboveground Gross Floor Area (sq.m.)</b>
Group IV – Properties held for future development by the Group	Residential	443,079.91
	Commercial	197,919.00
	<b>Total:</b>	<b><u>640,998.91</u></b>

8. As advised by the Group, various residential units and retail units with a total gross floor area of approximately 5,439.83 sq.m. have been pre-sold to various third parties at a consideration of RMB45,734,273.00. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
9. The market value of the CIP of the property as if completed as at the valuation date according to the development proposal as described above and which can be freely transferred in the market, would be RMB5,268,000,000.
10. Our valuation has been made on the following basis and analysis:
- a. For the unsold units and the CIP of the property, we have identified and analysed various relevant sales evidences in the locality which have similar characteristics as the subject property such as nature, use, size, layout and accessibility of the property. The selected comparables are residential units, retail units and car parking spaces within the same development of the subject property and other to be completed buildings located in the area close to the subject property with similar building conditions and facilities as the subject property, which were transacted between 2020 to 2023. The unit price of these comparable properties ranges from RMB7,000 to RMB12,000 per sq.m. for residential units, RMB14,000 to RMB18,000 per sq.m. for retail units on the first floor and RMB80,000 to RMB120,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and physical characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of physical characteristics like age, size and layout, etc. and location such as accessibility is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered; and
  - b. For the land of CIP of the property and the bare land of the property, we have identified and analysed various relevant sales evidences of land in the locality which have similar characteristics as the subject property such as nature, use, site area, layout and accessibility of the property. The selected comparables are residential and commercial land which were transacted in the last three years. The accommodation value of these comparable land sites ranges from RMB1,900 to RMB2,700 per sq.m. for residential and RMB600 to RMB1,300 for commercial uses. Appropriate adjustments and analysis are considered to the differences in several aspects including time, location and other characteristics between the comparable properties and the property to arrive at an assumed unit rate. The general basis of adjustment of location such as accessibility and characteristics related to development potential like site area, layout, tenure, etc. is that if the comparable property is better than the property, a downward adjustment is made. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition at the transaction date is considered.

11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
- a. Jilin Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the Real Estate Title Certificates (for land) of the property, Jilin Golden Eagle has the rights to occupy and use the land use rights of the property;
  - b. Jilin Golden Eagle has obtained all requisite construction work approvals in respect of the actual development progress; and
  - c. Jilin Golden Eagle has the rights to legally pre-sell the portions of the property as mentioned in note 4 according to the obtained Pre-sale Permits.
12. For the purpose of this report, the property is classified into the following groups according to the status, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

<b>Group</b>	<b>Market value in existing state as at the valuation date (RMB)</b>
Group II – Properties held for sale by the Group	521,900,000
Group III – Properties held under development by the Group	1,156,900,000
Group IV – Properties held for future development by the Group	<u>1,182,600,000</u>
<b>Total:</b>	<b><u><u>2,861,400,000</u></u></b>

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>										
31.	Nantong Jianghai Garden located at the western side of East Huancheng Road and the northern side of South Huancheng Road Chongchuan District Nantong City Jiangsu Province The PRC (南通·江海名苑)	Nantong Jianghai Garden is located at the western side of East Huancheng Road and the northern side of South Huancheng Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along East Huancheng Road.  The property comprises various retail units and 66 underground car parking spaces with a total gross floor area of approximately 11,737.40 sq.m. which was completed in 2008. Among the property, 5 units occupy a total apportioned site area of approximately 194.99 sq.m..  The classification, usage and gross floor area details of the property were set out in note 4.  The details of the property are listed as follows:	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant.	65,100,000  (100% interest attributable to the Group: 65,100,000) <i>(Refer to Note 5)</i>										
		<table border="1"> <thead> <tr> <th style="text-align: left;">Level</th> <th style="text-align: right;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Level B1</td> <td style="text-align: right;">8,404.44</td> </tr> <tr> <td>Level 1</td> <td style="text-align: right;">1,144.85</td> </tr> <tr> <td>Level 2</td> <td style="text-align: right;">2,188.11</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>11,737.40</u></b></td> </tr> </tbody> </table>	Level	Gross Floor Area (sq.m.)	Level B1	8,404.44	Level 1	1,144.85	Level 2	2,188.11	<b>Total:</b>	<b><u>11,737.40</u></b>		
Level	Gross Floor Area (sq.m.)													
Level B1	8,404.44													
Level 1	1,144.85													
Level 2	2,188.11													
<b>Total:</b>	<b><u>11,737.40</u></b>													
		The land use rights of the property have been granted for a term expiring on 18 December 2041 for commercial use.												

## Notes:

1. Pursuant to 5 Real Estate Title Certificates – Su (2017) Nan Tong Shi Bu Dong Chan Quan Di Nos. 0020348, 0020351, 0020612, 0020623, 0020625, the land use rights of portions of the property with a total apportioned site area of approximately 194.99 sq.m. have been granted to Nantong Golden Eagle Real Estate Development Co., Ltd. (南通金鷹國際房地產開發有限公司, “Nantong Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 18 December 2041 for commercial use and portions of the property with a total gross floor area of approximately 1,312.90 sq.m. for commercial use are owned by Nantong Golden Eagle.
2. Pursuant to 6 Real Estate Title Certificates – Su (2022) Nan Tong Shi Bu Dong Chan Quan Di Nos. 0040061 to 0040066, portions of the retail units on Level B1 of the property with a total gross floor area of approximately 4,787.22 sq.m. for underground commercial use are owned by Nantong Golden Eagle.
3. Pursuant to 19 Real Estate Registration Certificates - Nos. 20081223001, 20081256001, 20081257001, 20081271001, 20081273001, 20081281001, 20081282001, 20081283001, 20081289001, 20081291001, 20081292001, 20081295001, 20081296001, 20081298001, 20081299001, 20081302001, 20081305001, 20081326001 and 20081398001, portions of the property with a total gross floor area of approximately 2,020.06 sq.m. for commercial use are owned by Nantong Golden Eagle.
4. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)	No. of car parking space
Group I – Properties held and under operation by the Group	Levels 1 to 2 Retail	3,332.96	
	Level B1 Retail	4,970.79	
	Underground car parking spaces	3,433.65	66
	<b>Total:</b>	<b>11,737.40</b>	<b>66</b>

5. As at the date of valuation, portions of the property with a total gross floor area of approximately 3,617.22 sq.m. on Level B1 (inclusive of 183.57 sq.m. for retail use and 66 underground car parking spaces) have not obtained Real Estate Certificates. Therefore, we have attributed no commercial value to the property interests of these portions. However, for reference purpose, we are of the opinion that the market value of these portions would be RMB7,700,000 as at 31 May 2023, assuming that the relevant title certificates have been obtained by Nantong Golden Eagle, and Nantong Golden Eagle is entitled to freely transfer, lease, mortgage or otherwise dispose of these portions of the property.
6. Pursuant to various Tenancy Agreements, portions of the property with a gross floor area of approximately 5,384.39 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 31 May 2023 and 7 June 2028, and the total passing annual rental as at 31 May 2023 was RMB1,600,000, exclusive of management fees, water and electricity charges.
7. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on gross floor area basis ranges from RMB4.4 to RMB5.0 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.

