CIRCULAR DATED 15 DECEMBER 2022

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.

Unless otherwise stated, capitalised terms appearing on the cover of this Circular have the same meanings as defined in the Circular.

This Circular, together with the Notice of EGM and the accompanying Proxy Form, has been made available on SGXNet. Printed copies of this Circular, the Notice of EGM and the Proxy Form will NOT be despatched to Shareholders.

If you have sold or transferred all your shares in the capital of the Company held through CDP, you need not inform the purchaser or transferee about this Circular with the Notice of EGM and the Proxy Form. If you have sold or transferred all your ordinary shares in the issued share capital of the Company represented by physical share certificate(s), you should immediately inform the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward notification to the purchaser or the transferee, that this Circular, together with the Notice of EGM and the accompanying Proxy Form, may be accessed on SGXNet.

This Circular has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained herein. The contact person for the Sponsor is Ms. Lee Khai Yinn (Tel: +65 6232 3210) at 1 Robinson Road #21-00 AIA Tower, Singapore 048542.

HEALTHBANK HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201334844E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

(1) THE PROPOSED DIVERSIFICATION OF THE GROUP'S EXISTING BUSINESS TO INCLUDE THE NEW BUSINESSES;

(2) THE PROPOSED ACQUISITION OF THE TARGET GROUP; AND

(3) THE PROPOSED DISPOSAL OF THE LHL SHARES AND ASSIGNMENT OF THE HF LOANS, IN PARTIAL SATISFACTION OF THE CONSIDERATION FOR THE ABOVEMENTIONED PROPOSED ACQUISITION.

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	28 December 2022 at 10:30 a.m.
Last date and time to pre-register online to attend the EGM	:	28 December 2022 at 10:30 a.m.
Date and time of EGM	:	30 December 2022 at 10:30 a.m.
Place of EGM	:	The EGM will be convened and held by way of electronic means. Please refer to Section 10 of this Circular for further details.

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CORPORATE INFORMATION

Board of Directors	:	Ng Fook Ai Victor (*Independent Non-Executive Chairman*) George Peng Fei (*Executive Director and Chief Executive Officer*) Leo Peng Weile (*Executive Director*) Lo Fui Chu (*Independent Non-Executive Director*)
Registered Office	:	15 Scotts 15 Scotts Road, #04-08 Singapore 228218
Share Registrar	:	**In.Corp Corporate Services Pte. Ltd.** 30 Cecil Street #19-08 Prudential Tower Singapore 049712
Sponsor	:	**SAC Capital Private Limited** 1 Robinson Road #21-00 AIA Tower Singapore 048542
Independent Auditors	:	**Nexia TS Public Accounting Corporation** 80 Robinson Road #25-00 Singapore 068898
Legal Advisor to the Company on Singapore Law in relation to the Proposed Resolutions	:	**Harry Elias Partnership LLP** 4 Shenton Way #17-01 SGX Centre 2 Singapore 068807

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires, or unless otherwise stated:

"**1H2022**"	:	The 6-month financial period ended 30 June 2022
"**AG Independent Valuation Report**"	:	The independent valuation report dated 8 October 2022 prepared and issued by the AG Independent Valuer in respect of the Atlantis Garden Project, the executive summary of which is set out in Appendix 2 to this Circular
"**AG Independent Valuer**"	:	Hainan Licheng Land-Real Estate Appraisal Co., Ltd (海南立诚土地房地产评估有限公司)
"**Aggregated Transactions**"	:	Has the meaning accorded to it in Section 2.3(g) of this Circular
"**Agreement**"	:	The Equity Transfer Agreement dated 4 November 2022 entered into between the Company and the Vendor
"**associate**"	:	(A) In relation to any individual, including any Director, chief executive officer, substantial shareholder or controlling shareholder means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (B) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more, Or such other definition as the Catalist Rules may from time to time prescribe
"**Board**" or "**Board of Directors**"	:	The board of Directors of the Company for the time being
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	The Listing Manual of the SGX-ST Section B: Rules of Catalist, as may be amended, supplemented or modified from time to

		time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 15 December 2022
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
"**Company**"	:	HealthBank Holdings Limited
"**Completion**"	:	Completion of the Proposed Acquisition
"**Consideration**"	:	Has the meaning accorded to it in Section 3.4(a) of this Circular
"**Consideration Shares**"	:	Has the meaning accorded to it in Section 3.4(b) of this Circular
"**control**"	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
"**controlling shareholder**"	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. Notwithstanding, the SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
"**Director**"	:	A director of the Company for the time being
"**EGM**"	:	The extraordinary general meeting of the Company to be convened and held, notice of which is set out in the Notice of EGM
"**Energy Technologies Business**"	:	Has the meaning accorded to it in Section 2.2(b) of this Circular
"**Equity Interest**"	:	100% of the shares in the capital of the Target
"**Existing Business**"	:	Has the meaning accorded to it in Section 2.1 of this Circular
"**First Major Transaction**"	:	Has the meaning accorded to it in Section 2.3(g) of this Circular
"**FY**"	:	The financial year ended or ending 31 December, as the case may be
"**General Mandate**"	:	Has the meaning accorded to it in Section 3.4(c) of this Circular

"**Group**"	:	The Company and its subsidiaries
"**Hainan Fufa**"	:	Hainan Fufa Plantations Co., Ltd. (海南福发种植有限公司)
"**Hainan Fuda**"	:	Hainan Fuda Construction Materials Co., Ltd. (海南福达建材有限公司)
"**Hainan Zhongyuan**"	:	Hainan Zhongyuan Cultural Tourism Co., Ltd. (海南中渊文旅有限公司)
"**Hainan Zhongzhi**"	:	Hainan Zhongzhi Cultural Tourism Limited (海南众志文化旅游有限公司)
"**HBTD**"	:	Healthbank Technology Development (Liaoning) Limited (康银科技发展（辽宁）有限公司)
"**HF Loans**"	:	Has the meaning accorded to it in Section 3.4(b) of this Circular
"**Independent Valuation Report**"	:	The independent valuation report dated 25 November 2022 prepared and issued by the Independent Valuer in respect of the Project, as set out in Appendix 1 to this Circular
"**Independent Valuer**"	:	CBRE Limited
"**Latest Practicable Date**"	:	5 December 2022, being the latest practicable date prior to the issue of this Circular
"**LHL**"	:	Libre Hospitality Limited
"**LHL Shares**"	:	Has the meaning accorded to it in Section 3.4(b) of this Circular
"**LPS**"	:	Loss per Share
"**Major Transaction**"	:	Has the meaning accorded to it in Section 2.3(g) of this Circular
"**Member**"	:	A member of the Company
"**NAV**"	:	Net asset value
"**New Businesses**"	:	Each of the Renewable Energy Business and Energy Technologies Business
"**Notice of EGM**"	:	The notice of EGM as set out on pages N-1 to N-5 of this Circular

"**NTA**"	:	Net tangible assets
"**PRC**" or "**China**"	:	The People's Republic of China
"**Project**"	:	Has the meaning accorded to it in Section 3.3(a) of this Circular
"**Proposed Acquisition**"	:	Has the meaning accorded to it in Section 1.1 of this Circular
"**Proposed Diversification**"	:	Has the meaning accorded to it in Section 1.1 of this Circular
"**Proposed Payment**"	:	Has the meaning accorded to it in Section 1.1 of this Circular
"**Proposed Resolutions**"	:	Has the meaning accorded to it in Section 1.1 of this Circular
"**Proxy Form**"	:	The proxy form accompanying the Notice of EGM as set out in this Circular
"**Register of Members**"	:	Register of Members of the Company
"**Renewable Energy Business**"	:	Has the meaning accorded to it in Section 2.2(a) of this Circular
"**Restructuring**"	:	The internal restructuring of the Target Group to be carried out by the Vendor
"**RMB**"	:	Renminbi, the lawful currency of the PRC
"**Ruipeng**"	:	Yangzhou Ruipeng New Energy Co., Ltd. (扬州市瑞彭新能源发展有限公司)
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP but not including a securities account maintained with a Depository Agent
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
"**Shares**"	:	Ordinary shares in the capital of the Company
"**substantial shareholder**"	:	A person (including a corporation) who has an interest or

		interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
"**Suyi Xinhua**"	:	Yangzhou Suyi Xinhua New Energy Co., Ltd. (扬州市苏溢新华新能源发展有限公司)
"**S$**"	:	Singapore dollars, the lawful currency of the Republic of Singapore
"**Target**"	:	New Energy International Investment Holdings Limited
"**Target Group**"	:	Each of the Target, Suyi Xinhua and Ruipeng
"**Vendor**"	:	New Energy Industry Sweden AB
"**VWAP**"	:	Volume weighted average price per Share
"**%**"	:	Per centum or percentage

The expressions "**our**", "**ourselves**", "**us**", "**we**" or other grammatical variations thereof shall, unless otherwise stated, means the Group.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The expressions "**related corporations**", "**subsidiary**" and "**treasury share**" shall have the meanings ascribed to them respectively in Sections 6, 5 and 76H of the Companies Act.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined in the Companies Act, the SFA, the Catalist Rules or any statutory modifications thereof and not otherwise defined in this Circular, where applicable, shall have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory modifications thereof, as the case may be, unless otherwise stated.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

References to a time of day and to dates in this Circular are references to Singapore time and dates, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

For the purposes of this Circular, unless otherwise stated, the conversion of RMB to S$ is based on an exchange rate of S$1.00 to RMB5.11 as at 4 November 2022, being the date on which the Agreement was signed. This exchange rate should not be construed as a representation that the RMB amounts could have been, or could be, converted to S$ at the rate stated, or at all, and *vice versa*.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward looking statements. Forward-looking statements include but are not limited to those using words such as "**seek**", "**expect**", "**anticipate**", "**estimate**", "**believe**", "**intend**", "**project**", "**plan**", "**strategy**", "**forecast**" and similar expressions or future or conditional verbs such as "**will**", "**if**", "**would**", "**should**", "**could**", "**may**" and "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions, prospects, plans or strategies regarding the future and assumptions in light of currently available information.

Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

HealthBank Holdings Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 201334844E)

BOARD OF DIRECTORS

Ng Fook Ai Victor *(Independent Non-Executive Chairman)*
George Peng Fei (*Executive Director and Chief Executive Officer*)
Leo Peng Weile *(Executive Director)*
Lo Fui Chu *(Independent Non-Executive Director)*

REGISTERED OFFICE

15 Scotts,
15 Scotts Road, #04-08
Singapore 228218

Date: 15 December 2022

To: The Shareholders of the Company

Dear Sir/Madam,

(1) THE PROPOSED DIVERSIFICATION OF THE GROUP'S EXISTING BUSINESS TO INCLUDE THE NEW BUSINESSES;

(2) THE PROPOSED ACQUISITION OF THE TARGET GROUP; AND

(3) THE PROPOSED DISPOSAL OF THE LHL SHARES AND ASSIGNMENT OF THE HF LOANS, IN PARTIAL SATISFACTION OF THE CONSIDERATION FOR THE ABOVEMENTIONED PROPOSED ACQUISITION

1. INTRODUCTION

1.1. EGM

The Directors are convening an EGM to be held on 30 December 2022 at 10:30 a.m. by electronic means to seek approval from Shareholders in relation to:

(a) (Ordinary Resolution 1) the proposed diversification of the Group's Existing Business to include the New Businesses (the "**Proposed Diversification**");

(b) (Ordinary Resolution 2) the proposed acquisition of the Target Group (the "**Proposed Acquisition**"); and

(c) (Ordinary Resolution 3) the proposed disposal of the LHL Shares and assignment of the HF Loans, in partial satisfaction of the Consideration for the Proposed Acquisition (the "**Proposed Payment**")

(collectively, the "**Proposed Resolutions**").

Shareholders should note that Ordinary Resolution 2 and Ordinary Resolution 3 are inter-conditional upon each other as they are integral parts of the same transaction. This means that if Ordinary Resolution 2 is not passed, Ordinary Resolution 3 will be deemed to be not passed, and *vice versa*.

Further, each of Ordinary Resolution 2 and Ordinary Resolution 3 is conditional upon the passing of Ordinary Resolution 1. In the event that Ordinary Resolution 1 is not passed, Ordinary Resolutions 2 and 3 will be deemed to be not passed.

1.2. **Circular**

The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Resolutions, including the rationale for and benefits thereof to the Group, and to seek Shareholders' approval at the EGM for the Proposed Resolutions, notice of which is set out on pages N-1 to N-5 of this Circular.

In particular, Shareholders are advised to read the section entitled "Risk Factors" as set out in Section 2.7 of this Circular carefully, in relation to the risks involved pursuant to the Proposed Diversification.

This Circular has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is electronically disseminated) or for any other purpose.

The SGX-ST assumes no responsibility for the accuracy and correctness of any statements made, opinions expressed or reports contained in this Circular.

1.3. **Legal Adviser**

Harry Elias Partnership LLP is the legal adviser to the Company on Singapore law in relation to the Proposed Resolutions.

2. THE PROPOSED DIVERSIFICATION

2.1. **Existing Business of the Group**

The Group is headquartered in Singapore, with its principal business activity as at the Latest Practicable Date being in the property-related investment, development and management business, targeting China, Singapore and the region (the "**Existing Business**").

The Existing Business is partially conducted through LHL, an investment holding company limited by shares incorporated in the Hong Kong Special Administrative Region of the PRC, which is a wholly-owned subsidiary in the Group, and partially conducted through Hainan Zhongyuan, a company limited by shares incorporated in Haikou City, Hainan Province of the PRC, which is a 51.0%-owned subsidiary in the Group.

LHL, through its wholly-owned subsidiary, Hainan Zhongzhi, an investment holding company incorporated in the PRC, holds 8.0% interests respectively in Hainan Fuda and Hainan Fufa, each incorporated in the Hainan Province of the PRC, who jointly develop the Atlantis Garden Project (亚特兰蒂斯花园项目), a residential service apartment development project located in the west side of Qiongshan Avenue, Jiangdong District, Haikou City, Hainan Province, PRC, which was slated by the Chinese Government for development into an international tourism destination and the largest free trade zone in the PRC. The remaining 92.0% interests in each of Hainan Fuda and Hainan Fufa are held by third parties who are not related to the Group, the Directors, controlling shareholders and substantial shareholders of the Company, and their respective associates.

The Atlantis Garden Project is facing the Hainan Provincial Government building from the Nandu River and has a gross planned construction area of approximately 69,760 square metres. It consists of 280 units of residential apartments across 4 blocks of 15-storey residential buildings, 1 block of 3-storey commercial building with gross retail floor area of 2,852 square meters and one level of underground car parks in all abovementioned 5 buildings housing 478 car park bays.

Hainan Zhongyuan was awarded a facilities and landscaping management contract for the Atlantis Garden Project in March 2021 and the contract was further extended via a supplemental agreement in December 2021. Please refer to the Company's announcements dated 13 March 2021 and 1 March 2022 for further information.

However, the Atlantis Garden Project has been affected by the COVID-19 pandemic and the measures taken by the Chinese Government to combat the spread of the virus, as well as the implementation of regulations and policies in relation to the Chinese real estate sector. As at 30 September 2022, the construction of the buildings of the Atlantis Garden Project has been completed. However, the renovation work for the façade of the commercial building is still ongoing and the facilities have not been installed. As disclosed in the Company's announcements dated 13 August 2021 and 31 December 2021, the Atlantis Garden Project was expected to be completed by June 2022, but due to the aforementioned factors, it is currently expected to be completed by the third quarter of 2023 instead.

As a result, the Group has been slow to realise profits from its Existing Business. As such, the Group is looking into the New Businesses as a timely means to increase the Group's business opportunities with the aim of contributing positively to the financial position and the short- and long-term prospects of the Group.

2.2. **Information on the New Businesses**

Subject to the approval of the Shareholders to be obtained at the EGM, the Group intends to diversify its Existing Business to include the following New Businesses:

(a) renewable energy business, including but not limited to clean energy power projects and on-grid and off-grid renewable energy business segments (the "**Renewable Energy Business**"); and

(b) technologies in the renewable energy business, including but not limited to new materials, improved materials and new designs for building solar and wind power farms and improving efficiency (the "**Energy Technologies Business**").

The Group does not plan to restrict the New Businesses to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Businesses as and when the opportunity arises. The Group may also invest into or acquire existing companies carrying on any aspects of the New Businesses, one such acquisition being the Proposed Acquisition.

The decision on whether the New Businesses should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the cash flow requirements of the Group, the nature and scale of each project, amount of investment required and risks associated with such an investment, growth potential, projected returns, nature of expertise, the period of time that is required to complete the project and conditions in the renewable energy market, and economic conditions, taking into account the opportunities available. In respect of the Proposed Acquisition, as announced by the Company on 27 October 2022 and 4 November 2022, the Board had duly engaged professional firms to perform legal due diligence, financial due diligence and market valuation of the Target Group.

The Proposed Diversification into the New Businesses is part of the Group's business diversification strategy in light of the challenges posed to the Existing Business as mentioned in Section 2.1 above. The Group intends to engage in the New Businesses on a prudent basis with discretion.

As it is envisaged that the Proposed Diversification may change the Group's risk profile, the Directors propose to convene an EGM to seek Shareholders' approval for the Proposed Diversification. Subject to Shareholders' approval for the Proposed Diversification at the EGM, should the Company pursue any business opportunities under the New Businesses (such as the Proposed Acquisition), such business activities shall constitute part of the ordinary course of business of the Company where it does not change the risk profile of the Company, and where required, the Company will make the requisite announcements to update Shareholders in accordance with the requirements of the Catalist Rules.

2.3. **Rationale for the Proposed Diversification**

The Group has actively sought out opportunities to improve Shareholders' long-term returns. As part of the Group's strategy to broaden its stream of revenue and income, the Group intends to dedicate its resources to pursue the New Businesses.

The Board is supportive of the expansion of the Existing Business with the Proposed Diversification into the New Businesses for the following principal reasons:

(a) Additional and recurring revenue stream

Given the challenges faced by the Existing Business, the Group believes that it should explore other areas of growth for additional revenue streams and more sustained financial performance for the Group. The Group believes that the New Businesses represents such an opportunity with the potential to reduce its dependency on its Existing Business and provide the Group with new and recurring revenue streams that may include, among others, recurring supply and distributorship income, capital gains, and management or other fee income. In contrast to the Existing Business where the Group has been slow to realise profits due to COVID-19 and the resultant government policies implemented, the Board has observed the New Businesses to potentially be in faster-growing industries with better short- and long-term prospects. As such, the Board considers it commercially prudent and appropriate for the Group to diversify into the New Businesses, with a view to sustain and enhance the Group's returns in the short and long run.

(b) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. The Board believes that the Proposed Diversification can offer new business opportunities to provide additional sources of income to improve the Group's prospects and enhance Shareholders' value in the Company. The Group will venture into the New Businesses prudently, with a focus on achieving long-term growth and maximising Shareholders' value in the long run.

(c) Expand the Group's network

Through the Group's engagement in the New Businesses, the Proposed Diversification will allow the Group to expand its network of contacts, creating exposure to fresh business opportunities and partners in both local and overseas markets. As the Group's Existing Business already exposes it to contacts in the PRC, the Board believes that this may help to facilitate introductions to opportunities associated with the New Businesses, thereby enhancing the Group's ability to develop the New Businesses. The Proposed Diversification may therefore place the Group in a better position to leverage and capitalise on its networks in both local and overseas markets.

(d) *In line with the push towards Environment, Social and Governance ("ESG") practices*

With the effects of climate change becoming increasingly pronounced, ESG topics, in particular climate or environment-related topics, have become a priority for leading securities regulators and stock exchanges, including the SGX-ST's own introduction of climate reporting in recent years[1]. The United Nations Sustainable Development Goals ("**UNSDGs**") were adopted by all UN Member States in 2015[2], where one of the agenda for sustainable development is the net-zero commitments, targeting to reduce global carbon emissions by 45% by 2030 and reach net zero by 2050[3]. Singapore also announced a stronger commitment as part of the nation's efforts to combat climate change and contribute to the 2030 target set by the UN[4]. The Board has also heeded this call and is committed to contributing towards the global efforts to combat climate change. The Board recognises that renewable energy, being one of the key themes of ESG, is an area in which it can play a part in the push towards good ESG practices while introducing opportunities for sustainable business and hence, maximising Shareholders' value. Therefore, the Board considers it important to include sustainability as part of its business plans for the future, and the Proposed Diversification into the New Businesses is one such opportunity that has the potential to address ESG concerns while generating returns for the Group and its stakeholders.

(e) *Potential of the Renewable Energy Business*

The Board has identified the Renewable Energy Business as a sector with potential to provide the Group with sustainable and long-term prospects of growth for the Group. With the gradual recovery of the global economy and demand for commodities following the easing of COVID-19 prevention measures globally, there is potential for demand for energy resources to increase in tandem.

The Board is of the opinion that the renewable energy industry is in line with the direction of development efforts in the broader energy industry and could be a growing and highly profitable industry given that it is supported by a global trend towards sustainability[5], as well as regulatory incentives in major economic territories such as China, the United States and the European Union. For instance, in PRC where the Group intends to conduct its first foray into the Renewable Energy Business by way of the Proposed Acquisition, the Chinese Finance Ministry intends to continue its support for wind and solar projects[6], with the current 2022 renewable power subsidy being set at RMB 3.87 billion (of which RMB 1.55 billion is allocated to wind farms, RMB 2.28 billion to solar power stations and RMB 38.24 million to biomass power generators)[7]. Provincial support initiatives are also

[1] Chong, J., Tang, Y., & Gao, I. (2022). *Development of ESG in Capital Markets: Global Trends to Watch*. IFLR. Available at: https://www.iflr.com/article/2apuokth6p513om2qe1a8/sponsored/development-of-esg-in-capital-markets-global-trends-to-watch (Accessed: November 14, 2022)

[2] United Nations (2022). *The Sustainable Development Agenda - United Nations Sustainable Development*. United Nations. Available at: https://www.un.org/sustainabledevelopment/development-agenda/ (Accessed: December 7, 2022)

[3] United Nations (2022). *For a livable climate: Net-zero commitments must be backed by credible action*. United Nations. Available at: https://www.un.org/en/climatechange/net-zero-coalition (Accessed: December 7, 2022)

[4] David Fogarty (2022) *Singapore boosts UN climate targets, confirms net zero by* 2050. The Straits Times. Available at: https://www.straitstimes.com/singapore/singapore-boosts-un-climate-targets-confirms-net-zero-by-2050 (Accessed: December 7, 2022)

[5] Bloomberg (2022). *Mark Carney sees 'wall of opportunity' for energy investors*. The Edge Singapore. Available at: https://www.theedgesingapore.com/news/environmental-social-and-governance/mark-carney-sees-wall-opportunity-energy-investors (Accessed: November 11, 2022)

[6] Liu, J., Ding, L. and Liu, Y. (2022) *China sets $63 billion to pay subsidies owed to renewables energy companies*, Bloomberg.com. Bloomberg. Available at: https://www.bloomberg.com/news/articles/2022-03-14/china-sets-63-billion-to-pay-subsidies-owed-to-renewables-firms (Accessed: October 31, 2022).

[7] Xu, M. and Singh, S. (2021) *China sets 2022 Renewable Power Subsidy at $607 mln*, Reuters. Thomson Reuters. Available at: https://www.reuters.com/business/energy/china-sets-2022-renewable-power-subsidy-607-mln-2021-11-16/ (Accessed: October 31, 2022).

actively encouraged by the Chinese National Development and Reform Commission[8].

Diversification into the Renewable Energy Business market at this juncture is therefore a timely opportunity for the Group to capitalise on the developing global decarbonisation trend. With its access to the PRC market by way of its Existing Business, the Board believes that the Group is well-positioned to access potential quality opportunity and investments in the Renewable Energy Business, which will allow it to augment its revenue streams.

(f) Potential of the Energy Technologies Business

Related to the Renewable Energy Business is the Energy Technologies Business, which the Board has also identified as having an equally competitive potential to thrive and as it is in line with the direction of development efforts in the broader energy industry. There is a shift in demand for renewable energy to substitute traditional energy sources which had seen a record high price since 2008 owing to, amongst others, bad weather, low investment, disrupted supply chains and most recently, Russia's invasion of Ukraine. Given that Russia is the world's largest exporter of fossil fuels, sanctions imposed on Russia and Russia's own withholding of supplies significantly reduced supplies and drove up prices, and in response, several countries are reappraising their energy policies and priorities[9]. Producing clean power may become increasingly attractive as a result of government or regulatory incentives, improved technology and reduced installation costs, and with that comes a potential increase in the demand for materials used in the construction, maintenance, improvement and general support for the energy production sector. The Board is hence of the view that the Energy Technologies Business and the Renewable Energy Business are each individually promising industries for the Group to enter into, and, in addition, play a complementary and supportive role *vis-à-vis* each other. As such, the Board considers it commercially prudent and appropriate for the Group to include the Energy Technologies Business as part of its core businesses, with a view to a sustained performance in the long run.

(g) Provide flexibility to enter into transactions relating to the New Businesses

Pursuant to Chapter 10 of the Catalist Rules, a major transaction (in relation to acquisitions) is a transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% (a "**Major Transaction**"). Generally, a Major Transaction must be made conditional upon approval by Shareholders in general meeting. However, pursuant to Practice Note 10A of the Catalist Rules, no approval would be required where the transaction is part of the issuer's existing principal business and does not change the issuer's risk profile.

Upon the approval by Shareholders of the Proposed Diversification, transactions relating to the New Businesses would be conducted as part of the Group's then-existing principal business, allowing the Group to enter into such transactions as its ordinary course of business without the need to seek Shareholders' prior approval even if it constitutes a Major Transaction, unless it changes the risk profile of the Group. As such, the Company need not convene separate general meetings from time to time to seek Shareholders' approval each and every time potential transactions which are Major Transactions relating to the New Businesses arise, thereby substantially reducing the administrative time and expenses in convening such meetings. Accordingly, the Proposed Diversification would allow the Group to capitalise on opportunities in the New Businesses in pursuit of its strategic corporate objectives and enable the Group to be suitably mandated to seize and respond in an efficient and timely manner to such opportunities as and when they arise.

[8] Wantenaar, A. (2022) *China's green subsidies shift to provinces and specific initiatives*, Rethink Research. Available at: https://rethinkresearch.biz/articles/chinas-green-subsidies-shift-to-provinces-and-specific-initiatives/ (Accessed: October 31, 2022).

[9] International Energy Agency (2022). *Global Energy Crisis*. IEA. Available at: https://www.iea.org/topics/global-energy-crisis (Accessed: December 7, 2022)

Nevertheless, in accordance with the SGX-ST's recommended practice in relation to an issuer's diversification of business, if the issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first Major Transaction involving the new business (the "**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated (the "**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval.

In any case, Shareholders' approval is presently being sought at the EGM, notice of which is set out on page N-1 to N-5 of this Circular, in respect of the First Major Transaction, being the Proposed Acquisition (of which the Proposed Payment is an integral part).

For the avoidance of doubt, notwithstanding the Proposed Diversification into the New Businesses:

(a) in respect of acquisitions completed within the last 12 months, notwithstanding that they may have been separate transactions, the Sponsor may, pursuant to Rule 1005 of the Catalist Rules, aggregate them and treat them as if they were one transaction, with the SGX-ST retaining the discretion to determine whether the aggregation was correctly applied, and/or to direct the Sponsor to aggregate other transactions;

(b) in respect of acquisitions where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or more or results in a change in control of the Company, Rule 1015 of the Catalist Rules will still apply and such transactions must be, among others, made conditional upon approval by Shareholders in general meeting;

(c) in respect of acquisitions which constitute an "interested person transaction" under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply and the Company must comply with the provisions therein;

(d) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable; and

(e) Paragraph 2 of Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such transactions must therefore be, among others, made conditional upon approval by Shareholders at a general meeting.

2.4. Management of the New Businesses

Notwithstanding that the New Businesses are different from the Existing Business, the Board recognises that the relevant experience and expertise required can be acquired and developed internally or externally, by way of joint ventures or partnerships, by the Group over time. As such, the Group will carefully monitor developments and progress in the New Businesses and identify suitable candidates from both within the Group as well as externally as and when necessary to ensure the management team is competent for the New Businesses. The Group will also continually evaluate the manpower and expertise required for the New Businesses and will engage suitably qualified external professionals, consultants, and industry experts for the New Businesses as and when required.

The strategic development of the Group into the New Businesses will be spearheaded by the Group's Executive Directors, Mr. George Peng Fei and Mr. Leo Peng Weile, and a management team whom the Company will appoint. In the initial stages of its foray into the New Businesses, the Group intends to leverage on the existing resources and expertise of the Target Group, including hiring additional personnel with the relevant experience and knowledge if required, to assist in undertaking the New Businesses more effectively and efficiently. If appropriate, the Group may also partner with or engage third parties, which may be ad hoc, long-term or short-term, as the Board deems fit. Where appropriate, the Group will make the necessary announcements as and when required.

For further information on the background and experience of each of Mr. George Peng Fei and Mr. Leo Peng Weile, please refer to pages 6 to 7 of the Company's annual report for FY2021, made available on SGXNet on 13 April 2022.

In selecting its partners and business opportunities, the Group will take into account the specific expertise and competencies required for the relevant project or transaction and the experience, historical track record and financial standing of the partners or projects concerned. In addition, before undertaking any major project in the New Businesses, and where relevant, the management of the Company may prepare a feasibility study containing financial forecasts, risk analysis, market study, background of any main contractors or potential partners, growth potential, funding needs, projected returns of the project concerned and its assessment of the suitability of the Group's investment in such project based on the proposed nature and extent of the investment. Thereafter, the management will present the proposal to the Board. The Board will discuss, deliberate, understand and decide on the nature and extent of the Group's investment in such project before any decisions are finalised. In respect of the Proposed Acquisition, the management and the Board had followed this procedure accordingly. The Board will also continue to monitor the New Businesses on an ongoing basis, including by reviewing and assessing the merits of the investments periodically.

2.5. **Licences**

As and where necessary and if required, or where any business activities or any other matters carried out under the New Businesses requires any particular licences, permits and/or approval, the Group will apply for such licence, permit and/or approval. Where it is not possible or practicable for the Group to obtain such licence, permit and/or approval, the Group endeavours to seek strategic partnerships or collaborations with entities which are in possession of such required license, permit and/or approval.

2.6. **Funding for the New Businesses**

The Group intends to fund the diversification into New Businesses primarily through internal sources of funds, and, if deemed fit, applying for government grants and subsidies, conducting future fundraising exercises and/or borrowing from financial institutions. As and when necessary and deemed appropriate, the Group may also explore secondary fundraising exercises by tapping the capital markets, including but not limited to rights issues, share placements and/or issuance of debt instruments.

The Board will determine the optimal mix of internal funding and external borrowings, taking into account the Group's cash flow and prevailing bank financing costs, amongst other factors. The Group will remain prudent in deciding the types of projects and related investments it undertakes, and the amounts thereof.

2.7. **Risk Factors**

The Group could be affected by a number of risks that may relate to the New Businesses. Risks may arise from, among others, economic, business, market and political factors. **The risks described below are not intended to be exhaustive and are not presented in any particular order of importance.** New risk factors may emerge from time to time and it is not possible for the management to predict all risk factors, nor can the Group assess the impact of all factors on the New Businesses or the extent to which any factor or combination of factors may affect the Proposed Diversification.

Shareholders should carefully consider and evaluate the following risk factors and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from their accountants, stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

Risks applicable to the New Businesses

(a) The Group has no prior track record and operating experience in executing and growing the New Businesses

With the Group's current principal business activity being in the property-related investment, development and management business, it does not have a proven track record in carrying out or implementing the New Businesses. Further, the current management of the Group may not have the relevant experience and expertise required to manage the New Businesses. Therefore, there is no assurance that the Group's venture into the New Businesses will be commercially successful or that the Group will be able to derive sufficient revenue to offset the venturing, financing and operating costs arising from the New Businesses.

The New Businesses also involves business risks including but not limited to a different competitive landscape and a different operating environment from that of the Existing Business. The Group's future plans with regard to the New Businesses may not be profitable, may not achieve the profitability that justify the investments and/or acquisition costs made and it may take a long period of time before the Group could realise any return. If the Group is unable to derive sufficient revenue from and/or manage its expenditures towards the New Businesses effectively, the overall financial position and profitability of the Group may be adversely affected.

(b) There is no guarantee of the commercial success of the Group's future strategies

The Group's commercial success in pursuing new opportunities will depend on, among others, its continued ability to identify and procure suitable projects and contracts on terms satisfactory to the Group, and/or identify or develop processes which improve the Group's operations or reduce costs. Any unforeseen delays in the development and completion of these projects may adversely impact the Group's profitability. Further, embarking on each project generally involves numerous risks, including but not limited to the non-recovery of financial costs invested and working capital requirements. There is thus no guarantee that the Group will always be successful in identifying suitable projects or completing such projects profitably.

Failing to successfully implement its business strategy may therefore result in a material adverse effect on the business, prospects, financial condition and results of the Group. Projects which turn out to be unexpectedly problematic may not only be financially costly, but also divert the attention of management and the Group's resources, as well as expose the Group to unforeseen liabilities or risks. If the Group for any reason does not execute its business strategies successfully, it may be unable to recover its investments and the Group's business, prospects, financial condition and results may be adversely affected.