8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
  - a. Nantong Golden Eagle has legally and validly in possession of the land use rights and building ownership rights of portions of the property as mentioned in note 1 to 3. Nantong Golden Eagle has the rights to occupy, use these portions of the property for the purposes specified in the Real Estate Title Certificates and the Real Estate Registration Certificates of the property, and transfer, mortgage or otherwise dispose of these portions of the property according to the laws of the PRC; and
  - b. The Real Estate Title Certificates of portions of the property have not been obtained as mentioned in note 5. Nantong Golden Eagle does not beneficially in possession of the ownership of these portions of the property, but Nantong Golden Eagle can derive benefit from these portions by way of managing or leasing in accordance with the laws of the PRC.
9. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
32.	Nantong Renmin Road Store located at No. 106 Middle Renmin Road Chongchuan District Nantong City Jiangsu Province The PRC (南通·人民路店)	Nantong Renmin Road Store is located at the western side of East Huancheng Road and the southern side of Middle Renmin Road. The locality of the project is a mature developed area including many commercial and residential developments. This area is well-served by infrastructure facilities, and public transportation is mainly available along Middle Renmin Road.	As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions of the property were vacant or occupied by the Group for retail store ancillary purposes.	260,200,000  (100% interest attributable to the Group: 260,200,000)

The property occupies a total apportioned site area of approximately 3,982.16 sq.m.. The property comprises a 6-storey commercial building plus one level basement with a total gross floor area of approximately 30,190.82 sq.m. which was completed in 2007.

The details of the property are listed as follows:

Level	Gross Floor Area (sq.m.)
Level B1	5,249.83
Level 1	4,156.80
Level 2	4,249.29
Level 3	4,500.24
Level 4	4,500.24
Level 5	4,500.24
Level 6	3,034.18
<b>Total:</b>	<b><u>30,190.82</u></b>

The land use rights of the property have been granted for a term expiring on 18 December 2041 for commercial use.

*Notes:*

1. Pursuant to 7 State-owned Land Use Rights Certificates – Su Tong Guo Yong (2016) Di Nos. 009521 to 009525, and 009527 to 009528, the land use rights of the property with a total apportioned site area of approximately 3,982.16 sq.m. have been granted to Nantong Golden Eagle Real Estate Development Co., Ltd. (南通金鷹國際房地產開發有限公司, “Nantong Golden Eagle”, a wholly-owned subsidiary of the Company) for a term expiring on 18 December 2041 for commercial use.
2. Pursuant to 7 Building Ownership Certificates – Nan Tong Fang Quan Zheng Zi Di Nos. 160049820 to 160049826, the building ownership rights of the property with a total gross floor area of approximately 30,190.82 sq.m. for commercial use are owned by Nantong Golden Eagle.
3. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 13,317.49 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 31 May 2023 and 24 December 2031, and the total passing annual rental as at 31 May 2023 was RMB5,900,000, exclusive of management fees, water and electricity charges.
4. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB8.3 to RMB9.3 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
5. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, inter alia, the following:
  - a. Nantong Golden Eagle has legally and validly in possession of the land use rights of the aforesaid land of the property. Within the land use term specified in the State-owned Land Use Rights Certificates of the property, Nantong Golden Eagle has the rights to occupy and use the land use rights of the property; and
  - b. Nantong Golden Eagle has legally and validly in possession of the building ownership rights of the property. Nantong Golden Eagle has the rights to occupy, use the property for the purposes specified in the Building Ownership Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
6. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

## VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
33.	Nantong Baxian City located at the intersection of Middle Renmin Road and South Street and two neighbouring units Chongchuan District Nantong City Jiangsu Province The PRC (南通·八仙城)	<p>Nantong Baxian City is located at the intersection of Middle Renmin Road and South Street. The locality of the project is a mature developed area including many commercial developments. This area is well-served by infrastructure facilities and public transportation along South Street.</p> <p>The project occupies a total apportioned site area of approximately 2,506.99 sq.m.. The property comprises a 6-storey shopping centre with a total gross floor area of approximately 23,710.01 sq.m. which was completed in 1999 and also comprises two neighbouring units for retail store management and ancillary uses (known as Room 4 on Level 1 at No. 81 East Huancheng Road and Room 303 Wenfeng South Building at No. 40 South Street).</p>	<p>As at the valuation date, portions of the property were rented to various independent third parties for commercial purpose and the remaining portions were vacant or occupied by the Group for retail store and ancillary purposes.</p>	<p>287,000,000  (100% interest attributable to the Group: 287,000,000)</p>
		<p>The classification, usage and gross floor area details of the property were set out in note 4.</p>		
		<p>The land use rights of portions of the property have been granted for the terms expiring on 25 February 2047 and 18 December 2041 for commercial use and that of the residential unit are in allocated land nature.</p>		

## Notes:

1. Pursuant to 43 Real Estate Title Certificates, the land use rights of portions of the property with a total apportioned site area of approximately 2,494.01 sq.m. have been granted to Nantong Golden Eagle Enterprises Co., Ltd. (南通金鷹國際實業有限公司, "Nantong Enterprises", a wholly-owned subsidiary of the Company) for a term expiring on 25 February 2047 for commercial use and portions of the property with a total gross floor area of approximately 23,618.21 sq.m. for commercial use are owned by Nantong Enterprises.
2. Pursuant to a Real Estate Title Certificate – Su (2017) Nan Tong Shi Bu Dong Chan Quan Di No. 0020025, the land use rights of portions of the property with an apportioned site area of approximately 5.99 sq.m. have been granted to Nantong Enterprises for a term expiring on 18 December 2041 for commercial use and this portion of the property with a gross floor area of approximately 42.86 sq.m. for commercial use is owned by Nantong Enterprises.
3. Pursuant to a Real Estate Title Certificate – Su (2017) Nan Tong Shi Bu Dong Chan Quan Di No. 0020002, the land use rights of portions of the property with an apportioned site area of approximately 6.99 sq.m. have been granted to Nantong Enterprises for allocated land use and this portion of the property with a gross floor area of approximately 48.94 sq.m. for residential use is owned by Nantong Enterprises.
4. According to the information provided by the Group, the gross floor area of the property is set out as below:

Group	Usage	Gross Floor Area (sq.m.)
Group I – Properties held and under operation by the Group	Commercial (Baxian City)	23,618.21
	Commercial (Room 4, on Level 1, No. 81 East Huancheng Road)	42.86
	Residential (Room 303 Wenfeng South Building, No. 40 South Street)	48.94
<b>Total:</b>		<b>23,710.01</b>

5. Pursuant to various Tenancy Agreements, portions of the property with a net leasable area of approximately 22,606.14 sq.m. are leased to various tenants for commercial purpose with the expiry dates between 7 June 2023 and 14 January 2029, and the total passing annual rental as at 31 May 2023 was RMB13,800,000, exclusive of management fees, water and electricity charges.
6. Our valuation has been made on the following basis and analysis:
  - a. In undertaking our valuation, we have considered the actual rents in the existing tenancy agreements and also compared with similar developments which are located in the similar areas as the subject property, for the calculation of market rent in considering (1) the reversionary rental income after the expiry of the existing leases for occupied area, and (2) the rental income of vacant area;
  - b. The unit rent of these commercial unit comparables on the first floor on net leasable area basis ranges from RMB6.7 to RMB8.9 per sq.m. per day; and
  - c. Based on our research on commercial market in the surrounding area of the property, the stabilised market yield ranged from 6.0% to 7.0% as at the valuation date. Considering the location, risks and characteristics of the property, we have applied a market yield of 6.5% for the commercial units as the capitalisation rate in the valuation.
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, inter alia, the following:
  - a. Nantong Enterprises has legally and validly in possession of the land use rights and building ownership rights of the property. Nantong Enterprises has the rights to occupy, use the property for the purposes specified in the Real Estate Title Certificates, and transfer, mortgage or otherwise dispose of the property according to the laws of the PRC.
8. For the purpose of this report, the property is classified into Group I – Properties held and under operation by the Group.

**RESPONSIBILITY STATEMENTS**

The issue of this Scheme Document has been approved by the Directors, who jointly and severally accept full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Scheme Document (other than the opinions expressed by the sole director of the Offeror in his capacity as the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

The information contained in this Scheme Document relating to the Offeror and the Offeror Concert Parties has been supplied by the Offeror. The issue of this Scheme Document has been approved by the sole director of the Offeror and GEICO, who accepts full responsibility for the accuracy of the information contained in this Scheme Document (other than that relating to the Group) and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Scheme Document (other than opinions expressed by the Directors in their capacity as the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Scheme Document, the omission of which would make any statement in this Scheme Document misleading.