The Group therefore has no guarantee of achieving revenue growth and cost benefits. If it fails to attain an adequate level of revenue or if it incurs unexpected debt, contingent liabilities or other unanticipated losses or circumstances, the Group's future performance and financial position may be materially and adversely affected.

(c) The Group may face intense competition and high barriers to entry from established competitors

The New Businesses involve growing industries that are highly competitive, with strong competition from established industry participants. Other than the high barriers to entry as the New Businesses require high capital commitments, the Group may face cost disadvantages independent of scale as compared to competitors with larger financial resources and may not be able to provide comparable services at lower prices or respond more quickly to future market trends than existing and/or potential competitors.

There is no assurance that the Group will be able to compete effectively with the existing and/or potential competitors and adapt to the changing market conditions and trends. If the Group is not able to be competitive, the Group's business operations, financial position and performance will be adversely affected.

(d) The Group is reliant on key personnel

The Group's success is dependent on the continued services of its Executive Directors Mr. George Peng Fei and Mr. Leo Peng Weile. They are responsible for formulating and implementing the Group's business growth, corporate development and overall business strategies and is instrumental in the Group's growth and expansion. The loss of such key personnel without timely and suitable replacements or the Group's inability to attract and retain qualified and experienced personnel could have an unfavourable impact on the Group's business.

(e) The Group is reliant on attracting and retaining dedicated and qualified personnel

The Group's success is also dependent on its ability to attract, retain, train and motivate dedicated and qualified personnel, in particular for staffing its management team, in order to form a strong team with the requisite expertise to oversee and execute the operations of the New Businesses. The loss of any of these personnel without timely and suitable replacements or the Group's inability to attract dedicated and qualified personnel may also have an unfavourable impact on the Group's business. The competition for such personnel may also be intense, and there is no assurance that the Group will be able to retain such personnel.

(f) The Group may be exposed to risks associated with acquisitions, joint ventures or strategic alliances

Depending on the available opportunities, market conditions and feasibility, the Group may as a matter of business strategy, acquire or invest in other entities, or enter into a joint venture or strategic alliance with third parties in connection with the New Businesses, such as the Proposed Acquisition. These may involve numerous risks, including but not limited to the possible diversion of attention of the management from existing business operations, and loss of capital or other investments deployed in such acquisition, joint ventures or strategic alliances.

The Group may also face several risks in regard to its business partners, such as them (i) being unwilling or unable to fulfil their obligations under the relevant joint venture agreements; (ii) experiencing financial or other difficulties which result in their reduced ability to fulfil their contractual obligations; and (iii) failing to perform because they do not possess the adequate experience or expertise expected of them. Further, any changes in relevant laws and regulations, such as restrictions on foreign ownership or investment, may also cause the Group to lose its ability to control or influence management and strategic decisions of these entities, or cause a decline in the value of the Group's investments in these entities. There is therefore no assurance that such joint ventures, partnerships, strategic alliances or acquisitions will be successful.

If the Group is unable to successfully mitigate the risks associated with entering into joint ventures, partnerships, strategic alliances or making acquisitions, or runs into unexpected complications, difficulties or delays in connection with the expansion of its operations or integration of acquired businesses, or fails to ultimately achieve the expected acquisition synergies, the Group's operation, performance and business may be materially and adversely affected. There is no assurance that these risks will not materialise in the future, and if so, they may have an adverse effect on the Group's business, prospects, financial condition and results.

(g) The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments

The Group may, if the Board deems fit, hold investments through or makes investments in entities that are not the Group's subsidiary, and over which the Group does not have majority control. There is no guarantee that the Group will be able to influence the management, operation, and performance of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

(h) The Group may not be able to provide the capital investments required to undertake the New Businesses

The New Businesses requires substantial capital investments or cash outlay. For instance, both the Renewable Energy Business and Energy Technologies Business may require significant capital investments in the establishment of manufacturing plants and procurement of other facilities and equipment even before business can be conducted. There can be no assurance that financing, whether on a short- or long-term basis, will be available or, even if available, that they will be on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

Additional debt funding is subject to interest fluctuations and interest payments as well as conditions that restrict or require consent for corporate restructuring, additional finance or fund raising and requirements on the maintenance of certain financial ratios. This may restrict the Group's cash flow available for working capital, capital expenditure or other purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse industry and/or economic conditions.

Additional equity financing may result in a dilution of Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders, Further, an issue of Shares below the then prevailing market price will also affect the value of Shares held by investors. Dilution of Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

(i) The Group is subject to risks of late payment or non-payment by clients

The profitability of projects or investment opportunities undertaken by the Group may face uncertainties over the timeliness of end-clients' payments and their solvency or creditworthiness in respect their purchases or engagements with the goods and services or undertakings offered by the project. While the Group will conduct its due diligence insofar as it is able prior to any transactions, there is no assurance that the projects will be able to collect returns on a timely basis, or at all.

In the event that there is significant delay in collecting payments or defaults from clients owing to events or circumstances that are difficult to anticipate or detect, the Group may face stress on its cash flow. This will result in a material increase in bad and doubtful debts, which may have an adverse impact on the Group's financial performance.

(j) The Group may face potential liability and claims arising from its New Businesses

The time required to complete a project in the New Businesses' industries generally depends on a multitude of factors, including prevailing market conditions, size of the project and the availability of resources. Delays may arise due to factors such as shortage of labour, machinery and equipment breakdown, power failure, accidents, cessation of business of the project's operators and unexpected delay in obtaining the required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or potentially lead to claims for liquidated damages from counterparties.

Further, the Group or the persons in charge of the project may be involved from time to time in disputes with various parties such as contractors, consultants, clients and other relevant parties for various reasons, including differences in interpretation of acceptable quality standards of workmanship and adherence to contract specifications. These disputes may lead to legal and other proceedings for which compensation or damages may become payable, leading to an increase of costs on the project. If the Group is unable to mitigate such risks, the Group's business and financial position will be adversely affected.

(k) The Group may be affected by disruptions of production facilities and the spread of infectious diseases

Disruptions in project operations and delays may occur in the event of machine breakdowns, disruptions in the power supply at the project's production facilities, if the project is required to shut down or suspend activities any of its work sites due to any employee being infected or suspected of being infected with any infectious diseases, or if the project is required to comply with other measures to prevent the spread of infectious diseases (such as the COVID-19 virus). This would result in longer lead time for production and delay delivery to customers and completion of projects. In addition, the project's suppliers, clients and other counterparties may also be similarly affected, which may in turn affect the project's operations. If this were to occur, the Group's profitability and financial performance will be adversely affected.

(l) The Group is subjected to risks associated with operations of businesses outside of Singapore

The Group does not plan to restrict the New Businesses to any specific geographical market. Risks inherent in operating businesses outside of Singapore include but are not limited to (i) difficulties in managing and staffing foreign operations; (ii) social and political instability; (iii) unexpected changes in local laws and regulatory requirements; (iv) fluctuation of exchange rates; and (v) controls on the repatriation of capital or profits. There are also risks arising from the increasing prevalence of protectionist political sentiment in the Unites States of America and the PRC, which could have a more far-reaching impact on global trade, which may adversely impact the marketability of the Group's projects undertaken as part of the New Businesses. Any of these could materially adversely affect the project's overseas operations and consequently, its financial performance and operating cash flow.

(m) The Group is subject to various government regulations in relation to the New Businesses

The New Businesses will be subject to risks arising from general and sector-specific regulations and legislations in the jurisdictions where it operates. The New Businesses may require certain statutory and regulatory licences, permits, consents and approvals to operate, which may be granted for fixed periods and subject to renewal from time to time. There is no guarantee that they can be applied for and obtained within applicable statutory time limits, or that the conditions required to maintain the validity of such licences, permits, consents and approvals can be fulfilled. Failure to obtain, maintain or renew the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of them may result in the Group being unable to undertake or continue with the relevant segment of the New Businesses, these projects may not proceed on schedule, and the Group's business and financial performance may be adversely affected.

In particular, in relation to factories, machinery and properties, the Group or the persons in charge of the project must comply with the applicable laws and regulations including but not limited to workplace health and safety, environmental public health and environmental pollution control, failing which the Group or the persons in charge of the project may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its factories, machinery or properties which may have material and adverse impact on the Group's business, operations, financial condition and prospects.

Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the financial performance of the Group.

(n) The Group may be exposed to loss and potential liabilities that may not be covered by insurance

While the Group will, where deemed appropriate, obtain insurance policies to cover losses with respect to its projects and business operations, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arriving out of damage to the Group's assets not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. This may result in the Group committing additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

(o) The Group may be involved in legal and other proceedings arising from the operation of the New Businesses

As projects in the New Businesses' industries customarily involve multiple parties, the Group may from time to time be involved in disputes with various parties such as contractors, suppliers, customers, business partners, consultants, clients and other persons involved. These disputes may lead to legal and/or other proceedings, and may cause the Group to suffer additional costs, damages, delays or other setbacks in the completion of the project. In addition, over the course of its operations, the Group may have disagreements with regulatory bodies. There can be no assurance that these disagreements will be resolved or settled on favourable or reasonable terms, or at all. If as a result the Group is subject to unfavourable orders or directives that result in financial losses, the Group's operations, business, financial condition and prospects may be adversely affected.

Specific risks relating to the Renewable Energy Business

(p) The Group may need various licenses and permits to operate and cannot guarantee that it can obtain or maintain such licenses and permits

The Group (or any operating entity that the Group may invest in) may be required to obtain various licences and permits to conduct the Renewable Energy Business. While the Group will seek to obtain (or procure that the relevant entities obtain) all licences and permits required for the Renewable Energy Business as appropriate, these licences and permits are generally subject to conditions and/or other laws or regulations, which the Group may not be able to guarantee compliance with in the event of circumstances outside the Group's control. Failure to comply with such conditions could potentially result in the non-granting, non-renewal or suspension of the required licence or permit. As such, the Group will have to expend resources on constantly monitoring and ensuring compliance with such conditions. Should there be any failure to comply with such conditions resulting in the cancellation, revocation or non-renewal of any of the licences and permits, the Group may not be able to carry out its operations. In such event, its operations, financial performance and financial condition will be materially and adversely affected.

(q) The Renewable Energy Business competes with the oil, gas, mineral and other traditional forms of energy industry

The demand for energy produced from renewable energy sources will be dependent in part on the oil, gas, mineral and other traditional forms of energy industry, and in particular the costs of such forms of energy. Such activities are affected by fluctuations in prices of raw materials, output and other general economic factors, as well as by the industry's growth outlook, demand for output, expectations of clients towards changes in prices and the consequential changes in their capital spending. Lower prices of traditional energy sources may have a dampening effect on the renewable energy sector, causing major industry players to generally cut back on their spending budgets for exploration and development of renewable energy sources, in turn resulting in a decreased demand for output from renewable energy sources. A decline in the level of activities in the renewable energy industry may therefore result in a decrease in investment returns in the Renewable Energy Business.

As a result, the timing, nature and degree of changes in industry conditions are unpredictable and not within the Group's control. The Group cannot predict the impact of changing demand for renewable energy sources, and any major changes may have a material adverse effect on its projects and investments, in particular, where sunk costs have been made to acquire or produce resource-specific facilities and equipment that is unable to be adapted for use for a different purpose.

In addition, there can be no assurance that the Group will be able to obtain the financing necessary in time to enter into relevant opportunities for the Renewable Energy Business that may arise. There can be no assurance that the activity levels of exploration, development, production and sales of the traditional energy industry players will remain at their current levels or continue to increase. Any prolonged period of decrease in demand for renewable energy sources would be likely to have an adverse effect on the Group's Renewable Energy Business and financial performance.

(r) The Group may be subject to volatility of markets and prices

The marketability and price of energy, both within and outside the renewable energy industry, which may be produced, acquired or discovered, will be affected by numerous factors beyond the Group's control. Energy prices are generally unstable and subject to fluctuation. Any material decease in prices could result in a reduction of the Group's revenue in connection with its Renewable Energy Business activities. For instance, a drop in traditional energy prices could result in a material decrease in demand for facilities and equipment to harness, process and supply resources from renewable energy sources, thereby negatively impacting the Group's project revenue.

Additionally, the ability of a project to be profitable may depend on the ability of the Group or project to acquire space on delivery lines that transport the energy harnessed to commercial markets. There may also be deliverability uncertainties related to the proximity of the project site to pipelines and processing facilities, as well as to operational problems with such pipelines, delivery and facilities, and to government regulation and intervention relating to allowable production, prices, tax, land tenure and many other aspects of the Renewable Energy Business.

Further, prices may be subject to increased tariffs imposed by government regulators or third-party operators or owners of the production tools, maintenance services or other systems involved. Personnel costs, including salaries, may also increase if the demand or availability of such suitably qualified personnel increases. This could result in a material increase of costs for the infrastructure and services required to continue with the Renewable Energy Business.

(s) The Group may be exposed to fluctuations due to unfavourable environmental conditions

A factor that may cause fluctuations in productivity in the Renewable Energy Business is the environmental changes in the areas in which the investment opportunity or project proposes to conduct its exploration, exploitation, production, processing or distribution. Project sites may be damaged by flooding, drought, earthquake, landslide, other natural disasters, debris flow, human error, negligence or fault, and operations may have to be suspended to repair the damaged plants and equipment. In addition, other disasters such as civil unrest, military conflicts, terrorist attacks, and other deliberate or inadvertent actions may also affect the smooth processing of the renewable energy. Significant costs may be incurred in order to replace the facilities and equipment required for the business activities. The operations of the Renewable Energy Business may therefore be seriously disrupted by such disasters which may materially and adversely affect the Group's financial performance.

Further, in the event where there are drastic changes in the climate and extreme weather conditions, it may be more difficult or not feasible to carry out the project there, and actual revenue may be significantly lower than expected. The Group may be unable to mitigate the impact of environmental conditions on the project's results of operations. Negative environmental conditions may impact production rates and output levels, as it may entail work stoppages and the suspension of operations, therefore the Group's financial results could be materially and adversely affected.

(t) The Group may be subject to risks inherent in the nature of the Renewable Energy Business

Projects undertaken in the Renewable Energy Business are subject to risks of uncertainties. Exploration, exploitation, development and production is inherently difficult and speculative, is subject to factors over which the Group has little or no control, and therefore success and recovery of investments cannot be guaranteed despite the investment of substantial expenditures. While the Group intends to actively seek for opportunities for new projects in the Renewable Energy Business, there is no assurance that it will be able to identify such suitable projects which suit its risk and return profile. Further, there is no assurance that such projects undertaken will be profitable or successful. Until the Group is able to realise value from its projects and investments, it may incur ongoing operating and financial losses.

Additionally, activities in the Renewable Energy Business may due its inherent nature be hampered by uncontrollable factors such as inclement weather, project delays, industrial action, environmental issues, unforeseen increases in costs and technical difficulties not anticipated in the Group's strategic plans. There can therefore be no assurance that the projects under the Renewable Energy Business, or any other interests that may be acquired in the future, will result in commercial viability.

(u) Reliance on equipment from third-party providers

The nature of the Renewable Energy Business industry is such that exploration, development, processing and distributing facilities and infrastructure for projects may require equipment to be provided by third-party providers. For instance, wind turbines, generators and related infrastructure in the particular areas where such activities will be conducted may need to be supplied by third parties if there is insufficient readily-available equipment. Demand for such limited equipment, or access restrictions to such equipment, may affect the availability of such equipment. Such equipment and services can be scarce and may not be readily available. The unavailability and high costs of such equipment and services could result in a delay or restriction in the projects and adversely impact the feasibility and profitability of such projects, therefore resulting in a material and adverse effect on the Group's financial performance.

(v) Risks of technological obsolescence

Inherent in the nature of the Renewable Energy Business is the need for technology capable of harnessing and processing the renewable energy sources. In the event of any innovation or progress in technologies utilised for the generation of renewable energy, there can be no assurance that the Group will be successful in acquiring, or developing the necessary expertise to install, operate or maintain, such new technologies and/or equipment for the Renewable Energy Business. A failure to do so may adversely affect the Group's productivity and operational performance.

(w) Competitiveness within the renewable energy market

Competition in the renewable energy sector exists in the form of, among others, bidding for available sites and land use rights, quality of technologies used, performance in energy generation, price per unit of energy produced, and scope and quality of ancillary services provided, such as operation and maintenance services. A lack of competitiveness in any of these aspects could weaken the marketability of the renewable energy generated by the Group. Should renewable energy productions by the Group become uncompetitive compared with other companies' or other forms of renewable energy production, or if traditional energy productions become more cost-competitive, the potential end-clients of the Group's Renewable Energy Business may decrease and adversely affect the revenue of the Group.

The Group will also be competing with existing power generation companies, which may have substantially greater financial, infrastructural or other resources than the Group. The Group may also face competition from new entrants to the same industry, who have business objectives similar to the Group's but who may have greater financial or other resources. There is no assurance that increased competition will not have a material adverse effect on the Group's results of operations and growth prospects.

(x) The Group may be exposed to risks arising from foreign exchange fluctuations

The Group expects that it may have to tap into overseas markets in order to secure favourable opportunities in the Renewable Energy Business, such as the Proposed Acquisition in the PRC. Any significant unfavourable fluctuations in foreign currency exchange rates against the Company's functional currency may therefore have an adverse effect on its operating results.

(y) Reliance on government subsidies and economic incentives

As mentioned above in Section 2.3(e), the Chinese authorities are providing subsidies to support certain renewable energy projects. In the event that they substantially reduce or eliminate these subsidies, it will likely result in decreased demand for renewable energy output, result in increased price competition, or reduce the size of the renewable energy market or slowdown its growth, which may adversely affect the Group's operating results and growth prospects.

Specific risks relating to the Energy Technologies Business

(z) The Group may be exposed to risks associated with technology

Inherent in the nature of the Energy Technologies Business is high dependency on technology. As technology is susceptible to damage, malfunction, breakdowns and interruptions to information technology systems, software, or networks, the Group may have to incur additional costs and expend resources in repairing such damage, malfunction, breakdown, or interruption which will directly impact the Group's profits. Further, this may also delay the Group in its delivery of goods or services or other business undertakings, which in turn may consequently result in a breach of contract with suppliers and clients or reputational damage to the Group.

(aa) Competitiveness in technology

Rapid changes in technology and its applications, which play a significant role in determining the demand and market adoption of products and services, may affect the Group's competitiveness in the Energy Technologies Business. Existing systems and applications are frequently improved and enhanced and new methods of applying technological inventions to enhance productivity are continually introduced. The Group will have to ensure the relevance of its activities in the Energy Technologies Business but there is no assurance that the Group will be able to keep up with the improvements, enhancements and standards of its competitors. If the Group does not manage to keep up with such technological advancements for any reason, the Group's prospects and operations may be materially or adversely affected.

(bb) The Group may be exposed to claims on intellectual property infringement

Where relevant, the Group intends to take advantage of newly developed or cutting-edge technologies in the Energy Technologies Business. As such, the Energy Technologies Business may be subject to exposure to claims regarding intellectual property infringement. Such infringement claims may be frivolous or numerous, and the cost and inconvenience of defending such claims may have an effect on the Group's overall business performance and resource allocation.

(cc) The Energy Technologies Business may require substantial capital expenditure and investment cost

The Group's expansion into the Energy Technologies Businesses may incur substantial costs and resources in the conduct of market research, assessment of feasibility and market conditions, hiring of personnel with the relevant expertise, development of goods or services, acquisition of materials, or other initiatives depending on the opportunities available to the Group. This could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debts and contingent liabilities as well as increase operating expenses, all of which may materially or adversely affect the financial performance of the Group. The Group may therefore face significant financial risks before it can realise any benefits the Energy Technologies Businesses, if at all.

(dd) Reliance on the renewable energy industry

As the Energy Technologies Business is highly dependent on the performance of the renewable energy industry as well, the abovementioned risk factors in relation to the Renewable Energy Business may also directly or indirectly impact the Group's prospects and operations in the Energy Technologies Business.

2.8. **Internal Controls and Risk Management of the New Businesses**

The Board recognises the importance of internal control and risk assessment for the smooth running of the New Businesses. In order to better manage the Group's external and internal risks resulting from the Proposed Diversification, the Group will implement a set of operations and compliance procedures.

The audit committee of the Company and the Board will:

(a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the New Businesses; and

(b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results and/or financial position.

2.9. **Conflict of Interest**

When the Company identifies a potential opportunity in respect of the New Businesses, each of the Directors and key management personnel will be obliged to disclose to the Board where he and/or his associates have an interest (and the full extent thereof) in the transaction ("**Conflicted Individual**").

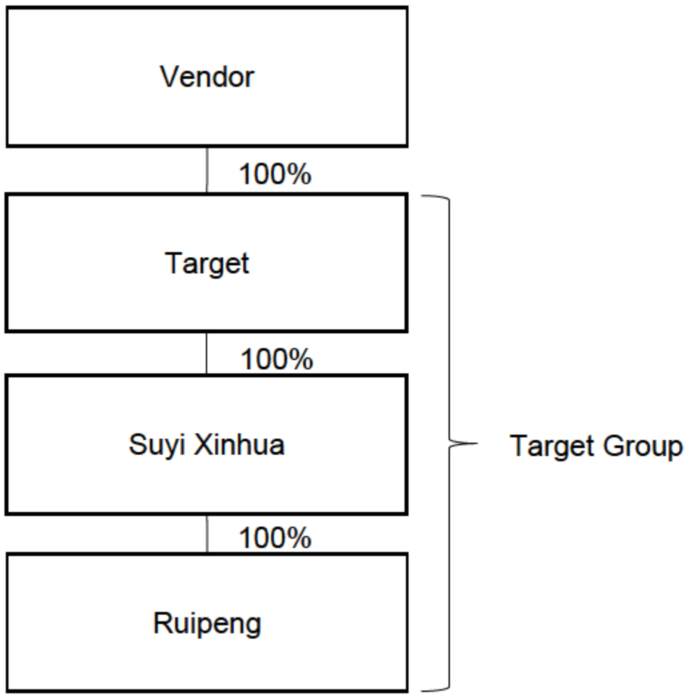
A Conflicted Individual shall not (i) vote in respect of matters in relation to the New Businesses; (ii) will not, directly or indirectly, make any executive decisions in respect of the New Businesses; and (iii) will not, directly or indirectly influence or participate in the operations and management of the New Businesses.

3. THE PROPOSED ACQUISITION

3.1. **Background**

As announced by the Company on 6 October 2022, the Company had on even date entered into a non-binding memorandum of understanding ("**MOU**") in relation to the Proposed Acquisition. As at the date of the MOU, the vendor of the Proposed Acquisition was intended to be Zhongrui Suhua New Energy (Jiangsu) Co., Ltd. (中瑞苏华新能源(江苏)有限公司), with the target company to be acquired being Suyi Xinhua.

With the intention of facilitating the Proposed Acquisition, it was agreed that the Vendor's group of companies would carry out the Restructuring, and that the Company would instead acquire the Target from the Vendor, which, consequential upon the Restructuring, would wholly own Suyi Xinhua, which would in turn wholly own Ruipeng, as follows:



As such, as announced by the Company on 4 November 2022, the Company had on even date entered into the Agreement with the Vendor in relation to, *inter alia*, the proposed sale of the

Equity Interest by the Vendor to the Company, which would result in the Company acquiring the Target Group upon Completion.

3.2. **Rationale for the Proposed Acquisition**

The Group has identified the Proposed Acquisition as an opportunity to facilitate and further the Proposed Diversification. The Target Group's presence in the PRC is particularly appealing, as noted in the Independent Valuation Report, because the PRC has abundant renewable resources for traditional hydropower, wind and solar energy generation. Coupled with the PRC's goal of achieving carbon neutrality by 2060[10], which aligns with the UNSDGs', with this policy push being backed by strong government support for renewable energy (as set out in Section 2.3(e) of this Circular), the Board is of the view that the Proposed Acquisition would be a good point of entry for the Group into the renewable energy industry in China, which represents attractive business opportunities for the Group.

The Proposed Acquisition will also allow the Group to reduce its dependency on its Existing Business in light of the challenges posed to the Existing Business as mentioned in Section 2.1 of this Circular.

Further, the Consideration payable to the Vendor for the Proposed Acquisition comprises of the divestment of the Company's wholly-owned subsidiary in Hong Kong, LHL, the issuance of new Shares in the Company to the Vendor, and the assignment of the HF Loans to the Vendor. Such satisfaction of the purchase price by way of non-cash consideration would enable the Company to conserve cash for its working capital and other uses as it diversifies its business.

Therefore, the Board believes that the Proposed Acquisition will increase the Group's financial resilience and enable the Group to build a new, stable and growing source of income.

3.3. **Information on the Target and the Vendor**

All information in respect of the Vendor, the Target Group and the Project is based solely on information provided to the Company by the Vendor. In respect of such information, the Board has not independently verified the accuracy and correctness of the same and the Board's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context. In addition, the Company has carried out legal and financial due diligence, and has received the Independent Valuation Report on the Project from the Independent Valuer.

(a) Information on the Target

The Target was incorporated in Hong Kong on 27 October 2022. Prior to, and as a condition precedent to, Completion of the Proposed Acquisition, the equity in the various companies in the Target Group shall be restructured such that:

(i) the Target becomes the sole legal and beneficial owner of the entire registered equity in Suyi Xinhua, a company incorporated in the PRC; and

(ii) Suyi Xinhua becomes the sole legal and beneficial owner of the entire registered equity in Ruipeng, a company incorporated in the PRC,

in accordance with the structure set out in Section 3.1 of this Circular.

The Target Group carries out business in renewable power generation technology

[10] Cheng, E. (2022) *China's climate push could spawn new global players, even if Beijing falls short on its pledge*. CNBC. Available at: https://www.cnbc.com/2022/10/04/chinas-carbon-neutral-climate-goals-could-spawn-new-global-players.html#:~:text=in%20their%20fields.-,Two%20years%20ago%2C%20Chinese%20President%20Xi%20Jinping%20formally%20announced%20the,be%20offset%20in%20other%20ways. (Accessed: December 7, 2022)

research and development, as well as building, operating and managing renewable power generators. Ruipeng will be undertaking to build, operate and manage a 50-Megawatt (MW) wind power plant in Guocun Town, Jiangdu District, Yangzhou City, Jiangsu Province, China (the "**Project**").

The Project involves the installation of 13 wind turbines. Windfarm projects in the PRC generally involve three stages: (1) the project establishment stage, (2) the construction stage, and (3) the operation stage. Ruipeng has obtained the certificate of land use and site selection and the approval from the relevant PRC authority for the project establishment stage, as well as some of the other compliance permissions, approvals and filings required for the next two stages of the Project. The Vendor has notified the Company that the pre-construction design phase is slated to start in December 2022, with construction to begin in March 2023 and scheduled to be completed in November 2023.

(b) Information on the Vendor

The Vendor is a Sweden incorporated company and the ultimate parent company of the New Energy group of companies, of which the Target Group is a part. The Vendor has represented that the New Energy group's projects in the renewable energy industry include the construction, operation and management of solar power stations and wind farms in Vietnam, thermal and hydro plants in Ghana and Sierra Leone, and a power plant energy storage system in Foshan City, Guangdong Province, China.

The chairman of the board of directors of the Vendor is Fang Huasheng, the board member of the Vendor is Eriksson, Sven Lennart, the deputy board member of the Vendor is Xu Xiaojun, and the managing director of the Vendor is Utterberg, Johan Ernie Agne. The shareholders of the Vendor are Fang Huasheng (83%), Eriksson, Sven Lennart (5%), Xu Xiaojun (2%), Yu Jijiang (5%) and Cheng Ruikai (5%).

As at the Latest Practicable Date, the Vendor and its shareholders do not have any direct or indirect shareholding interest in the Company.

The Vendor is an independent third party and the Vendor, its directors and shareholders are not related to any of the Directors or controlling shareholders of the Company and their respective associates.

3.4. **Principal Terms of the Proposed Acquisition**

(a) Consideration

The total amount of the consideration to be paid to the Vendor for the Proposed Acquisition ("**Consideration**") shall be RMB71,000,000 (amounting to approximately S$13.9 million). The Consideration was determined on a willing-buyer-willing-seller basis and was arrived at after an assessment of the factors set out as follows.

The Company has obtained the Independent Valuation Report for the Project prepared exclusively for the Company by the Independent Valuer. Based on the Independent Valuation Report, the value of the Project is approximately RMB74,000,000 (amounting to approximately S$14.5 million) as at 30 June 2022.

The valuation was carried out on a market value basis based on the International Valuation Standards (IVS) 2022 using the income approach – adjusted present value (APV) method. This method is a modified form of the net present value (NPV) method that takes into account the present value of leverage effects separately. According to the Independent Valuation Report, it is considered a more appropriate valuation method for valuing companies with high leverages and dynamic capital structure because this method can account for the impact of financing cash flow, such as tax shields, separately and explicitly. Since the Target Group was set up for the development and operation of wind power project, its capital structure will vary along the projection period due to the initial borrowing and the debt repayment schedule. Considering these factors, the APV method was selected in order to exclude the distortion resulting from this change in capital structure over the projection period.

In arriving at its opinion, the Independent Valuer took into account, *inter alia*, prospective financial information of the Target Group, the economic and renewable energy industry outlook, market conditions, comparable companies, and discussions with each of the Company's and Target Group's management team.

Please refer to Appendix 1 to this Circular for the Independent Valuation Report for further details.

The Company has therefore agreed to the Consideration taking into account:

(i) the Consideration being lower than the value of the Project as set out in the Independent Valuation Report; and

(ii) the difficulties and time frame required to obtain a certificate of land use and site selection and the approval from the relevant PRC authority for the project establishment stage of the Project, and the Target Group having been granted such certificate and approval.

(b) Satisfaction of Consideration

The Consideration shall be satisfied by:

(i) RMB11,500,000 (amounting to approximately S$2.3 million) shall be satisfied by the issuance of 12,433,642 new Shares to the Vendor, each such Share issued fully paid up, at an issue consideration of S$0.181 per new Share (the "**Consideration Shares**");

(ii) the transfer of 100% of the shares in LHL (the "**LHL Shares**"), agreed amongst the Parties to be ascribed a value of RMB50,000,000 (amounting to approximately S$9.8 million), by the Company to the Vendor; and

(iii) the assignment of the Company's rights, title and interests in and to two (2) loans extended by the Company to Hainan Fuda pursuant to two (2) loan agreements dated 20 December 2019 and 7 January 2020 respectively which were amended by way of a supplemental loan agreement dated 31 December 2021 (the "**HF Loans**"), agreed amongst the Parties to be ascribed a value of RMB9,500,000 (amounting to approximately S$1.8 million), to the Vendor.

In respect of the issue of Consideration Shares, please refer to Section 3.3(c) below.

In respect of the remaining payment of the Consideration for which Shareholders' approval is being sought, being the transfer of the LHL Shares and the assignment of the HF Loans, please refer to Section 4 of this Circular.

(c) Issuance of the Consideration Shares

The Consideration Shares shall be issued within 30 days of Completion.

Price. The Consideration Shares are to be issued to the Vendor at S$0.181 per Share, representing a discount of 9.7% to S$0.2005, being the VWAP of Shares for trades in the Company's Shares on 1 November 2022, the market day immediately preceding the execution of the Agreement.

Status. The Consideration Shares shall be issued fully paid and rank *pari passu* with the existing issued shares of the Company, and be entitled to any dividends and distributions the record date of which is after the date of issuance of the Consideration Shares.

Enlarged share capital. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$8,919,100 comprising 94,300,000 Shares. The issued and paid-up share capital of the Company will be increased to S$11,169,589 following the issuance of the Consideration Shares. The Consideration Shares will constitute 11.65% of the enlarged issued share capital of the Company, comprising 106,733,642 Shares. The issuance of the Consideration Shares will not constitute a transfer of a controlling interest in the Company pursuant to Rule 803 of the Catalist Rules.

Authority. The Consideration Shares will be issued and allotted pursuant to the general mandate to allot and issue Shares in the Company granted by the Shareholders (the "**General Mandate**") by way of an ordinary resolution passed at the Company's annual general meeting held on 28 April 2022. As at the Latest Practicable Date, the total number of new Shares in the Company that may be issued pursuant to the General Mandate on a non-pro-rata basis is 35,200,000, after taking into account 3,800,000 new Shares issued on 30 June 2022 pursuant to a placement exercise. Accordingly, the proposed issuance of the Consideration Shares will fall within the limit of the General Mandate.

Approval from the SGX-ST. The Company will apply through its Sponsor to the SGX-ST for the listing and quotation of the Consideration Shares on the Catalist in due course and will make the necessary announcements once the listing and quotation notice for the Consideration Shares has been obtained from the SGX-ST.