**SHARE CAPITAL OF THE COMPANY**

As at the Latest Practicable Date:

- (a) the authorised share capital of the Company was HK\$500,000,000 divided into 5,000,000,000 Shares, of which 1,660,205,000 Shares are in issue;
- (b) the issued share capital of the Company was HK\$166,020,500 divided into 1,660,205,000 Shares at a par value of HK\$0.1 each;
- (c) no Shares had been issued since 31 December 2022, being the end of the last financial year of the Company, up to the Latest Practicable Date;
- (d) there were no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into the Shares; and
- (e) all of the issued Shares ranked *pari passu* in all respects with each other, including all rights as to dividends, voting and capital.

**MARKET PRICES OF THE SHARES**

The table below sets out the closing price of the Shares as quoted on the Stock Exchange (i) at the last Business Day of each of the calendar months during the Relevant Period; (ii) on the Last Full Trading Day; (iii) on the Last Trading Day; and (iv) on the Latest Practicable Date:

<b>Date</b>	<b>Closing Price (HK\$)</b>
30 November 2022	5.31
30 December 2022	4.71
31 January 2023	4.10
28 February 2023	4.21
31 March 2023	5.19
28 April 2023	4.52
19 May 2023 (the Last Full Trading Day)	4.21
22 May 2023 (the Last Trading Day)	4.90 <sup>Note</sup>
31 May 2023	6.58
30 June 2023	6.52
31 July 2023	6.50
18 August 2023 (the Latest Practicable Date)	6.48

*Note:* The last traded price as quoted on the Stock Exchange on the Last Trading Day immediately before the trading halt in the Shares pending the publication of the Announcement is HK\$4.90 per Share.

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were, respectively, HK\$6.60 per Share on 20 July 2023, and HK\$4.02 per Share on 16 May 2023.

**DISCLOSURE OF INTERESTS, DEALINGS AND OTHER ARRANGEMENTS****Directors' interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 short positions which they were taken or deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, (the “**Model Code**”), or required to be disclosed under the Takeovers Code were as follows:

*Long positions in the Shares*

<b>Name of Director</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Approximate% of the total issued Shares</b>
Mr. Wang ( <i>Note</i> )	Beneficial owner; interest of spouse; trustee	1,155,518,000	69.60

*Note:* As at the Latest Practicable Date, the 1,155,518,000 Shares held by Mr. Wang comprised (i) 1,151,268,000 Shares beneficially held by the Family Trust; (ii) 4,000,000 Shares held by Mr. Wang as the beneficial owner; and (iii) 250,000 Shares beneficially held by Mrs. Wang, the spouse of Mr. Wang. By virtue of the SFO, Mr. Wang was deemed to be interested in all the Shares held by the Family Trust and Mrs. Wang.

Save for those disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had or was deemed to have any interests and short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were 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 short positions which they were taken or deemed to have under such provisions of the SFO); or recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, or required to be disclosed under the Takeovers Code.

Mr. Wang, being a Director and an Offeror Concert Party, will abstain from voting on the Scheme at the Court Meeting. He had indicated that those Shares which he holds will be voted in favour of the resolutions to be proposed at the EGM to approve and give effect to the Scheme.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interests in any Shares, convertible securities, warrants, options or derivatives of the Company.

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

### **Substantial shareholders' interests and short positions in the Shares and underlying Shares**

As at the Latest Practicable Date, Shareholders (other than the Directors or the chief executives of the Company) who had interests and short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

#### *Long positions in the Shares*

<b>Name of Shareholder</b>	<b>Capacity</b>	<b>Number of Shares</b>	<b>Approximate% of the total issued Shares</b>
GEICO <sup>(Note 1)</sup>	Interest in controlled corporation	1,151,268,000	69.35
GEIRG <sup>(Note 1)</sup>	Beneficial owner	1,151,268,000	69.35
RVJD Holding Limited <sup>(Note 2)</sup>	Interest in controlled corporation	165,880,000	9.99
RVJD STAR Company <sup>(Note 2)</sup>	Beneficial owner	165,880,000	9.99
ICFI HK (U.S.A) Investments, LLC	Beneficial owner	119,232,588	7.18

*Notes:*

1. GEIRG is a wholly-owned subsidiary of GEICO, which is in turn wholly-owned by the Family Trust. As such, GEICO and the Family Trust were deemed to be interested in the 1,151,268,000 Shares held by GEIRG as at the Latest Practicable Date.
2. RVJD STAR Company is a wholly-owned subsidiary of RVJD Holding Limited, which is in turn wholly-owned by the RVJD STAR Trust. As such, RVJD Holding Limited and RVJD STAR Trust were deemed to be interested in the 165,880,000 Shares held by RVJD STAR Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, there was no person (other than the interest disclosed above in respect of the Directors or the chief executive of the Company) who (a) had interests and short positions in the Shares, underlying Shares and debentures of the Company which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO; or (b) were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying the right to vote in all circumstances at general meetings of the Company or any options in respect of such capital.

### Interests and long positions of the Offeror and the Offeror Concert Parties in the Shares

As at the Latest Practicable Date, the Offeror, its sole director and the Offeror Concert Parties who held securities of the Company were as follows:

Name of Shareholder	As at the Latest Practicable Date	
	Number of Shares and underlying Shares held	Approximate% of the total issued share capital of the Company
Offeror <i>(Note 1)</i>	–	–
Mr. Wang <i>(Note 2)</i>	4,000,000	0.24
Mrs. Wang <i>(Note 2)</i>	250,000	0.01
Ms. Janice Wang <i>(Note 3)</i>	11,590,000	0.70
RVJD STAR Company <i>(Note 4)</i>	165,880,000	9.99
GEIRG <i>(Note 1)</i>	1,151,268,000	69.35
<b>Total:</b>	<b>1,332,988,000</b>	<b>80.29</b>

*Notes:*

1. As at the Latest Practicable Date, each of the Offeror and GEIRG is a wholly-owned subsidiary of GEICO, which is in turn wholly-owned by the Family Trust. As such, GEICO and the Family Trust are deemed to be interested in the 1,151,268,000 Shares held by GEIRG, which will form part of the Scheme Shares and will be cancelled and extinguished upon the Scheme becoming binding and effective in accordance with its terms.

2. Mr. Wang is the Chairman of the Board and an executive Director. As at the Latest Practicable Date, Mr. Wang is interested in 1,155,518,000 Shares, which comprise (i) 1,151,268,000 Shares beneficially held by the Family Trust; (ii) 4,000,000 Shares held by Mr. Wang as the beneficial owner; and (iii) 250,000 Shares beneficially held by Mrs. Wang, the spouse of Mr. Wang. By virtue of the SFO, Mr. Wang is deemed to be interested in all the Shares held by the Family Trust and Mrs. Wang, and Mrs. Wang is deemed to be interested in all the Shares held by Mr. Wang. The 4,250,000 Shares pursuant to (ii) and (iii) will not form part of the Scheme Shares pursuant to the Rollover Arrangement.
3. Ms. Janice Wang is a daughter of Mr. Wang and Mrs. Wang. As at the Latest Practicable Date, Ms. Janice Wang is interested in 1,162,858,000 Shares, which comprise (i) 1,151,268,000 Shares beneficially held by the Family Trust, to which Ms. Janice Wang is one of the beneficiaries; and (ii) 11,590,000 Shares held by Ms. Janice Wang as the beneficial owner. The 11,590,000 Shares pursuant to (ii) will not form part of the Scheme Shares pursuant to the Rollover Arrangement.
4. As at the Latest Practicable Date, these Shares are held by RVJD STAR Company, a wholly-owned subsidiary of RVJD Holding Limited which is in turn wholly-owned by the RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang with Cititrust Private Trust (Cayman) Limited as the trustee. The discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issue of the marriage of the nominated children whether or not now living. These Shares will not form part of the Scheme Shares pursuant to the Rollover Arrangement.