(d) Conditions Precedent

The obligations of the Company under the Agreement to proceed to Completion and perform its obligations under the Agreement are conditional upon (save for conditions precedent waived before Completion), *inter alia*:

(i) the outcome of all further legal, tax, commercial, technical, financial and other investigations if necessary into the business and affairs of the Target Group being satisfactory to the Company;

(ii) the Target Group having obtained a binding and enforceable approval of a licensed bank in the PRC or any other creditor to its application for a construction loan or facility of no less than RMB270.0 million (amounting to approximately S$52.8 million) from such bank or creditor or, where the Target Group has applied for construction loans or facilities from more than one bank or creditor or for more than one construction loan or facility from a single bank or creditor, the aggregate loan amount in respect of which approvals are granted being no less than RMB270.0 million, in terms and form satisfactory to the Company;

(iii) the Target and the Company having obtained all necessary and applicable consents, approvals and/or waivers from all governmental authorities for the Restructuring and the sale and transfer of the Equity Interest to the Company and such consents, approvals and waivers not having been amended or revoked before Completion, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Company in its sole discretion;

(iv) the Company having obtained the approval of its board of directors, shareholders and where in its view desirable or required, the SGX-ST, for the transactions contemplated in the Agreement, and such approval not being amended or revoked before Completion and if such approvals are subject to conditions, such conditions being acceptable to the Company in its sole discretion;

(v) the Company having obtained the approval for the listing and quotation of the Consideration Shares and such approval not being amended or revoked before Completion and if such approvals are subject to conditions, such conditions being acceptable to the Company in its sole discretion;

(vi) the Company having obtained evidence and confirmation in terms and form satisfactory to it that the Restructuring has been completed in accordance with all applicable laws;

(vii) the Company having obtained evidence and confirmation in terms and form satisfactory to it that the transactions contemplated in the Agreement will not attract tax from any governmental authorities and that any tax arising from the Restructuring has been duly paid;

(viii) the Company having obtained evidence and confirmation in terms and form satisfactory to it that the registered capital of all the companies in the Target Group have been fully paid up;

(ix) the Company having obtained evidence and confirmation in terms and form satisfactory to it that all liabilities of any company in the Target Group that are due to the Vendor and any persons or entities directly or indirectly controlled by or controlling, or under direct or indirect common control with, the Vendor, have been capitalised into equity in the respective company;

(x) the Company having obtained evidence and confirmation in terms and form satisfactory to it that none of the companies in the Target Group are in a net liability position;

(xi) the Company having obtained evidence and confirmation in terms and form satisfactory to it that the Target Group has, within six (6) months of the Agreement or such other date as approved by the Company, obtained all required approvals from any governmental authority to commence construction of the Project;

(xii) the Company having obtained evidence and confirmation in terms and form satisfactory to it that the Target Group has obtained, or will upon completion of the Project obtain, the required permit(s) from a state-owned enterprise in the PRC (as specified in the Agreement) to connect the wind power plant constructed or to be constructed under the Project to the relevant state grid;

(xiii) the Vendor having obtained all necessary and applicable consents, approvals and/or waivers authorising the Agreement and the ancillary documents and such approvals not having been amended or revoked before Completion;

(xiv) any and all consents, approvals and/or waivers from any governmental authority granted to the Target Group in respect of the Project as at the date hereof remaining in full force and effect and not having been amended or revoked before Completion, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Company;

(xv) there being no direction or order from any governmental authority, including but not limited to any sanctions from any governmental authority, against the Vendor or the Company or that restrict, limit or prohibit the entry into or performance by the Vendor or the Company of any of the terms of the Agreement;

(xvi) there being no policies, laws, regulations or directives of any governmental authority, or any other circumstances, that would result in restrictions, limitations or prohibitions of any of the transactions contemplated in the Agreement, or that would result in increases in costs or reduction in profitability of the Project;

(xvii) the key employees of the Target Group having entered into employment agreements with the Target Group on terms acceptable to the Company;

(xviii) the Vendor having complied with all the terms of the Agreement; and

(xix) the representations, warranties and undertakings given in the Agreement being true and accurate in all respects as at the Completion date.

The Vendor shall use best efforts to procure or provide assistances towards the fulfilment of the conditions precedent set out in the Agreement as soon as possible and in any event, no later than six (6) months from the date of the Agreement.

(e) Completion

Completion shall occur on a date notified by the Company to the Vendor.

On the Completion date, the Vendor and the Company shall execute an instrument of transfer for the transfer of the Equity Interest from the Vendor to the Company, and the Vendor shall deliver to the Company, *inter alia*, a sold note in respect of the Equity Interest, the corresponding share certificates in respect of the Equity Interest and all assets and properties of the Target Group.

If Completion does not occur within six (6) months from the date of the Agreement, the Company shall have the sole discretion to extend such time for Completion or to terminate the Agreement, save as for certain provisions intended expressly or by implication to survive the termination of this Agreement, and the Company and the Vendor shall not have any claim against each other for costs, damages, compensation or otherwise, save for the Company's accrued rights and remedies against the Vendor at the date of termination arising from any antecedent breach of any of the Vendor's obligations under the Agreement, save that in the event that the Agreement is terminated pursuant to this clause, the Vendor shall reimburse the Company, on demand, for any and all legal costs and disbursements incurred by the Company in carrying out financial and legal due diligence on the Vendor and/or any entity comprised in the Target Group.

(f) Indemnity

The Vendor has agreed to indemnify and hold harmless the Company (including its Directors and staff) from and against, *inter alia*, any damages, deficiencies, losses, costs, liabilities and expenses (including legal fees and disbursements on a full indemnity basis) and in particular, but without prejudice to the generality of the foregoing, from and against any depletion or diminution in the value of Target Group, resulting from, arising out of, or in relation to any breach of any of the representations, warranties, undertakings, covenants and agreements made by the Vendor in the Agreement and further any claim for any taxation (to the extent that such claim exceeds the amount of any provision or reserve therefor in the Target Group's accounts and arises from any dispute with or failure to fully and accurately disclose all facts and circumstances in respect of such taxation to the relevant authorities) made against the Target Group where such claim arises out of, or is in connection to, the conduct of the Target Group's business or any act or omission of the Vendor in relation to the Target Group or the Vendor's obligations to the Target Group before Completion.

3.5. **Source of Funds**

The Consideration being in kind, the Company does not expect to require funding for the Proposed Acquisition itself. In respect of costs for the construction of the Project and initial working capital for initial operations, the expected requirements and source of funds are as follows:

(a) construction costs amounting to approximately RMB340,000,000 (amounting to approximately S$66.5 million) are expected to be financed by a construction loan of at least RMB270,000,000 to be provided by a licensed bank or creditor in the PRC or the contractor appointed or to be appointed for the construction of the Project, and the balance fund will be further sourced/arranged by the Group; and

(b) the working capital for initial operations amounting to approximately RMB1,500,000 (amounting to approximately S$0.3 million) is expected to be financed by a working capital loan to be provided by a licensed bank or creditor in the PRC or the contractor appointed or to be appointed for the construction of the Project, and the balance fund, if any, will be further sourced/arranged by the Group.

3.6. **Value Attributable to the Equity Interest**

The financial effects in Sections 3.6, 3.7 and 3.8 are based on the unaudited pro forma financial statements of the Target Group for 1H2022, on the basis that the Restructuring had been completed on 1 January 2022.

Based on the unaudited pro forma consolidated financial statements of the Target Group for 1H2022, the NAV and NTA attributable to the Equity Interest as at 30 June 2022 are the same at RMB917,734. The open market value of the Equity Interest is not available as the Equity Interest, or any portion thereof, is not listed or traded on any securities exchange.

After taking into account the market value of the Project as at 30 June 2022 based on the Independent Valuation Report, the pro forma revalued NAV and the pro forma revalued NTA of the Target Group (before the effect of the purchase price allocation exercise in relation to the Proposed Acquisition) as at 30 June 2022 are the same at RMB74.0 million.

3.7. **Relative Figures under Rule 1006 of the Catalist Rules for the Proposed Acquisition**

For the purposes of Chapter 10 of the Catalist Rules, and in particular Rule 1005 of the Catalist Rules, under which separate transactions completed within the last 12 months may be required to be aggregated and treated as if they were one transaction, the aggregated relative figures based on the latest announced unaudited consolidated financial statements of the Group for 1H2022. Accordingly, the combined relative figures including the acquisition of 10% shares in LHL which was announced on 2 January 2022 as well as the Proposed Acquisition are set out below:

Catalist Rule 1006	Description	Relative figure for the acquisition of 10% shares in LHL(10)	Relative figure for the Proposed Acquisition	Combined relative figure
(a)	The NAV of the assets to be disposed of, compared with the Group's NAV. This basis is not applicable to an acquisition of assets.(1)	Not Applicable	Not Applicable(2)	Not Applicable
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss.(3)	Not Applicable	954.1%(4)	954.1%
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the	46.4%	91.7%(5)(6)(7)	98.7%

Catalist Rule 1006	Description	Relative figure for the acquisition of 10% shares in LHL(10)	Relative figure for the Proposed Acquisition	Combined relative figure
	total number of issued shares excluding treasury shares.			
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable	15.2%(8)	15.2%
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable	Not Applicable(9)	Not Applicable

Notes:

(1) "Net assets" means total assets less total liabilities.

(2) Not applicable as the Proposed Acquisition is an acquisition of assets.

(3) "Net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.

(4) Based on the unaudited consolidated financial statements of the Group for 1H2022, the net loss was RMB1.9 million. Based on the unaudited pro forma consolidated financial statements for the Target Group for 1H2022, the net loss was RMB17.6 million.

(5) Total consideration in relation to the Proposed Acquisition is computed based on the aggregate of (i) the market value of the LHL Shares of RMB54.1 million (or equivalent to S$10.6 million), (ii) the aggregate principal amounts and interest amounts (during the HF Loans period) of the HF Loans of RMB10.0 million (or equivalent to S$2.0 million), and (iii) the value of the Consideration Shares based on Note 6 below.

(6) Under Rule 1003(3) of the Catalist Rules, where the consideration is in the form of shares, the value of the consideration shall be determined by reference either to the market value of such shares or the net asset value represented by such shares, whichever is higher. In this instance, the value of Consideration Shares based on Rule 1003(3) shall be the highest of (a) the value of the Consideration Shares in the Agreement, being S$11.5 million; (b) the market value of the Consideration Shares of RMB12.7 million (or equivalent to S$2.5 million) based on VWAP of RMB1.0246 (or equivalent to S$0.2005) on 1 November 2022, being the last trading day for the Company's Shares prior to the date of the Agreement; and (c) the NAV represented by the Consideration Shares of RMB9.6 million (or equivalent to S$1.9 million) computed based on the Group's NAV per Share as at 30 June 2022 of RMB0.773 (or equivalent to S$0.151). Based on the above, for the purpose of Rule 1006(c) of the Catalist Rules, the value of the Consideration Shares for the Proposed Acquisition is deemed to be RMB12.7 million (or equivalent to S$2.5 million) (being the highest of (a) to (c) above).

(7) The Company's market capitalisation of RMB83.8 million (or equivalent to S$16.4 million) on 1 November 2022, being the last full market day on which Shares of the Company were traded immediately prior to the signing of the Agreement on 4 November 2022. The Company's market

capitalisation was determined by multiplying the number of Shares of the Company in issue (81,800,000 Shares) by the VWAP of such Shares for trades done on the SGX-ST on 1 November 2022 of RMB1.0246 (or equivalent to S$0.2005)).

(8) The number of equity securities issued by the Company as consideration for the Proposed Acquisition is 12,433,642 Shares and the number of equity securities of the Company in issue as of the date of the announcement (being 4 November 2022) in relation to the Proposed Acquisition is 81,800,000 Shares.

(9) The Target Group is not in the mineral, oil and gas business.

(10) Extracted from the Company's announcement dated 2 January 2022.

As the figures used to compute the relative figure under Rule 1006(b) of the Catalist Rules are negative figures, pursuant to paragraph 4.4(a) of Practice Note 10A of the Catalist Rules, the Company notes that the absolute relative figures computed on the basis of each of Rule 1006(c) of the Catalist Rules exceeds 75% and the net loss attributable to the Equity Interest for 1H2022 of RMB17.6 million exceeds the net loss of the Group for 1H2022 of RMB1.9 million by more than 10%.

Accordingly, pursuant to paragraph 4.6 of the Practice Note 10A of the Catalist Rules, as the Proposed Acquisition does not fall within the situations in paragraphs 4.3 and 4.4 of the Practice Note 10A of the Catalist Rules, Rule 1014 of the Catalist Rules shall apply to the Proposed Acquisition and the Proposed Acquisition is conditional upon the approval of the Shareholders at the EGM.

3.8. Financial Effects of the Proposed Acquisition

The financial effects of the Proposed Acquisition presented below:

(a) are purely for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and/or the Group immediately after completion of the Proposed Acquisition;

(b) are based on the audited consolidated financial statements of the Group for FY2021 and unaudited pro forma consolidated financial statements of the Target Group for 1H2022 (as the Target Group has represented to the Company that the Target Group was dormant in FY2021);

(c) assume, for illustrative purposes only, that:

(i) in calculating the financial effects on the NTA per share of the Group as at 31 December 2021, the Proposed Acquisition had been completed on 31 December 2021;

(ii) in calculating the financial effects on the LPS of the Group for FY2021, the Proposed Acquisition had been completed on 1 January 2021; and

(iii) do not take into account expenses that may be incurred in connection with the Proposed Acquisition and the effect of purchase price allocation exercise in relation to the Proposed Acquisition to be conducted post-Completion in accordance with the requirements under the accounting standards.

No representation is made as to the actual results and/or financial position of the Company and/or the Group.

NTA per Share

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
NTA attributable to the equity holders of the Company as at 31 December 2021 (RMB'000)	63,024	70,215
Number of shares in the Company, excluding treasury shares and subsidiary holdings	78,000	90,434
NTA per share of the Company (RMB cents)	80.80	77.64

LPS

	Before completion of the Proposed Acquisition	After completion of the Proposed Acquisition
Net loss attributable to the equity holders of the Company for FY2021 (RMB'000)	(3,643)	(26,524)
Weighted average number of shares in the Company, excluding treasury shares and subsidiary holdings	78,000	90,434
LPS of the Company (RMB cents)	(4.67)	(29.33)

4. THE PROPOSED PAYMENT

4.1. Transfer of the LHL Shares

As part of the Consideration payable to the Vendor for the Proposed Acquisition, the Company has agreed to transfer the LHL Shares to the Vendor. Details of the LHL Shares are as follows:

(a) Price

The LHL Shares shall be transferred to the Vendor at a total price of RMB50,000,000 (amounting to approximately S$9.8 million). The Company notes that this is a 7.5% discount on the market value of the LHL Shares, which is equivalent to 8.0% of the market value of the Atlantis Garden Project, as at 30 September 2022, being RMB54,059,768 (amounting to approximately S$10.6 million). The details of the market value of the Atlantis Garden Project are set out in Section 4.1(e) below. Apart from the valuation, this pricing takes into account:

(i) the commercial advantages of satisfying such part of the Consideration by transfer of the LHL Shares to the Vendor, as compared to payment of cash consideration, in enabling the Company to conserve cash for its working capital and other uses as it diversifies its business; and

(ii) that the value of the LHL Shares is likely to be realised only in the far future compared to the realisation of profits from the Project, the concerns of the Vendor in this regard and the advantages of maintaining a good business relationship with the Vendor leading up to and after Completion.

(b) Status

The LHL Shares shall be transferred to the Vendor on an "*as is, where is*" and non-recourse basis without any warranty in respect thereof.

(c) Obligations of the Company

In respect of the transfer of the LHL Shares, during the period beginning from the Vendor's receipt of the transfer confirmation from the Company that the Completion conditions for the Proposed Acquisition have been fulfilled ("**Transfer Confirmation**") and ending on the date following three (3) months from the date of the Transfer Confirmation, or such other later date as may be permitted in writing by the Company ("**Post-Completion Period**"), the Company shall, among others, as soon as practicable sign and deliver any and all documents that are, to the best of the Company's knowledge, required to be signed by the Company pursuant to the law of the PRC, Hong Kong or any other applicable jurisdiction, and do such acts as may be reasonable and necessary, in order to effect the transfer of the LHL Shares to the Vendor, provided that the Company shall not be required to execute any documents that will impose on it any obligation that will have any financial or restrictive effect. Upon such signing, delivery and acts having been carried out, the Company's obligations in respect of the transfer of the LHL Shares shall be fully and finally discharged even if the Vendor has not yet been reflected as the registered holder of the LHL Shares in the Hong Kong Companies Registry.

(d) Information on LHL and the Atlantis Garden Project

Please refer to Section 2.1 of this Circular.

(e) Valuation of the Atlantis Garden Project

The Board has authorised the Company's Executive Director and Chief Executive Officer, Mr. George Peng Fei, to represent the Company in appointing, and Mr. George Peng Fei has accordingly appointed, the AG Independent Valuer, who was the independent valuer when the Group acquired equity interests in LHL in 2019 and 2021, as the independent valuer to perform an independent valuation of the Atlantis Garden Project based on the relevant PRC national valuation standards, laws and regulations, as well as the PRC National Standard Code for Real Estate Appraisal (GB/T50291-2015), the PRC National Standard Basic Terminology Standards of Real Estate Appraisal (GB/T50899-2013) and the PRC National Standard Urban Land Evaluation Procedures (GB/T 18508-2014).

The AG Independent Valuer is currently a member of the China Real Estate Valuers Association (CREVA) which is under the Ministry of Land and Resources of the PRC, and a member of the China Institute of Real Estate Appraisers and Agents (CIREA) which is under the Ministry of Housing and Urban-Rural Development.

Based on the AG Independent Valuation Report, the value of the Atlantis Garden Project on an "*as is*" basis is approximately RMB675,747,100 (amounting to approximately S$132.2 million) as at 30 September 2022. In arriving at the valuation, the AG Independent Valuer has adopted a combination of the cost method and the hypothetical development method to value the Atlantis Garden Project, both of which are common valuation methods for property development projects.

Please refer to Appendix 2 to this Circular for the AG Independent Valuation Report for further details.

The investment in the Atlantis Garden Project through LHL is classified as investment in unquoted equity under non-current financial assets at fair value through profit or loss. Such financial assets at fair value through profit or loss are measured at their fair values and any movements in the fair values would be recognised in profit or loss. The carrying value of the LHL Shares as at 30 June 2022 is RMB55,227,000. The Group is expected to record a net loss on the transfer of the LHL Shares to the Vendor of RMB55.2 million based on the carrying value of the LHL Shares as at 30 June 2022.

(f) Rationale of the transfer of the LHL Shares

Please refer to Sections 2.3 and 3.2 of this Circular, wherein the Company discussed the rationale for reducing its reliance on its existing business in the property industry, and for seeking to carry out the Proposed Acquisition. The Company further refers to its announcement dated 2 January 2022, wherein the Company announced its acquisition of 10% of the shares in the capital of LHL, completed on 31 December 2022, making LHL a wholly-owned subsidiary of the Company. The Company notes that it had at paragraph 2.5 of the aforementioned announcement observed that the acquisition of LHL would potentially improve future earnings of the Group, for the reasons set out therein. For the avoidance of doubt, the Company has not observed a need to change such outlook. The disposal of LHL is undertaken as part of the Proposed Acquisition to enable the Group to diversify into the New Businesses which it believes would improve future earnings of the Group sooner and to a larger extent than the Group's Existing Business, while conserving the working capital required for such diversification.

As the LHL Shares will constitute part of the Consideration, the Company will not receive any consideration in cash for the LHL Shares. The Company is of the view that given the structure of Proposed Acquisition and manner in which the Consideration will be satisfied, it is not possible nor meaningful to disclose the intended use of the sale proceeds as required by Rule 1010(6) of the Catalist Rules.

4.2. **Relative Figures under Rule 1006 of the Catalist Rules for transfer of the LHL Shares**

For the purposes of Chapter 10 of the Catalist Rules, and in particular Rule 1005 of the Catalist Rules, under which separate transactions completed within the last 12 months may be required to be aggregated and treated as if they were one transaction, the aggregated relative figures based on the latest announced unaudited consolidated financial statements of the Group for 1H2022. Accordingly, the combined relative figures including the disposal of the Company's wholly owned subsidiary, HBTD, which was announced on 20 July 2022, as well as the transfer of the LHL Shares, are set out below:

Catalist Rule 1006	Description	Relative figure for the disposal of HBTD(16)	Relative figure for the transfer of LHL Shares	Combined relative figure
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets. (1)	1.3%	87.3%(11)	88.6%
(b)	The net loss attributable to the assets acquired or disposed of, compared with the Group's net loss. (3)	9.8%	Not Applicable(12)	20.5%
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	3.3%	59.7%(7)(13)	61.1%
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable	Not Applicable(14)	Not Applicable

Catalist Rule 1006	Description	Relative figure for the disposal of HBTD[16]	Relative figure for the transfer of LHL Shares	Combined relative figure
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the SGX-ST may permit valuations to be used instead of volume or amount.	Not Applicable	Not Applicable[15]	Not Applicable

Notes:

(1) Please refer to Note 1 of Section 3.7 above.

(3) Please refer to Note 3 of Section 3.7 above.

(11) Based on the unaudited consolidated financial statements of the Group for 1H2022, the carrying value of the LHL Shares was RMB55.3 million (or equivalent to S$10.8 million) and the Group's NAV was RMB63.3 million (or equivalent to S$12.4 million), as at 30 June 2022.

(12) Not applicable as the investment in the Atlantis Garden Project held through LHL is classified as investment in unquoted equity under non-current financial assets at fair value through profit or loss and there is no sharing of financial results from Hainan Fuda and Hainan Fufa by the Group.

(13) The ascribed value to the LHL Shares under the Agreement amounting to RMB50.0 million.

(14) The Company will not issue any new Shares in connection with the transfer of LHL Shares.

(15) This is not a disposal of mineral, oil or gas assets.

(16) Extracted from the Company's announcement dated 20 July 2022.

As the relative figures computed on the basis of Rules 1006(a) and 1006(c) of the Catalist Rules exceed 50%, the transfer of the LHL Shares to the Vendor constitutes a "major transaction" under Chapter 10 of the Catalist Rules. Accordingly, the transfer of the LHL Shares to the Vendor is conditional upon the approval of the Shareholders at the EGM.

4.3. **Assignment of the HF Loans**

As part of the Consideration payable to the Vendor for the Proposed Acquisition, the Company has agreed to assign its rights, title and interests to the HF Loans to the Vendor. Details of the HF Loans are as follows:

(a) The component loans

The HF Loans comprise loans granted to Hainan Fuda as documented in two (2) loan agreements dated 20 December 2019 and 7 January 2020 respectively. Pursuant to a supplemental loan agreement entered into by the Company with Hainan Fuda on 31 December 2021, the outstanding principal amounts of the HF Loans are RMB3,700,000 (amounting to approximately S$0.7 million) and RMB5,800,000 (amounting to approximately S$1.1 million), and the HF Loans will mature on 20 June 2023 and 7 July 2023, respectively. The interest rate of each loan is 3.80% per annum.

(b) Status

The HF Loans shall be transferred to the Vendor on an "*as is, where is*" and non-recourse basis without any warranty in respect thereof.

(c) Obligations of the Company

The Company shall sign and deliver any and all documents that are, to the best of its knowledge, required to be signed by the Company for it to assign its rights, title and interests in and to the HF Loans to the Vendor. Performance of the foregoing obligations shall fully and finally discharge the Company of its obligations to transfer the HF Loans to the Vendor.

5. SERVICE AGREEMENTS

There will be no new appointment to the Board arising from the Proposed Diversification, Proposed Acquisition or Proposed Payment, and therefore no services agreements entered into by the Company in this respect.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the shareholdings of the Company as at the Latest Practicable Date, the effects of the Proposed Acquisition on the shareholdings of the Directors, substantial shareholders and existing public Shareholders are as follows:

Name	As at the Latest Practicable Date				Upon Completion of the Proposed Acquisition			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%(1)	Number of Shares	%(1)	Number of Shares	%(2)	Number of Shares	%(2)
Directors								
Ng Fook Ai Victor	-	-	-	-	-	-	-	-
George Peng Fei	-	-	-	-	-	-	-	-
Leo Peng Weile	20,899,000	22.16	-	-	20,899,000	19.58	-	-
Lo Fui Chu	-	-	-	-	-	-	-	-
Substantial shareholders (other than Directors)								
Zhang Tian Bao	23,361,000	24.77	-	-	23,361,000	21.89	-	-
Feng Li	12,500,000	13.26	-	-	12,500,000	11.71	-	-
Lu Ning	8,910,000	9.45	-	-	8,910,000	8.35	-	-
Vendor	-	-	-	-	12,433,642	11.65	-	-
Public Shareholders	28,630,000	30.36	-	-	28,630,000	26.82	-	-

Notes:

(1) Based on the existing total issued share capital of the Company (excluding treasury shares and subsidiary holdings) comprising 94,300,000 Shares as at the Latest Practicable Date.

(2) Based on the enlarged total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of 106,733,642, comprising 94,300,000 Shares as at the Latest Practicable Date and 12,433,642 Consideration Shares.

Save as disclosed above, none of the Directors and substantial shareholders of the Company has any interests, direct or indirect, in any of the Proposed Resolutions, other than through their respective shareholdings in the Company, direct or deemed, in the Company, if any.

7. DIRECTORS' RECOMMENDATIONS

In giving the recommendations below, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders have different investment objectives and profiles, the Directors recommend that any Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

7.1. Proposed Diversification

Having considered the matters set out in Section 2 of this Circular, the Directors are of the opinion that the Proposed Diversification is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 1 relating to the Proposed Diversification at the EGM.

7.2. Proposed Acquisition

Having considered the matters set out in Section 3 of this Circular, the Directors are of the opinion that the Proposed Acquisition is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 2 relating to the Proposed Acquisition at the EGM.

7.3. Proposed Payment

Having considered and reviewed the terms and/or rationale of the Proposed Payment in light of the Proposed Acquisition and the other relevant facts as set out in this Circular, the Directors are of the opinion that the Proposed Payment is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 3 relating to the Proposed Payment at the EGM.

8. ABSTENSION FROM VOTING

No person is required to abstain from voting on the Proposed Resolutions.

9. EXTRAORDINARY GENERAL MEETING

The EGM, the notice of which is set out on pages N-1 to N-5 of this Circular, will be held by way of electronic means on 30 December 2022 at 10:30 a.m. by electronic means for the purpose of considering and, if thought fit, passing, with or without any modification(s), the Proposed Resolutions as set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

10.1. Attendance at the EGM

The EGM will be convened and held by electronic means. Arrangements have been made by the Company to allow Shareholders to attend and participate at the EGM "live" through (i) real-time electronic voting and (ii) real-time communications.

Shareholders who wish to attend and participate at the EGM "live" must pre-register at the URL **https://conveneagm.com/sg/healthbank2022egm** by no later than **10:30 a.m. on 28**

December 2022 (that is, not less than 48 hours before the time fixed for holding the EGM) to create an account and to enable the Company to authenticate their status as Shareholders.

Shareholders who have been authenticated will then receive email instructions to access the virtual EGM by **10:30 a.m. on 29 December 2022**. Shareholders who have registered by the abovementioned deadline but did not receive email instructions by 10:30 a.m. on 29 December 2022 may contact the Company by email at healthbank123@gmail.com for assistance.

Shareholders are advised to read the notes to the Notice of EGM for more information.

10.2. **Voting by proxy or "live" at the EGM**

Shareholders (except relevant intermediaries (as defined under Section 181 of the Companies Act) may cast their votes for the ordinary resolution "live" at the EGM.

Alternatively, a Shareholder (whether individual or corporate) (except relevant intermediaries) may submit a Proxy Form to appoint a proxy to attend, speak and vote on their behalf at the EGM. Shareholders appointing a proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment may be treated as invalid. Investors who hold their Shares through a relevant intermediary should not use the Proxy Form, and should instead contact their relevant intermediaries as soon as possible to specify their voting instructions.

The Proxy Form must be submitted to the Company in the following manner:

(a) via the pre-registration website at the URL https://conveneagm.com/sg/healthbank2022egm;

(b) by email to healthbank123@gmail.com; or

(c) in hard copy by post to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08 Singapore 228218,

in any case, not less than 48 hours before the time appointed for holding the EGM (and at any adjournment thereof), i.e. by no later than **10:30 a.m. on 28 December 2022**.

Shareholders are advised to read the notes to the Notice of EGM for more information.

10.3. **Circular, Notice of EGM and Proxy Form**

Printed copies of this Circular, the Notice of EGM and the accompanying Proxy Form will not be sent to Shareholders. This Circular together with the Notice of EGM and the accompanying Proxy Form may be accessed on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

10.4. **Submission of Questions in advance or "live" at the EGM**

Shareholders are encouraged to submit questions relating to the resolutions tabled for approval at the EGM in advance:

(a) via the pre-registration website at the URL https://conveneagm.com/sg/healthbank2022egm;

(b) by email to healthbank123@gmail.com; or

(c) in hard copy by post to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08 Singapore 228218,

in any case, by **10:30 a.m. on 22 December 2022.** The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) as soon as possible and in any case, no later than **10:30 a.m. on 26 December 2022** (that is, no later than 48 hours prior to the closing date and time for the lodgement of the Proxy Forms).

Any subsequent clarifications sought by the Shareholders after the aforementioned cut-off time for the submission of questions will be addressed at the EGM.

Members may also ask questions during the EGM. The minutes of the EGM will be published on SGXNet within one (1) month after the date of the EGM.

10.5. **Depositors**

A Depositor's name must appear on the Depository Register as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

12. CONSENT OF THE INDEPENDENT VALUER

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Independent Valuation Report as set out in Appendix 1 to this Circular and all references to the Independent Valuation Report, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular.

13. CONSENT OF THE AG INDEPENDENT VALUER

While no formal consent has been obtained from the AG Independent Valuer for the inclusion of its name and the AG Independent Valuation Report in this Circular in Appendix 2, the Company understands from Mr. George Peng Fei, the Company's Executive Director and Chief Executive Officer who was authorised by the Board to represent the Company in appointing the AG Independent Valuer, that he confirms that the AG Independent Valuer has verbally expressed that it has no objections to such inclusion in the manner described as aforesaid.

14. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 15 Scotts, 15 Scotts Road, #04-08 Singapore 228218 during normal business hours from the date of this Circular up to the date of the EGM:

(a) the Agreement;

(b) the Independent Valuation Report; and

(c) the AG Independent Valuation Report.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send a written request via email to the Company at healthbank123@gmail.com to make an appointment in advance.

Yours faithfully,

For and on behalf of the Board of Directors of
HealthBank Holdings Limited

George Peng Fei
Executive Director and Chief Executive Officer

APPENDIX 1 – THE INDEPENDENT VALUATION REPORT

CBRE

Valuation Report

Valuation of a 50MW Wind Power Project in Jiangsu

CBRE Job Number: C2207-1575-BV

Valuation Date: June 30, 2022

Report Date: November 25, 2022

Re iant Party: Healthbank Holdings Limited

15 Scotts,
15 Scotts Road, #04-08
Singapore 228218

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1. Legal & Disclaimer

This valuation report (the "Report") has been prepared by CBRE Limited ("CBRE") exclusively for Healthbank Holdings Limited (the "Instructing Party"), in accordance with the Agreement entered into between CBRE and the Instructing Party dated July, 7, 2022 (the "Agreement"). The Report is confidential to the Instructing Party and any other Addressees named herein and the Instructing Party and the Addressees may not disclose the Report unless expressly permitted to do so under the Agreement.

Where CBRE has expressly agreed that persons other than the Instructing Party or the Addressees can rely upon the Report (a "Reliant Party" or "Reliant Parties") then CBRE shall have no greater liability to any Reliant Party than it would have if such party had been named as a joint client under the Agreement.

CBRE's maximum aggregate liability to the Instructing Party and to any Reliant Parties howsoever arising under, in connection with or pursuant to this Report and/or the Agreement together, whether in contract, tort, negligence or otherwise shall be limited to three (3) times the total fees received by CBRE under the Agreement.

CBRE shall not be liable for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise, arising from or in connection with this Report. Nothing in this Report shall exclude liability which cannot be excluded by law.

If you are neither the Instructing Party, an Addressee nor a Reliant Party then you are viewing this Report on a non-reliance basis and for informational purposes only. You may not rely on the Report for any purpose whatsoever and CBRE shall not be liable for any loss or damage you may suffer (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this Report. CBRE gives no undertaking to provide any additional information or correct any inaccuracies in the Report.

For the avoidance of doubt, nothing in our Report will constitute any recommendation, investment advice or an offer or solicitation for the purpose of or for sale of any securities, financial instrument or products or other services. Any investors should make their own investment decisions in relation to any investments. If you do not understand this legal notice, then it is recommended that you seek independent legal advice.

2. Assumptions, Disclaimers, Limitations & Qualifications

VALUATION STANDARDS

All valuations will be conducted in accordance with Hong Kong Institute of Surveyors (HKIS) Valuation Standards 2020 and RICS Valuation – Global Standards 2022 and the IVSC International Valuation Standards (IVS) 2022, where appropriate. All valuations will be undertaken by appropriately qualified valuers therein.

Where the valuation is undertaken by a RICS Registered Valuer, the valuation may be subject to monitoring under the RICS' conduct and disciplinary regulations.

VALUATION BASIS

In accordance with the International Valuation Standards (IVS) 2022, the definition of 'Market Value' is: "The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing, wherein the Party had each acted knowledgeably, prudently and without compulsion."