Save as disclosed above and disclosed in the section headed “Shareholding Structure of the Company” in the Explanatory Memorandum in Part VI of this Scheme Document, as at the Latest Practicable Date, none of the Offeror, its sole director and the Offeror Concert Parties, owned or controlled any Shares or any options, warrants, derivatives or securities convertible into Shares.

### **Interests and dealings in the securities of the Company**

During the Relevant Period:

- (a) none of the Offeror, its sole director or the Offeror Concert Parties had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (b) none of the Directors had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

During the Offer Period and up to the Latest Practicable Date:

- (a) no subsidiaries of the Company, pension funds (if any) of any members of the Group, any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or any associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (excluding any exempt principal trader or exempt fund manager) had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;
- (b) save for the Founder Family Members and RVJD STAR Company with respect to the Rollover Arrangement and the Undertaking Shareholder with respect of the Irrevocable Undertaking, of which their shareholdings in the Company are disclosed in the section headed “Shareholding Structure of the Company” in the Explanatory Memorandum in Part VI of this Scheme Document, no person who had irrevocably

committed themselves to accept or reject the Proposal owned or controlled, and none of them had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;

- (c) save for GEIRG with respect to the Share Swap Undertaking, the Founder Family Members and RVJD STAR Company with respect to the Rollover Arrangement and the Undertaking Shareholder with respect of the Irrevocable Undertaking, of which their shareholdings in the Company are disclosed in the section headed “Shareholding Structure of the Company” in the Explanatory Memorandum in Part VI of this Scheme Document, no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with (i) the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” or with any person who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code, or (ii) the Offeror or the Offeror Concert Parties owned or controlled, and none of them had any dealings in, any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares; and
- (d) no fund managers connected with the Company who managed funds on a discretionary basis (other than exempt fund managers) had any dealings in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares.

#### **Interest and dealings in the securities of the Offeror**

- (a) As at the Latest Practicable Date, save for Mr. Wang who is a beneficiary of the Family Trust, which in turn wholly-owned GEICO, the sole shareholder of the Offeror, none of the Company or any of the Directors had any interest in the shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.
- (b) During the Relevant Period, none of the Company or any of the Directors had any dealings in the shares of the Offeror, or any convertible securities, warrants, options or derivatives in respect of the shares of the Offeror.

#### **Other interests**

As at the Latest Practicable Date:

- (a) no Shares or convertible securities, warrants, options or derivatives in respect of the Shares were owned or controlled by a subsidiary of the Company, a pension fund (if any) of any member of the Group, a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert”, or an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (other than exempt principal traders and exempt fund managers);

- (b) no Shares, or convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by any fund managers connected with the Company (other than exempt fund managers); and
- (c) none of the Company, the Directors, the Offeror or any of the Offeror Concert Parties had borrowed or lent any Shares, or any convertible securities, warrants, options or derivatives in respect of the Shares.

#### **Other arrangements in respect of the Proposal**

As at the Latest Practicable Date:

- (a) save for the Share Swap Undertaking, the Rollover Arrangement and the Irrevocable Undertaking, there was no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror or any of the Offeror Concert Parties, and there was no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, the Offeror Concert Parties or any other associate of the Offeror and any other person;
- (b) there was no agreement or arrangement to which the Offeror or any of the Offeror Concert Parties was a party which related to circumstances in which it might or might not invoke or seek to invoke a condition to the Proposal;
- (c) save for the Rollover Arrangement and the Irrevocable Undertaking, neither the Offeror nor any of the Offeror Concert Parties had received any irrevocable commitment to vote for or against the Proposal;
- (d) no benefit (other than statutory compensation) had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Proposal;
- (e) save for the Share Swap Undertaking, the Rollover Arrangement and the Irrevocable Undertaking, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any of the Offeror Concert Parties on the one hand and any of the Directors, recent Directors, Shareholders or recent Shareholders on the other hand having any connection with or dependence upon the Proposal;
- (f) the Offeror intends to finance the entire cash amount required for the Proposal by a facility provided by China Merchants Bank Co., Ltd.. The facility is secured by, among others, a share charge in favour of China Merchants Bank Co., Ltd., Hai Kou Branch over all of the Shares to be owned by the Offeror after the Scheme becomes effective in accordance with the loan documentation entered into between the Offeror and China Merchants Bank Co., Ltd., Hai Kou Branch.

- (g) save as disclosed in paragraph (f) above, there was no agreement, arrangement or understanding between the Offeror and any other person in relation to the transfer, charge or pledge of the Shares to be acquired pursuant to the Proposal, and the Offeror had no intention to transfer, charge or pledge any Shares acquired pursuant to the Proposal to any other person;
- (h) save for the Cancellation Price payable under the Scheme, the Offeror or the Offeror Concert Parties had not paid and would not pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares;
- (i) save for the Share Swap Undertaking and the Rollover Arrangement, there was no agreement, arrangement or understanding (including any compensation arrangement) existed between any of the Directors and any other person which was conditional on or was dependent upon the outcome of the Proposal or otherwise connected with the Proposal;
- (j) there was no material contract which had been entered into by the Offeror in which any Director had a material personal interest;
- (k) save for GEIRG with respect of the Share Swap Undertaking and the Founder Family Members and RVJD STAR Company with respect to the Rollover Arrangement, no person had any arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (l) save for the Share Swap Undertaking and the Irrevocable Undertaking, there was no understanding, agreement, arrangement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and any of the Offeror Concert Parties on one hand and the Scheme Shareholders and persons acting in concert with any of them on the other hand; and
- (m) save for the Share Swap Undertaking, the Rollover Arrangement and the Irrevocable Undertaking, there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholders and (ii)(1) the Offeror and Offeror Concert Parties, or (ii)(2) the Company, its subsidiaries or associated companies.

**SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into a service contract with any member of the Group or the associated companies of the Company which were in force and which: (a) (including both continuous and fixed term contracts) had been entered into or amended within six months before the commencement of the Offer Period; (b) were continuous contracts with a notice period of 12 months or more; or (c) were fixed term contracts with more than 12 months to run irrespective of the notice period.

**MATERIAL LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration or claim of material importance and no litigation or claim of material importance was pending or threatened by or against the Company or any other members of the Group.

**MATERIAL CONTRACTS**

As at the Latest Practicable Date, none of the members of the Group had entered into any material contracts, not being contracts entered into in the ordinary course of business carried on or intended to be carried on by any member of the Group, within the two years immediately preceding the Announcement Date and up to and including the Latest Practicable Date.

**EXPERTS AND CONSENTS**

The following are the qualifications of each of the experts who has given opinions or advices which are contained in this Scheme Document:

<b>Name</b>	<b>Qualification</b>
CMB International Capital Limited	a corporation licensed under the SFO, licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Opus Capital Limited	a corporation licensed under the SFO, licensed to carry out Type 6 (advising on corporate finance) regulated activity
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	independent property valuer

Each of the experts mentioned above has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion in this Scheme Document of the text of its letter, report or opinion (as the case may be) and references to its name in the form and context in which they are included.

As at the Latest Practicable Date, none of the experts mentioned above has any shareholdings in the Company.

**MISCELLANEOUS**

- (a) The registered office of the Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1 -1111, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong.
- (c) The principal place of business of the Company in the PRC is at 17th Floor, Block A, Golden Eagle World, No. 888 Yingtian Street, Jianye District, Nanjing, the PRC.
- (d) The principal share registrar and transfer office of the Company is Suntera (Cayman) Limited, which is located at Suite 3204, Unit 2A, Block 3, Building D, P.O. Box 1586, Gardenia Court, Camana Bay, Grand Cayman, KY1-1110, Cayman Islands.
- (e) The Registrar is Computershare Hong Kong Investor Services Limited, which is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (f) As at the Latest Practicable Date, the principal members of the Offeror Concert Parties were (i) GEIRG; (ii) GEICO; (iii) the Family Trust; (iv) the Founder Family Members; (v) RVJD STAR Trust; and (vi) RVJD STAR Company.
- (g) Information regarding the Offeror and the principal members of the Offeror Concert Parties named in (e) above is set out below:
  - (i) The sole director of the Offeror is Mr. Wang. The registered office of the Offeror is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the correspondence address of the Offeror in Hong Kong is at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong. The Offeror is wholly-owned by GEICO, which is in turn wholly-owned by the Family Trust.
  - (ii) The sole director of GEIRG is Mr. Wang. The registered office of GEIRG is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the correspondence address of GEIRG in Hong Kong is at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong. GEIRG is wholly-owned by GEICO, which is in turn wholly-owned by the Family Trust.

- (iii) The sole director of GEICO is Mr. Wang. The registered office of GEICO is at Intershore Chambers, P.O. Box 4342, Road Town, Tortola, British Virgin Islands and the correspondence address of GEICO in Hong Kong is at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong. GEICO is wholly-owned by the Family Trust.
- (iv) The correspondence address of the Family Trust is at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong. It is a trust founded by Mr. Wang and Mrs. Wang and established under the laws of California, the U.S.. Mr. Wang, Mrs. Wang and their two daughters including Ms. Janice Wang are beneficiaries of the Family Trust.
- (v) The correspondence address of Mr. Wang is at 17th Floor, Block A, Golden Eagle World, No. 888 Yingtian Street, Jianye District, Nanjing, the PRC.
- (vi) The correspondence address of Mrs. Wang and Ms. Janice Wang is at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong.
- (vii) The sole director of RVJD STAR Company is Ms. Janice Wang. The registered office of RVJD STAR Company is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the correspondence address of RVJD STAR Company is at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong. RVJD STAR Company is wholly-owned by RVJD Holding Limited, which is in turn wholly-owned by the RVJD STAR Trust.
- (viii) The correspondence address of the RVJD STAR Trust is at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong. It is discretionary trust founded by Mr. Wang and Mrs. Wang and established under the laws of the Cayman Islands. Cititrust Private Trust (Cayman) Limited is the trustee of the RVJD STAR Trust and the discretionary objects of the RVJD STAR Trust are the nominated children of Mr. Wang and Mrs. Wang and the remoter issuer of the marriage of the nominated children whether or not now living.
- (h) The principal place of business of CMB International Capital Limited is at 45/F, Champion Tower, 3 Garden Road, Central, Hong Kong.
- (i) The principal place of business of the Independent Financial Adviser is at 18/F, Fung House, 19-20 Connaught Road Central, Central, Hong Kong.
- (j) The company secretary of the Company is Ms. Tai Ping, Patricia (“**Ms. Tai**”). Ms. Tai is a fellow member of both The Hong Kong Institute of Certified Public Accountants and The CPA Australia.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection at the principal office of the Company in Hong Kong at Unit 1206, 12th Floor, Tower 2, Lippo Centre, 89 Queensway, Hong Kong, from 9:30 a.m. to 5:30 p.m. (except Saturdays, Sundays and public holidays) and on the website of the Company at <http://www.geretail.com>, and the website of the SFC at [www.sfc.hk](http://www.sfc.hk) during the period from the date of this Scheme Document until the Effective Date or the date on which the Scheme lapses or is withdrawn, whichever is earlier:

- (a) the memorandum of association and articles of association of the Offeror;
- (b) the memorandum of association and articles of association of the Company;
- (c) the annual reports of the Company for the years ended 31 December 2020, 2021 and 2022;
- (d) the interim report of the Company for the six months ended 30 June 2022;
- (e) the interim results announcement of the Company for the six months ended 30 June 2023;
- (f) the letter from the Board, the text of which is set out in Part III of this Scheme Document;
- (g) the letter from the Independent Board Committee, the text of which is set out in Part IV of this Scheme Document;
- (h) the letter from the Independent Financial Adviser, the text of which is set out in Part V of this Scheme Document;
- (i) the property valuation report from the Independent Valuer, the text of which is set out in Appendix II of this Scheme Document;
- (j) the written consents referred to in the section headed “Experts and consents” in this Appendix;
- (k) the Irrevocable Undertaking;
- (l) the Share Swap Undertaking;
- (m) the Rollover Agreement; and
- (n) this Scheme Document.

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 196 of 2023 (IKJ)

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2023 REVISION)  
(AS REVISED)

AND IN THE MATTER OF THE GRAND COURT RULES 1995 ORDER 102

AND IN THE MATTER OF Golden Eagle Retail Group Limited 金鷹商貿集團有限公司

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**SCHEME OF ARRANGEMENT**

**Between**

**Golden Eagle Retail Group Limited 金鷹商貿集團有限公司**

**and**

**THE SCHEME SHAREHOLDERS**

**(as hereinafter defined)**

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(A) In this Scheme of Arrangement, unless inconsistent with the subject or context, the following expressions shall have the meanings respectively set opposite them:

<b>“acting in concert”</b>	has the meaning given to it in the Takeovers Code, and “persons acting in concert” and “concert parties” shall be construed accordingly
<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	a day other than a Saturday, Sunday or a public holiday in Hong Kong or the Cayman Islands
<b>“Cancellation Price”</b>	the cancellation price of HK\$6.88 per Scheme Share cancelled and extinguished payable by the Offeror to the Scheme Shareholders pursuant to the Scheme of Arrangement in the form of (i) the Cash Cancellation Consideration in respect of the Disinterested Scheme Shareholders; or (ii) the GEIRG Cancellation Consideration in respect of GEIRG

<b>“Cash Cancellation Consideration”</b>	the consideration payable in cash by the Offeror to the Disinterested Scheme Shareholders, being the Cancellation Price for every Scheme Share held by the Disinterested Scheme Shareholders that is cancelled and extinguished pursuant to the Scheme of Arrangement
<b>“Conditions”</b>	the condition(s) for the implementation of the Proposal and the Scheme, as set out in the paragraph headed “Conditions of the Proposal and the Scheme” under the section headed “Terms of the Proposal” in the Explanatory Memorandum in Part VI of the Scheme Document
<b>“Companies Act”</b>	the Companies Act (2023 Revision) (As Revised) of the Cayman Islands
<b>“Company”</b>	Golden Eagle Retail Group Limited (金鷹商貿集團有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3308)
<b>“Court Meeting”</b>	a meeting of the Scheme Shareholders to be held at the direction of the Grand Court at which the Scheme of Arrangement (with or without modification) will be voted upon, or any adjournment thereof
<b>“Director(s)”</b>	the director(s) of the Company
<b>“Disinterested Scheme Shareholder(s)”</b>	all of the Scheme Shareholder(s), other than any Scheme Shareholders who are Offeror Concert Parties
<b>“Effective Date”</b>	the date on which the Scheme of Arrangement, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Act, being the date on which a copy of the order of the Grand Court sanctioning the Scheme of Arrangement and confirming the reduction of issued share capital resulting from the cancellation and extinguishment of the Scheme Shares is delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to Section 86(3) of the Companies Act, which is expected to be Friday, 6 October 2023 (Cayman Islands time)