It should be noted that the interpretive commentary of the Valuation Standards makes it clear that, amongst other things, the valuation assumes that the appropriate marketing period had occurred prior to the Valuation Date and that simultaneous exchange and completion of the sale took place on the Valuation Date. Our valuations are, therefore, based upon the facts and evidence available as at the Valuation Date.

We would also draw your attention to the fact that we are required to assume that the buyer will purchase in accordance with the realities of the current market – and with current market expectations – and that the seller will sell the property at market terms for the best price attainable in the open market after proper marketing, whatever that price may be.

The valuation represents the figure that would appear in a hypothetical contract of sale at the Valuation Date. No adjustment has been made to this figure for any expenses of acquisition or realisation – nor for taxation which might arise in the event of a disposal. No account has been taken of any inter-company leases or arrangements, or of any mortgages, debentures or other charge. No account has been taken of the availability or otherwise of capital-based Government grants.

CONFIDENTIALITY

Any valuation service is confidential as between CBRE and the Reliant Party as specifically stated in the LOE and valuation advice/report. No responsibility will be accepted or assumed to any third party who may use or rely on the whole or any part of the content of our valuation or report.

TRANSMISSION

Only an original valuation report received by the Reliant Party directly from CBRE without any third-party intervention can be relied upon.

PUBLICATION

Neither the whole nor any part of our report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way nor disclosed orally or in communication to a third party, including the form and context in which it is to appear without CBRE's prior written approval, which shall not be unreasonably withheld.

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FUTURE CHANGE IN VALUE

All valuations are current as at the date of valuation only. The value assessed may in the future change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property or particular property sector). CBRE does not accept liability for losses arising from subsequent changes in value. As values can vary from time to time, CBRE recommends the valuation be reviewed periodically in the future to ascertain any changes in value.

FUTURE MATTERS

To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of valuation. CBRE does not warrant that such statements are accurate or correct.

LIMITATION OF LIABILITY

In recognition of the relative risks and benefits of this engagement to the Instructing Party, the Reliant Party and CBRE, the risks have been allocated such that:

i. the Instructing Party agrees; and
ii. the Instructing Party shall procure that the Reliant Party agrees,

to the fullest extent permitted by law, the total liability, in the aggregate, of CBRE and its professionals, officers, directors, employees, agents and sub-consultants, for any and all claims, losses, indemnities, costs, expenses or damages of any nature whatsoever arising out of, resulting from or in any way related to this Letter of Engagement, including but not limited to the negligence, professional errors or omissions, strict liability, breach of contract or warranty (express or implied), of CBRE or its professionals, officers, directors, employees, agents or sub-consultants shall be limited to three (3) times the total fees received by CBRE under this Letter of Engagement.

CBRE shall not be liable for any indirect, special, punitive or consequential loss or damage howsoever caused, whether in contract, tort or otherwise, arising from or in connection with this Letter of Engagement.

Indirect loss includes, without limitation, any financial loss or expenses including where caused by loss of use or of goodwill, loss of data or delay in the performance of any obligation together with any expenses incurred in connection with that loss or in litigation or attempted litigation of that loss.

This provision is standard with engagements of this nature and is not provided to waive our professional responsibility but as a mechanism to appropriately reflect the risk and benefits of the Party to this engagement. Nothing in this Section intends to exclude or limit our liability for actual fraud, death or personal injury caused by CBRE's negligence.

MATTERS WHICH AFFECT OR MAY AFFECT THE VALUATION

If the Instructing Party becomes aware of any matters which affect or may affect the valuation, then CBRE must be advised of those matters. The Instructing Party's failure to do so will disentitle the Instructing Party to place reliance on the valuation and reliance must not be placed on the valuation/s under any circumstance.

PRUDENT LENDING CLAUSE

Our valuation will be provided on the assumption that the Instructing Party may rely on the valuation for first mortgage security purposes, and the Instructing Party complies with its own lending guidelines as well as prudent finance industry lending practices, and considers all prudent aspects of credit risks for the potential borrower, including the borrower's ability to service and repay any mortgage loan. The valuation/s will be provided on the assumption that the Instructing Party will provide mortgage financing at a conservative and prudent loan to value ratio. No responsibility will be accepted for this valuation nor should any reliance be placed on this valuation if the Instructing Party relies solely upon this valuation to advance any loan.

ASSUMPTIONS

An assumption is a supposition taken to be true. It involves facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, do not need to be verified by the valuer as part of the valuation process. Typically, an assumption is made where specific investigation by the valuer is not required in order to prove that something is true.

Assumptions are matters that are reasonable to accept as fact in the context of the valuation assignment without specific investigations or verification. They are matters that, once stated, are to be accepted in understanding the valuation or other advice provided.

The Instructing Party accepts that the valuation contains assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect or inaccurate, then this may have an effect on the valuation.

Only assumptions that are reasonable and relevant having regard to the purpose for which the valuation assignment is required will be made. We also recommend that you check the validity of the assumptions we have adopted in our report.

INSPECTIONS

We undertake such inspections and investigations as are, in our opinion, necessary to produce a valuation which is professionally adequate for its purpose.

OUR INVESTIGATIONS

We are not engaged to carry out all possible investigations in relation to the Properties. Where in our report we identify certain limitations to our investigations, this is to enable the Instructing Party to instruct further investigations where considered appropriate or where we recommend as necessary. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.

INFORMATION SUPPLIED BY OTHERS

We have assumed that where any information relevant to our valuation is supplied by you, or by any third party at your instigation, it is correct and

comprehensive, and can be safely relied upon by us in preparing our valuation.

VERIFICATION OF INFORMATION
We would recommend that before any financial transaction is entered into based on the valuations, you obtain verification of any third-party information provided. We also recommend that you check the validity of the assumptions we have adopted in our report (where we have been unable to verify the facts through our own observations or experience).

FLOODING RISK
We will assume that either there is no flooding risk or, if there is, that sufficient flood defences are in place and that appropriate building insurance could be obtained at a cost that would not materially affect the capital value.

SITE SURVEY
We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Instructing Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey reports this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.

SITE CONDITIONS
We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise).

Furthermore, we assume in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structure on the property.

ENVIRONMENTAL CONTAMINATION
In preparing our valuation we assume that no contaminative or potentially contaminative use is, or has been, carried out at the property. We do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists. Should it, however, be subsequently established that such contamination exists at the property or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

ASBESTOS RISK
Unless otherwise noted, we have assumed that the improvements are free of Asbestos and Hazardous Materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We assume the site is free of subsoil asbestos and have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of the presence of any asbestos/hazardous materials on site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.

HAZARDOUS & DELETERIOUS MATERIALS
Unless specifically instructed, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless specifically notified, our valuation assumes that no such materials or methods have been used. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool slabs used as permanent shuttering.

DOCUMENTATION AND TITLE
We have relied on the land title certificates or lease agreements provided by the Instructing Party. Otherwise, if instructed by the Instructing Party, we will conduct a brief title search at the local Land Department office and will rely on the land title certificates or the lease agreements from the local Land Department office. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances, we should be consulted to reassess any effect on the value stated herein.

We do not read legal documentation. Where legal documentation is provided to us, we will have regard to the matters therein but recommend that reliance should not be placed on our interpretation thereof without prior verification by your legal advisors. Unless disclosed to us, we assume that there are no outstanding statutory breaches or impending litigation in respect of the property. We further assume that all documentation is satisfactorily drawn and that unless disclosed to us, there are no unusual or onerous restrictions, easements, covenants or other outgoings which would adversely affect the value of the relevant interest(s). In respect of leasehold properties, we will assume that your landlord will give any necessary consents to an assignment. Unless notified to the contrary we assume that each property has a good and marketable title and is free from any pending litigation.

LIEN / CAVEATS
We have disregarded the presence of any mortgage or other financial liens, or any caveats pertaining to the property.

UNREGISTERED INTERESTS
We have assumed that there are no unregistered interests or interests not captured by the applicable Regulatory Authority in the country which services are to be carried out which may affect market value. In the event that the Instructing Party becomes aware of any further or pending easements, encumbrances or unregistered interests, this valuation must not be relied upon before first consulting CBRE in writing to reassess any effect on the valuation/s.

TENANT'S COVENANT STRENGTH
Unless specifically requested, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or other payments or undisclosed breaches of covenant.

PERMIT OF OCCUPANCY & USE
Unless otherwise stated in the report, we have not sighted a copy of the relevant Certificate of Occupation Permit and latest approved building plans for the subject property. Accordingly, our valuation/s assumes that the property complies with all requirements of the Local Authorities /Government Bodies responsible for the issue of the said Permit/Certificate and that there are no outstanding matters, orders or requisitions.

TOWN PLANNING AND OTHER STATUTORY REGULATION
Unless specifically instructed, we do not normally undertake enquiries to obtain town planning and highway information from the relevant Local Authority. We assume that the property is not adversely affected by town planning or road proposals. Our valuations are prepared on the assumption that the premises comply with all relevant statutory enactments and Building Acts and Regulations, that a valid and up-to-date Fire Certificate has been issued. We assume that all necessary consents, licences and authorisations for the use of the property and the process carried out therein have been obtained and will continue to subsist and are not subject to any onerous conditions.

In the event that a legal requisition or other relevant planning information or document is obtained and the information therein is found to be materially different to the town planning information in the report, the valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation/s.

MEASUREMENT
We will not measure the properties but will rely upon the floor areas provided to us by the Instructing Party and/or Instructing Party's advisor which we would assume to be correct and comprehensive, and which we assume have been calculated in accordance with the local market practise. We recommend that the person or entity relying upon this report should obtain a survey to determine whether the areas provided differ from the guidelines. In the event that there is a material variance in areas, we reserve the right to review our valuation as assessed herein.

VALUATION APPROACHES AND METHODS
CBRE employs industry recognised valuation approaches and methodologies using market-derived inputs or information in estimating the market value of a property.

Our report will make reference to the approach or approaches adopted, the key inputs used and the principal reasons for the conclusions reached. Where different valuation approaches and assumptions are required for different properties, this will be separately identified and reported.

Valuers are responsible for adopting, and as necessary justifying, the valuation approach(es) and the valuation methods used to fulfil individual valuation engagements. These will however have regard to; the nature of the property; the purpose, intended use and context of the particular assignment and any statutory or other mandatory requirements applicable in the jurisdiction concerned.

BUILDING SURVEYS
We do not undertake building surveys nor do we inspect those parts that are covered, unexposed or inaccessible, or test any of the electrical, heating, drainage or other services. Any readily apparent defects or items of disrepair noted during our inspection will, unless otherwise stated, be reflected in our valuation, but no assurance is given that any property is free from defect. We assume that those parts which have not been inspected would not reveal material defects which would cause us to alter our valuation.

We assume that the services and any associated controls or software are in working order and free from defect.

HIGH VOLTAGE ELECTRICITY SUPPLY APPARATUS
Where there is high voltage electricity supply apparatus within close proximity to the property, unless otherwise stated we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

PLANT & MACHINERY, FIXTURES AND FITTINGS
Our valuation includes those items usually regarded as forming part of the building and comprising landlord's fixtures, such as boilers, heating, lighting, sprinklers and ventilation systems and lifts but generally exclude process plant, machinery and equipment and those fixtures and fittings normally considered to be the property of the tenant. Where the property is valued as a fully equipped operational entity our valuation includes trade fixtures and fittings and equipment necessary to generate the turnover and profit. Valuations for investment purposes will include the landlord's fixtures and fittings but not the trade fixtures and the trade inventory where the tenant owns these.

DEVELOPMENT VALUATION
The valuation method adopted for development valuations is very sensitive to changes in key inputs. Slight changes in variables such as sales volumes or build costs will have a disproportionate effect on land value. Site values can therefore be susceptible to considerable variances because of changes in market conditions. In preparing our valuations, we will undertake a residual appraisal or Discount Cashflow of the proposed / consented scheme, making the necessary allowances to reflect the market and associated planning risks.

AGGREGATION
In the valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the portfolio being put on the market at any one time.

LIASING WITH LAWYERS
Where it is appropriate to do so we will liaise direct with your lawyers. However, they will be directly responsible to you for all legal work carried out by them. We will have no responsibility for their work. In particular, we will not be liable for anything contained in the legal documentation prepared by the lawyers unless we specifically state in writing that the lawyers may rely on our advice in relation to any relevant issue.

MAP & PLANS
All maps and plans quoted in our report are solely for illustration purposes only. While they are extracted from public sources, they may be not to scale. CBRE does not warrant that such dimensions shown are accurate.

DIRECTOR'S CLAUSE
The reviewer of report verifies that the report is genuine and endorsed by CBRE however the opinion of value expressed has been arrived at by the valuer or valuers.

PRIVACY ACT OR REGULATIONS
Any personal information collected and held by CBRE in the course of providing the Services will only be used for purposes relating to the provision of Services. More information about the manner in which CBRE handles personal information is described in its privacy policy.

GOVERNING LAW
This agreement shall be governed by and construed in accordance with laws of the Hong Kong Special Administrative Region (HKSAR).

3. Executive Summary

Valuation Subject:	Valuation of a 50MW Wind Power Project in Jiangsu
Instructing Party:	Healthbank Holdings Limited
Valuation Purpose:	Public disclosure as part of the circular in relation to an acquisition of a 50MW Wind Power Project in Jiangsu in compliance with Singapore Exchange Rulebooks only
Basis of Valuation:	Market Value
Valuation Methodology:	Income Approach – Adjusted Present Value Method
Valuation Date:	June 30, 2022
Market Value:	**RMB 74,000,000** (Rounded)
Notes and Disclaimer:	This executive summary is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this report which are made in conjunction with those included within various sections of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation. The valuer has no pecuniary interest that would conflict with the proper valuation of the Valuation Subject.

4. Introduction

Instruction

In accordance with the instruction of Healthbank Holdings Limited ("you" or the "Company"), we have assessed the market value of a 50MW wind power project in Jiangsu (the "Project") for public disclosure purpose as part of the circular in relation to an acquisition of a 50MW wind power project in Jiangsu in compliance with Singapore Exchange Rulebooks.

The purpose of this report is to provide an independent analysis of the market value of the Project for public disclosure purpose only. Such public disclosure may not be used for capital raising, public offering, very substantial acquisitions or reverse takeovers without the prior written consent of CBRE where such consent to be given at the absolute, exclusive discretion of CBRE. We have made relevant investigations, enquired and obtained such further information, as we consider necessary for the purpose of providing our valuation result.

This report has been prepared solely for the purposes stated herein and is not intended for any legal or court proceedings, general circulation, publication or reproduction in any form without our prior written consent, and should not be relied upon for any other purpose. This report is strictly confidential and (save to the extent required by applicable law and/or regulation) must not be released to any third party without our express written consent which is at our sole discretion.

To the fullest extent permitted by law, CBRE Limited ("CBRE") accepts no duty of care to any third party in connection with the provision of this Report and/or any related information or explanation (together, the "Information"). Accordingly, regardless of the form of action, whether in contract, tort (including, without limitation, negligence) or otherwise, and to the extent permitted by applicable law, CBRE accepts no liability of any kind to any third party and disclaims all responsibility for the consequences of any third party acting or refraining to act in reliance on the Information.

The information used by CBRE in preparing this report has been obtained from a variety of sources as indicated within the report. Historical financial data, prospective financial information and key assumptions used in our valuation analysis and as set out in this report are the responsibility of the management of the Company (the "Management"). Please note that the procedures and enquiries undertaken by us in preparing this report do not include any verification work, nor do they constitute an examination made in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us, except where otherwise stated herein, and no assurance is given.

We make no representation regarding the sufficiency of our work either for purposes for which this report has been requested or for any other purpose. The sufficiency of the work we performed is solely the addressee's responsibility, as are any decisions with respect to the estimation of market value.

Basis of Valuation

Our valuation has been conducted on a market value basis. Market value is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion" under International Valuation Standards (IVS) 2022.

5. Scope of Work

We have performed the following work procedures:

- Discussed with the Management and the management of the Target Group on key financial and operational issues;
- Discussed with the Management and the management of the Target Group to understand the business operations/model;
- Obtained and reviewed the relevant information of the Project, including but not limited to feasibility study report, licenses, legal documents, prospective financial information as well as the underlying major assumptions, from the Management and the management of the Target Group;
- Investigated the operational and financial information provided by the Management and the management of the Target Group and analyse the financial information pertaining to the businesses concerned;
- Carried out research in the sector concerned and collected relevant market data from reliable sources;
- Designed appropriate valuation models to analyze the market data and derive the market value;
- Estimated appropriate valuation parameters applicable in this case;
- Reviewed other facts and data considered pertinent to this valuation to arrive at a conclusion of value; and
- Documented our procedures, findings, assumptions and results in this Report.