<b>“Executive”</b>	the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof
<b>“Family Trust”</b>	The 2004 RVJD Family Trust, of which Mr. Wang, Mrs. Wang and their two daughters including Ms. Janice Wang are beneficiaries
<b>“Founder Family Members”</b>	collectively, Mr. Wang, Mrs. Wang and Ms. Janice Wang
<b>“GEICO”</b>	GEICO Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability, being the sole shareholder of each of GEIRG and the Offeror, and an indirect controlling shareholder of the Company
<b>“GEIRG”</b>	Golden Eagle International Retail Group Limited, a company incorporated in the Cayman Islands with limited liability, and wholly-owned by GEICO as at the Latest Practicable Date
<b>“GEIRG Cancellation Consideration”</b>	the Cancellation Price multiplied by the number of Scheme Shares held by GEIRG (being 1,151,268,000 Scheme Shares) which will be satisfied by the Offeror crediting as fully paid 100 nil-paid shares of the Offeror held by GEICO (representing 100% of the issued share capital of the Offeror) at the direction of GEIRG
<b>“Grand Court”</b>	the Grand Court of the Cayman Islands
<b>“HK\$”</b>	Hong Kong dollar(s), the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Independent Board Committee”</b>	the independent board committee of the Company which comprises all the independent non-executive Directors, namely Mr. Wong Chi Keung, Mr. Lay Danny J and Mr. Lo Ching Yan, established by the Board to make recommendation to the Disinterested Scheme Shareholders in relation to the Proposal and the Scheme of Arrangement

<b>“Independent Financial Adviser”</b>	Opus Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in relation to the Proposal and the Scheme of Arrangement
<b>“Latest Practicable Date”</b>	18 August 2023, being the latest practicable date prior to the printing of the Scheme Document for ascertaining certain information contained herein
<b>“Mr. Wang”</b>	Mr. Wang Hung, Roger, the Chairman of the Board and an executive Director
<b>“Mrs. Wang”</b>	Ms. Wang Vivine H, the spouse of Mr. Wang
<b>“Ms. Janice Wang”</b>	Ms. Wang Janice S.Y., a daughter of Mr. Wang and Mrs. Wang
<b>“Offeror”</b>	Golden Eagle Retail Investment Limited, a company incorporated in the Cayman Islands with limited liability, and wholly-owned by GEICO as at the Latest Practicable Date
<b>“Offeror Concert Parties”</b>	parties acting in concert or presumed to be acting in concert with the Offeror, including GEIRG, GEICO, the Family Trust, the Founder Family Members, RVJD STAR Trust and RVJD STAR Company
<b>“Proposal”</b>	the proposal for the privatisation of the Company by the Offeror by way of the Scheme of Arrangement on the terms and subject to the Conditions
<b>“Register”</b>	the principal or branch register of members of the Company (as the case may be) in respect of the Shares
<b>“RVJD STAR Company”</b>	RVJD STAR Company, a company incorporated in the Cayman Islands with limited liability, a wholly-owned subsidiary of RVJD Holding Limited, which in turn is wholly-owned by the RVJD STAR Trust

<b>“RVJD STAR Trust”</b>	The 2019 RVJD STAR Trust, a discretionary trust founded by Mr. Wang and Mrs. Wang to which Cititrust Private Trust (Cayman) Limited is the trustee
<b>“Scheme Document”</b>	the composite scheme document jointly issued by the Offeror and the Company to the Shareholders containing, among others, further details of the Proposal together with the additional information as described in the Explanatory Memorandum in Part VI of the Scheme Document
<b>“Scheme of Arrangement”</b>	a scheme of arrangement to be proposed under Section 86 of the Companies Act between the Company and the Scheme Shareholders (subject to the Conditions) involving, amongst other things, the cancellation and extinguishment of all the Scheme Shares in exchange for the Cash Cancellation Consideration or the GEIRG Cancellation Consideration (as the case may be) and the simultaneous restoration of the number of the issued Shares in the share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares, with or subject to any modifications, additions or conditions as may be approved or imposed by the Grand Court
<b>“Scheme Record Date”</b>	6 October 2023 or such other date as shall have been announced to, among others, the Scheme Shareholders, being the record date for the purpose of determining entitlements of the Scheme Shareholders to the Cash Cancellation Consideration or the GEIRG Cancellation Consideration (as the case may be)
<b>“Scheme Share(s)”</b>	Share(s) held by the Scheme Shareholders, including the Undertaking Scheme Shares and the Shares held by GEIRG, but excluding the Shares held by the Founder Family Members and RVJD STAR Company
<b>“Scheme Shareholders”</b>	the registered holder(s) of the Scheme Shares
<b>“SFC”</b>	Securities and Futures Commission of Hong Kong

<b>“SFO”</b>	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
<b>“Shareholder(s)”</b>	the registered holder(s) of the Share(s)
<b>“Share(s)”</b>	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Takeovers Code”</b>	The Code on Takeovers and Mergers in Hong Kong
<b>“Undertaking Scheme Shares”</b>	119,232,588 Shares held by the Undertaking Shareholder
<b>“Undertaking Shareholder”</b>	ICFI HK (U.S.A) Investments, LLC, a company incorporated in the United States of America with limited liability

- (B) The Company was incorporated as an exempted company on 20 September 2005 with limited liability in the Cayman Islands under the Companies Act.
- (C) The Company has an authorised share capital of HK\$500,000,000 divided into 5,000,000,000 Shares of par value of HK\$0.10 each, of which 1,660,205,000 Shares are in issue.
- (D) The Offeror, which is wholly-owned by GEICO, has proposed the privatisation of the Company by way of the Scheme of Arrangement.
- (E) The primary purpose of the Scheme of Arrangement is to privatise the Company by cancelling and extinguishing all of the Scheme Shares in consideration for the Cash Cancellation Consideration (in respect of the Disinterested Scheme Shareholders) or the GEIRG Cancellation Consideration (in respect of GEIRG) so that after the completion of the Scheme of Arrangement, the Offeror, the Founder Family Members and RVJD STAR Company will own the entire issued share capital of the Company. Simultaneously with the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be restored to its former amount by the issue to the Offeror credited as fully paid at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished.
- (F) As at the Latest Practicable Date, 1,332,988,000 Shares were beneficially owned by the Offeror Concert Parties and summarised as follows. The Offeror did not own any Shares as at the Latest Practicable Date:

Shareholders	As at the Latest Practicable Date		As at the Effective Date	
	Number of Shares	%	Number of Shares	%
<b>Offeror</b>	–	–	1,478,485,000	89.06
<b>Offeror Concert Parties not subject to the Scheme of Arrangement</b>				
Mr. Wang	4,000,000	0.24	4,000,000	0.24
Mrs. Wang	250,000	0.01	250,000	0.01
Ms. Janice Wang	11,590,000	0.70	11,590,000	0.70
RVJD STAR Company	165,880,000	9.99	165,880,000	9.99
<b>Offeror Concert Party subject to the Scheme of Arrangement and will abstain from voting on the Scheme of Arrangement</b>				
GEIRG	1,151,268,000	69.35	–	–
Disinterested Scheme Shareholders who are independent of the Offeror	327,217,000	19.71	–	–
<b>Total Shares in issue</b>	1,660,205,000	100	1,660,205,000	100
Total number of Scheme Shares (which represent all issued Shares except for those held by RVJD STAR Company and the Founder Family Members)	1,478,485,000	89.06	–	–

\* All percentages in the above table are approximations.

- (G) Scheme Shareholders who are Offeror Concert Parties (including GEIRG) will abstain from voting at the Court Meeting. The Offeror and Offeror Concert Parties will procure that any Shares in respect of which they are legally or beneficially interested will not be represented or voted at the Court Meeting convened at the direction of the Grand Court for the purpose of considering and, if thought fit, approving the Scheme of Arrangement. Only Scheme Shareholders (who are Disinterested Scheme Shareholders) will attend and vote at the Court Meeting.
- (H) Each of the Offeror, GEIRG, the Founder Family Members and RVJD STAR Company (being Offeror Concert Parties) has undertaken to the Grand Court to be bound by the terms of the Scheme of Arrangement and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to and satisfying its/her/his obligations under the Scheme of Arrangement.

**SCHEME OF ARRANGEMENT****PART I****Cancellation and extinguishment of the Scheme Shares and issue of new Shares credited as fully paid at par to the Offeror**

1. On the Effective Date:
  - (a) the issued share capital of the Company shall be reduced by cancelling and extinguishing the Scheme Shares and the Scheme Shareholders (as appears in the Register on the Scheme Record Date) shall cease to have any right with respect to the Scheme Shares except the right to receive the Cash Cancellation Consideration (in respect of the Disinterested Scheme Shareholders) or the GEIRG Cancellation Consideration (in respect of GEIRG);
  - (b) subject to and simultaneously with such reduction of issued share capital taking effect, the issued share capital of the Company will be restored to its former amount by issuing to the Offeror the same number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished; and
  - (c) the Company shall apply the credit arising in its books of account as a result of the cancellation and extinguishment of the Scheme Shares by paying up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished, which shall be allotted and issued and credited as fully paid at par to the Offeror as mentioned in paragraph (b) above.

**PART II****Consideration for the cancellation and extinguishment of the Scheme Shares**

2. In consideration of the cancellation and extinguishment of the Scheme Shares, the Scheme Shareholder (as appears in the Register on the Scheme Record Date) will receive the Cash Cancellation Consideration (in respect of the Disinterested Scheme Shareholders) or the GEIRG Cancellation Consideration (in respect of GEIRG);

**Cancellation Price:**

**for each Scheme Share cancelled and extinguished . . . . . HK\$6.88**

**To be satisfied in the form of:**

**for each Disinterested Scheme Shareholder: Cash Cancellation Consideration  
for GEIRG: GEIRG Cancellation Consideration**

**PART III****General**

3. (a) As soon as possible and in any event not later than five (5) Business Days after the Effective Date, on request, the Company shall issue share certificate(s) to the Offeror.
- (b) As soon as possible and in any event not later than seven (7) Business Days (as defined under the Takeovers Code) after the Effective Date, the Offeror shall send or cause to be sent to the Disinterested Scheme Shareholders cheques representing the Cash Cancellation Consideration and shall credit as fully paid the nil paid shares of the Offeror held by GEICO in satisfaction of the GEIRG Cancellation Consideration.
- (c) Unless otherwise indicated in writing to the Hong Kong branch share registrar and transfer office of the Company, being Computershare Hong Kong Investor Services Limited, all cheques to be despatched to the Disinterested Scheme Shareholders shall be sent by ordinary post to the Disinterested Scheme Shareholders at their respective addresses as appearing in the Register on the Scheme Record Date.
- (d) Cheques shall be posted at the risk of the addressees and neither the Offeror nor the Company shall be responsible for any loss or delay in receipt.
- (e) Cheques shall be in favour of the person to whom, in accordance with the provisions of paragraph (b) of this Clause 3, the envelope containing the same is addressed and the encashment of any such cheques shall be a good discharge to the Offeror for the monies represented thereby.
- (f) On or after the day being six calendar months after the posting of the cheques pursuant to paragraph (b) of this Clause 3, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been encashed or has been returned uncashed and shall place all monies represented thereby in a deposit account in the Offeror's name or, if directed by the Offeror, in the name of the Company, with a licensed bank in Hong Kong selected by the Offeror. The Offeror or the Company (as the case may be) shall hold such monies on trust for those

entitled under the terms of the Scheme of Arrangement until the expiration of six years from the Effective Date and shall prior to such date pay out of such monies the sums payable pursuant to the Scheme of Arrangement to persons who satisfy the Offeror (or, if the monies are held by the Company, the Company) that they are entitled thereto and the cheques referred to in paragraph (b) of this Clause 3 of which they are payees have not been encashed. Any payments made by the Offeror shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to the Scheme of Arrangement. The Offeror shall exercise its absolute discretion in determining whether or not it is satisfied that any person is so entitled and a certificate of the Offeror to the effect that any particular person is so entitled or not so entitled, as the case may be, shall be conclusive and binding upon all persons claiming an interest in the relevant monies.

- (g) On the expiration of six years from the Effective Date, the Offeror and the Company shall be released from any further obligation to make any payments under the Scheme of Arrangement and the Offeror shall be absolutely entitled to the balance (if any) of the sums then standing to the credit of the deposit or custodian account, including accrued interest, subject to any deduction required by law and expenses incurred.
  - (h) Paragraph (g) of this Clause 3 shall take effect subject to any prohibition or condition imposed by law.
  - (i) Upon cancellation and extinguishment of the Scheme Shares, the Register shall be updated to reflect such cancellation and extinguishment.
4. As from the Effective Date, any instruments of transfer relating to and all certificates representing, the Scheme Shares shall cease to have effect as documents of title (and/or for any purpose as an instrument of transfer) and every Scheme Shareholder and every holder of such certificate shall be bound on the request of the Offeror to deliver up the same to the Offeror for cancellation thereof.
  5. All mandates, representations, warranties, undertakings or relevant instructions to or by the Company in force on the Scheme Record Date relating to any of the Scheme Shares shall cease to be valid as effective mandates, representations, warranties, undertakings or instructions on the Effective Date.
  6. The Scheme of Arrangement shall become effective as soon as a copy of the order of the Grand Court sanctioning the Scheme of Arrangement has been delivered to the Registrar of Companies in the Cayman Islands for registration pursuant to section 86(3) of the Companies Act.

7. Unless the Scheme of Arrangement shall have become effective on or before 31 December 2023 or such later date as the Offeror and the Company may agree in writing or, to the extent applicable, as the Grand Court on application of the Offeror or the Company may direct and in all cases, as permitted by the Executive, the Scheme of Arrangement shall lapse and be of no effect.
8. The Company and the Offeror may, subject to the approval of the Grand Court and as the Executive may consent, jointly consent to any modification of or addition to the Scheme of Arrangement or to any condition contained therein.
9. The Offeror and the Company have agreed that all costs, charges and expenses of the advisers and counsels appointed by the Company, including the Independent Financial Adviser, will be borne by the Company whereas all costs, charges and expenses of the advisers and counsels appointed by Offeror will be borne by the Offeror, and other costs, charges and expenses of the Scheme of Arrangement will be shared between the Offeror and the Company equally.

Date 23 August 2023

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

Cause No. FSD 196 of 2023 (IKJ)

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2023 REVISION)  
(AS REVISED)

AND IN THE MATTER OF THE GRAND COURT RULES 1995 ORDER 102

AND IN THE MATTER OF Golden Eagle Retail Group Limited 金鷹商貿集團有限公司

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**NOTICE OF COURT MEETING**

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**NOTICE IS HEREBY GIVEN** that, by an order dated 21 July 2023 (the “**Order**”) made in the above matter, the Grand Court of the Cayman Islands (the “**Court**”) has directed a meeting (the “**Court Meeting**”) to be convened of the Scheme Shareholders (as defined in the Scheme of Arrangement hereinafter mentioned) for the purpose of considering and, if thought fit, approving a scheme of arrangement (the “**Scheme of Arrangement**”) proposed to be made between Golden Eagle Retail Group Limited 金鷹商貿集團有限公司 (the “**Company**”) and the Scheme Shareholders (as defined in the Scheme of Arrangement) and that the Court Meeting will be held at Victoria Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15 September 2023 at 10:00 a.m. (Hong Kong time) at which place and time all Scheme Shareholders are invited to attend. Scheme Shareholders who are parties acting in concert with Golden Eagle Retail Investment Limited shall abstain from voting at the Court Meeting.

A copy of the Scheme of Arrangement and a copy of an explanatory memorandum explaining the effect of the Scheme of Arrangement are incorporated in the composite scheme document of which this Notice forms part. A copy of the composite scheme document can also be obtained by the Scheme Shareholders from the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

Scheme Shareholders may vote in person at the Court Meeting or they may appoint another person (who must be an individual), whether a member of the Company or not, to attend, speak and vote in their stead. A **pink** form of proxy for use at the Court Meeting (or any adjournment thereof) is enclosed with the composite scheme document dated 23 August 2023 despatched to, among others, the Scheme Shareholders on 23 August 2023. Completion and return of the **pink** form of proxy will not prevent an Scheme Shareholder from attending and voting at the Court Meeting, or any adjournment thereof, in person if he/she wishes to do so and in such event, the **pink** form of proxy previously submitted shall be deemed to have been revoked by operation of law.

In the case of Scheme Shareholders jointly holding ordinary shares of HK\$0.10 par value each in the share capital of the Company (the “**Shares**”), any one of such persons may vote at the Court Meeting, either personally or by proxy, in respect of such Share as if he/she was solely entitled thereto. However, if more than one of such joint holders be present at the Court Meeting personally or by proxy, that one of the said persons so present (whether in person or by proxy) whose name stands first on the Register of Members of the Company shall alone be entitled to vote in respect of such joint holding of Shares at the Court Meeting.

It is requested that **pink** forms appointing proxies be deposited at the Hong Kong branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 10:00 a.m. on Wednesday, 13 September 2023, but if forms are not so lodged they may be handed to the chairman of the Court Meeting at the Court Meeting before the taking of the poll and the chairman of the Court Meeting should have absolute discretion whether or not to accept them.

By the Order, the Court has appointed Wong Chi Keung, an independent non-executive director of the Company, or failing whom, Lo Ching Yan, also an independent non-executive director of the Company, or failing whom, any other person who is an independent non-executive director of the Company as at the date of the Court Meeting, to act as the chairman of the Court Meeting and has directed the chairman of the Court Meeting to report the results of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to a subsequent application seeking the sanction of the Court.

On behalf of the Court  
**Golden Eagle Retail Group Limited**  
**Wang Hung, Roger**  
*Director*

Hong Kong, 23 August 2023

*Registered Office*  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal Place of Business in Hong Kong*  
Unit 1206, 12th Floor, Tower 2, Lippo Centre  
89 Queensway  
Hong Kong

*Notes:*

- (1) A Scheme Shareholder entitled to attend and vote at the Court Meeting is entitled to appoint one, and if such Scheme Shareholder is the holder of two or more Shares, more than one proxy (who must be an individual) to attend and vote instead of him. A proxy need not be a member of the Company, but must attend the Court Meeting in person to represent him.
- (2) A **pink** form of proxy for use at the Court Meeting (or any adjournment thereof) is enclosed with the composite scheme document containing the Scheme of Arrangement dated 23 August 2023 despatched to, among others, the Scheme Shareholders.
- (3) In order to be valid, the **pink** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the Court Meeting or any adjournment thereof but if forms are not so lodged they may be handed to the chairman of the Court Meeting at the Court Meeting before the taking of the poll and the chairman of the Court Meeting should have absolute discretion whether or not to accept them. Completion and return of the **pink** form of proxy will not preclude a Scheme Shareholder from attending the Court Meeting and voting in person if he so wishes. In the event that a Scheme Shareholder attends and votes at the Court Meeting after having lodged his **pink** form of proxy, his **pink** form of proxy shall be deemed to have been revoked by operation of law.
- (4) In the case of joint Scheme Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the relevant joint holding of the Shares with the one of the said persons so present (whether in person or by proxy) whose name stands first on the Register of Members of the Company shall alone be entitled to vote in respect of such joint holding of Shares at the Court Meeting.
- (5) Voting at the Court Meeting will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Code on Takeovers and Mergers in Hong Kong.
- (6) The Register of Members of the Company will be closed from Tuesday, 12 September 2023 to Friday, 15 September 2023 (both days inclusive) and during such period no transfer of Shares will be registered. In order to be entitled to attend and vote at the Court Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 11 September 2023.



## GOLDEN EAGLE RETAIL GROUP LIMITED

### 金鷹商貿集團有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3308)**

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of holders of ordinary shares of HK\$0.10 par value each (the “**Shares**”) in the share capital of Golden Eagle Retail Group Limited 金鷹商貿集團有限公司 (the “**Company**”) will be held at Victoria Room, Hong Kong Mandarin Oriental Hotel, 5 Connaught Road, Central, Hong Kong on Friday, 15 September 2023, at 11:00 a.m. (Hong Kong time) (or, if later, as soon as practicable after the conclusion or the adjournment of the meeting of the Scheme Shareholders (as defined in the Scheme of Arrangement hereinafter mentioned) convened at the direction of the Grand Court of the Cayman Islands for the same day and place), for the purpose of considering and, if thought fit, passing the following resolutions:

#### SPECIAL RESOLUTION

1. “**THAT:**

- (a) pursuant to a scheme of arrangement dated 23 August 2023 (the “**Scheme of Arrangement**”) between the Company and the Scheme Shareholders (as defined in the Scheme of Arrangement) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme of Arrangement), the issued shares in the share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement); and
- (b) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the reduction of the number of issued shares in the share capital of the Company pursuant to the Scheme of Arrangement, including (without limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of the number of issued shares in the share capital of the Company which the Grand Court of the Cayman Islands may see fit to impose.”

## ORDINARY RESOLUTION

## 2. “THAT:

- (a) subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) taking effect, the number of issued shares in the share capital of the Company be restored to its former amount by allotting and issuing to the Offeror (as defined in the Scheme of Arrangement), credited as fully paid at par, the same number of new ordinary shares of HK\$0.10 each in the share capital of the Company as is equal to the number of Scheme Shares cancelled and extinguished;
- (b) the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) shall be applied by the Company in paying up in full at par the new ordinary shares allotted and issued to the Offeror pursuant to resolution 2(a) above, and any one of the directors of the Company be and is hereby authorised to allot and issue the same accordingly; and
- (c) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the restoration of capital pursuant to the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme of Arrangement or the restoration of capital, which the Grand Court of the Cayman Islands may see fit to impose.”

On behalf of the board of directors of  
**Golden Eagle Retail Group Limited**  
**Wang Hung, Roger**  
*Director*

Hong Kong, 23 August 2023

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

*Principal Place of Business in Hong Kong:*  
Unit 1206, 12th Floor, Tower 2, Lippo Centre  
89 Queensway  
Hong Kong

*Notes:*

- (1) A member entitled to attend and vote at the EGM is entitled to appoint one, and if such member is the holder of two or more Shares, more than one proxy (who must be an individual) to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) A **white** form of proxy for use at the EGM (or any adjournment thereof) is enclosed with the composite scheme document containing the Scheme of Arrangement dated 23 August 2023 despatched to, among others, holders of Shares (the “**Shareholders**”).
- (3) In order to be valid, the **white** form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be lodged with Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time for holding the EGM or any adjournment thereof failing which the **white** form of proxy will not be valid. Completion and return of the **white** form of proxy will not preclude a Shareholder from attending the EGM and voting in person if he so wishes. In the event that a Shareholder attends and votes at the EGM after having lodged his **white** form of proxy, his **white** form of proxy will be deemed to have been revoked by operation of law.
- (4) In the case of joint holders of Shares, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the Register of Members of the Company in respect of the relevant joint holding of the Shares with the one of the said persons so present (whether in person or by proxy) whose name stands first on the Register of Members of the Company shall alone be entitled to vote in respect of such joint holding of Shares at the EGM.
- (5) Voting at the EGM will be taken by poll as required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and The Code on Takeovers and Mergers in Hong Kong.
- (6) The Register of Members of the Company in respect of the Shares will be closed from Tuesday, 12 September 2023 to Friday, 15 September 2023 (both days inclusive) and during such period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 11 September 2023.