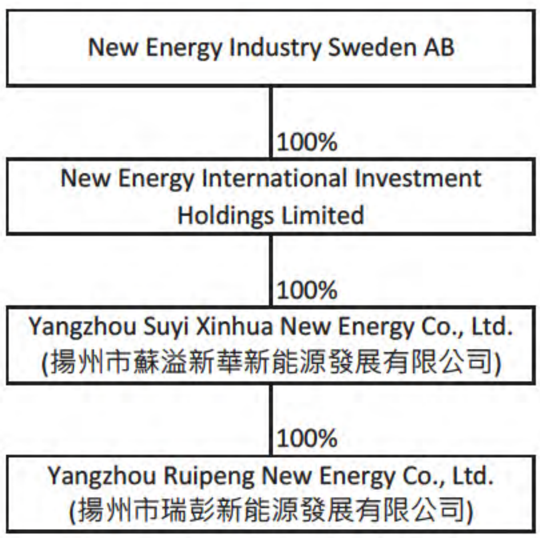
6. Background

Background of the Company

Healthbank Holdings Limited (stock code: 40B.SG), was admitted to the Catalist of the Singapore Exchange Securities Trading Limited in 2014. The Company is headquartered in Singapore with principal activity in the property related investment and management business in the People's Republic of Chira, Singapore and the region.

Background of the Target Group

New Energy International Investment Holdings Limited ("Target Company"), together with its wholly owned subsidiaries, Yangzhou Suyi Xinhua New Energy Co., Ltd. (揚州市蘇溢新華新能源發展有限公司) and Yangzhou Ruipeng New Energy Co., Ltd. (揚州市瑞彭新能源發展有限公司) (collevtively "Target Group") engaged in emerging power generation technology research and development. It manages a 50MW wind power project in Guocun Town of Yangzhou, Jiangdu District (揚州江都區郭村鎮). The Target Group is held by New Energy Industry Sweden AB. The group chart prior to the transaction is shown as below:



Background of the Proposed Acquisition and the Project

Healthbank Holdings Limited proposed to acquire 100% equity interest of the Target Company from New Energy Industry Sweden AB ("Proposed Acquisition"). As advised by the Management, the consideration for the Proposed Transaction is amounted to be RMB 71 million on market value basis.

The group chart immediately after the transaction is illustrated as below:

The Target Group manages the Project to construct and operate a 50MW wind power plant in Guocun Town, Jiangdu District, Yangzhou City, Jiangsu Province. The Project involves the installation of 13 wind turbines with a single capacity of 4000KW which can provide an installed capacity of 50MW, an annual on grid power generation of 140.504GWh, an annual equivalent full load utilization hours of 2,810.08 hours and an average capacity factor of 0.3208. A 110KV booster will be built and a transformer with a capacity of 50MVA will be installed. The fan will be connected to the booster station with a 35KV collector line and then boosted to 110KV. This system will be connected to the 220KV Xinji substation via a 110KV line that is 7km long.

According to the project schedule provided by Management, the pre-construction design will begin in December 2022 and the construction will begin in March 2023 and complete in November 2023. According to the legal opinion prepared by Zhong Yin Law Firm (北京中銀律師事務所) and the information provided by the Management, a long-term fixed power purchase agreement for at least 20 years would be signed upon the completion of the wind farm's construction. As such, the Project is assumed to have an operation period of 20 years.

The details of the 50MW wind power project are summarized as below:

PROJECT	TYPE	LOCATION	CAPACITY
50MW wind power project in Jiangsu	Onshore wind power	Guocun Town, Jiangdu District, Yangzhou City, Jiangsu Province (江蘇省揚州市江都區郭村鎮)	50MW

7. Economic and Industry Overview

Economic Overview

In the process of the valuation, research on the current and prospective economic conditions of the national economy has been performed. The major variables researched to evaluate the national economy include the economic growth, the inflation rate and the exchange rate of RMB. The following economic outlook was extracted from Trading Economics based on statistics sourced from National Bureau of Statistics of China.

Economic Growth

The Chinese economy advanced 0.4% yoy in Q2 of 2022, missing market consensus of 1.0% and slowing sharply from a 4.8% growth in Q1. The latest figure was the softest pace of expansion since a contraction in Q1 2020, when the initial coronavirus outbreak emerged in Wuhan. China's statistics agency described the result for Q1 as "hard-earned achievements" and warned about the lingering impact of outbreaks and "shrinking demand" at home. It also noted the rising "risk of stagflation in the world economy" and tightening monetary policy overseas. For the first half of the year, the economy grew 2.5%. Beijing has targeted the country's GDP to grow around 5.5% this year, after a 8.1% expansion in 2021 which was the steepest pace in nearly a decade, and following a 2.2% growth in 2020. Meantime, activity data for June showed some improvement, as the Chinese government has rolled out a raft of measures, cutting taxes for businesses and channeling more money into infrastructure projects.

Inflation

China's annual inflation rate climbed to 2.5 percent in June 2022 from 2.1 percent in the prior month and above market forecasts of 2.4 percent. This was the highest point since July 2020, with food prices rising the most in 21 months as consumption strengthened further following an improvement in COVID-19 situation (2.9 percent vs 2.3 percent in May). Also, non-food inflation accelerated further (2.5 percent vs 2.1 percent), driven by transportation & communication (8.5 percent vs 6.2 percent), housing (0.8 percent vs 1.0 percent), education, culture (2.1 percent vs 1.8 percent), clothing (0.6 percent vs 0.6 percent), household goods and services (1.5 percent vs 1.4 percent), and healthcare (0.7 percent vs 0.7 percent). China has set a target of CPI at around 3 percent for this year, the same as in 2021. On a monthly basis, consumer prices unexpectedly were flat in June, beating consensus of a 0.1 percent drop and after falling 0.2 percent in May.

Exchange Rate

The offshore yuan weakened past 6.75 per dollar, inching closer to its lowest levels in almost two months, as weaker-than-expected Chinese economic data dented sentiment and muddied the outlook for the rest of the year. China's economy grew 0.4% yoy in the second quarter of 2022, missing forecasts for a 1% expansion and slowing sharply from a 4.8% growth in the previous quarter. The latest figures highlighted severe disruptions brought by Covid lockdowns and piled pressure on Chinese authorities to deliver more stimulus after the central bank signaled that it is unlikely to cut interest rates further. The People's Bank of China stood pat on a key policy rate for a sixth straight month in July, holding the interest rate of the one-year medium lending facility steady at 2.85% and that of the seven-day reverse repurchase agreement at 2.1%.

Industry Overview

The following research section was extracted from online resources[1]:

For the last two decades, China has been considered the economic powerhouse of the world, fuelled by its high economic growth. The country's rapidly growing energy demand has been met through growth in fuel imports, which has worked to increase China's energy trade both globally and within the NEA region.

China is simultaneously the world's largest coal producer – producing 46.6%, or 3 693 million tonnes per year (Mt/year), of global coal – and the world's largest coal importer, at 298 Mt/year, although these imports account for only 8% of China's total coal consumption (IEA, 2020) A significant portion of these coal imports come from within the NEA region, with Mongolia and the Russian Federation acting as, respectively, the 2nd and 4th largest coal exporters to China, in 2019.

In 2018, China also became the world's largest oil importer. A major part of this oil comes from the Russian Federation, which is the second largest oil exporter to China, providing 15.3% of total imports – a close second to Saudi Arabia (16.8%) Russian oil imports come mainly from the production of Siberian oil fields (ITC, n.d.). As of 2019, China had also begun to import natural gas from the Russian Federation's eastern Siberia field through the Power of Siberia pipeline.

These energy imports contribute to making China the largest producer of electricity in the world. Non-renewable generation dominates domestic electricity generation – which stood at 63% of total capacity (1 878.5 GW) and 74% of total generation (5 186 terawatt hours (TWh)) in 2018. While the government has taken steps to introduce electricity market competition, thus far, each generator is assigned to produce an allocated amount of electricity, rather than following a competitive economic dispatch approach.

Overall, China experiences a surplus of electricity production and this means that capacity factors, especially in coal power plants, have been relatively low. Restrictive measures have been placed on the construction of new coal power plants, but this has not yet reduced the dominance of non-renewable generation in the electricity mix.

Yet, although electricity production is dominated by non-renewables, China also has abundant renewable resources for traditional hydropower, as well as wind and solar PV production. Indeed, it is the world's largest producer of renewable energy, as well as the largest manufacturer of associated equipment Renewable power capacity almost doubled between 2013 and 2018, especially solar PV and wind capacity, which demonstrated impressive 385% and 141% growth rates, respectively. Total renewable electricity capacity stood at 759 GW in 2019.

While renewable energy deployment currently relies on government support, the cost-competitiveness of renewables is increasingly changing the policy landscape. In 2019, China held the world's largest solar auction – 22 GW of new capacity – and the lowest auction price was only USD 0.04/kilowatt hour (kWh), while the average price was USD 0.048/kWh Due to the lack of transmission capacity and drastically falling costs in recent years, the Chinese government has decided to gradually phase out wind and solar feed-in-tariffs, beginning in 2018.

The rapid increase of solar and wind generation has caused solar/wind power curtailment and transmission constraint issues in some regions, especially those areas with the highest quality renewable resources. In an effort to address these issues, China has developed a high voltage transmission network to increase transfer capacity between the electricity producing areas in the north and west and the load centre in the east. By 2019, renewable energy curtailment had been reduced to under 5%, nationwide. Some northern and western Chinese regions, however, are still experiencing high curtailment, such as Xinjiang (14%), Gansu (7.6%), and inner Mongolia (7.1%).

[1] (i) "Renewable Energy and Electricity Interconnections for a Sustainable Northeast Asia" published in May 2021 by International Renewable Energy Agency (IRENA)

Currently, China's electricity demand remains robust and the country is committed to renewables development, despite the hindrance of curtailments, which the government is determined to overcome through a variety of measures to increase system flexibility.

In September 2020, President Xi Jinping announced China would achieve carbon neutrality by 2060. China's technological experience of high voltage direct current (HVDC) technology and a large market share in manufacturing and installing wind turbines and solar PV could underpin its intended role in NEA regional energy co-operation.

8. Valuation Methodologies

Introduction

In the appraisal of the assets, equity, or the net assets, of a business or a project, regardless of their diversity, location, or technological complexity, there are three basic approaches, namely, asset approach, market approach and income approach to perform a valuation. Under normal circumstances, the appraiser is obliged to consider all three approaches, as any, or perhaps all, may provide reliable measures of value.

Asset Approach

Asset approach establishes value based on the cost of reproducing or replacing the property less depreciation from physical deterioration and functional and economic obsolescence, if present and measurable. This approach might be considered the most consistently reliable indication of value for assets without a known used market or separately identifiable cash flows attributable to assets appraised.

Market Approach

Market approach considers prices recently paid for similar assets, with adjustments made to the indicated market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established used market may be appraised by this approach.

Income Approach

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the property than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile.

Selected Valuation Methodology

To develop our opinion on the market value of the Project, the three generally accepted approaches, namely, asset approach, market approach and income approach have been considered.

While useful for certain purposes, the cost approach is generally not considered applicable to the valuation of a going concern, as it does not capture future earning potential of the business. Thus, it is not utilized in the valuation. Market approach requires market transactions of comparable assets as an indication of value as well as operational information of the valuation subject in order to arrive at an indication of value. Given that there was no historical operational information in relation to the Project and no public companies of the similar development stage as the Target Group, the market approach is not utilized in the valuation. In forming our opinion, we rely upon the income approach to prepare a market value analysis of the Project.

Under discounted cash flow method of income approach, the value of the valuation subject is premised upon the expected receipt of future economic benefits. Indication of value is developed by discounting future net cash flow to the present value at a rate that reflects both the current return requirements of the market and the risks inherent in the specific investment.

Income Approach - Adjusted Present Value Method ("APV Method")

As the Target Group was set up for the development and operation of wind power project, its capital structure will vary along the projection period due to the initial borrowing and the debt repayment schedule. The APV Method was used in order to exclude the distortion resulting from the change in capital structure over the projection period. APV Method is a modified form of Net Present Value (NPV) that takes into account the present value of leverage effects separately. It splits the financing and non-financing cash flows and discounts them by their respective discount rates. It is considered as a more appropriate valuation method for valuing companies with high leverages and dynamic capital structure because this method account for the impact of financing cash flow, such as tax shields, separately and explicitly.

Given that the Target Group is expected to have a dynamic capital structure over the projection period (i.e. Target Group's debt proportion decrease from approximately 80% in 2023 to 0% in 2038 and onwards as the outstanding debt will gradually be repaid), APV Method was selected in this appraisal. The project value is derived by discounting projected free cash flows at a rate of return assuming all-equity financing as unlevered project value ("Unlevered Project Value") plus the present value of tax shield benefits at effective tax rate discounted by pre-tax cost of debt.

9. Income Approach – Discounted Cash Flow Method

Introduction

Under discounted cash flow method of income approach, the value of the valuation subject is premised upon the expected receipt of future economic benefits. Indication of value is developed by discounting future net cash flow to the present value at a rate that reflects both the current return requirements of the market and the risks inherent in the specific investment.

Free Cash Flow

The term free cash flow to firm ("FCFF") can be represented by the following equation:

FCFF = NI + D&A + INT – CAPEX - △NWC

Where:

FCFF	=	Free cash flow to firm (both equity and debt holders)
NI	=	Net income after tax
D&A	=	Depreciation and amortization expenses
INT	=	Interest expenses after tax
CAPEX	=	Capital expenditure
△NWC	=	Change in net working capital

A major input of the DCF method is a prospective financial forecast, in particular a cash flow projection. The yearly FCFF for the projection period was derived based on the above formula. Since the project was assumed to have finite life until 2043 (i.e. 1 year of construction period starting in 2023 and followed by 20 years of operation period), there is no terminal value to represent the economic benefit beyond 2043.

Discount Rate

The rate at which the annual net cash flows discounted to present value is based on the estimated weighted average cost of capital ("WACC"), which is equivalent to the unlevered cost of equity according to the APV Method as described above.

Cost of Equity

The cost of equity was determined using the Capital Asset Pricing Model (CAPM), which considers only systematic risk of a company which is captured by beta. In estimating the beta, we have observed the share price movement of guideline comparable companies relative to overall equity market index. The guideline comparable companies were selected based on the criteria as follows:

- Companies publicly listed in Hong Kong or China;

- Companies principally engaged in electricity generation from renewable energy sources or renewable energy project development with focus on wind power in China;
- Companies that are searchable in Bloomberg; and
- Companies with sufficient data as of the Valuation Date.

The details of the comparable companies are listed below:

Comparable Companies	**Bloomberg Ticker**	**Business Description**
Concord New Energy Group Ltd	182 HK Equity	Concord New Energy Group Limited specializes in wind power electricity generation. The company's principal businesses include wind farm investment and operations, and manufacturing of wind power equipment. Concord New Energy also provides wind power electricity generation services such as feasibility studies, technological consultation, power plant design, engineering.
China Longyuan Power Group Corp Ltd	916 HK Equity	China Longyuan Power Group Corporation Limited designs, develops, and operates wind farms. The company also provides thermal power, solar power, tidal power, biomass power, and geothermal power services. China Longyuan Power Group conducts wind farm repair, maintenance, and training businesses.
China Datang Corp Renewable Power Co Ltd	1798 HK Equity	China Datang Corporation Renewable Power Co., Limited operates power generation businesses. The company generates electricity from wind power, solar power, biomass power, and other renewable power. China Datang Corporation Renewable Power also develops low carbon technologies.
Guangdong Baolihua New Energy Stock Co Ltd	000690 CH Equity	Guangdong Baolihua New Energy Stock Co.,Ltd. operates power generation businesses. The company generates and distributes wind power and other power products. Guangdong Baolihua New Energy Stock also operates engineering construction, financial leasing, real estate development, and other businesses.
GCL Energy Technology Co Ltd	002015 CH Equity	GCL Energy Technology Co. Ltd. operates clean energy project development. The company develops natural gas power generation, waste incineration power generation, wind power generation, and other projects. GCL Energy Technology provides services in China.
Zhejiang Provincial New Energy Investment Group Co Ltd	600032 CH Equity	Zhejiang Provincial New Energy Investment Group Co., Ltd. operates as an investment company. The company invests in hydropower generation, photovoltaic power generation, wind power generation, and other projects. Zhejiang Provincial New Energy Investment Group also provides engineering management, renewable energy technology development, and other businesses.
Guangxi Guiguan Electric Power Co Ltd	600236 CH Equity	Guangxi Guiguan Electric Power Co.,Ltd. operates power generation businesses. The Company provides hydroelectric power and other power products. Guangxi Guiguan Electric Power also produces thermal power, wind power, and other power products.

NYOCOR Co Ltd	600821 CH Equity	NYOCOR Co., Ltd. operates new energy power generation businesses. The company generates and distributes solar power, wind power, and other power products. NYOCOR also operates indoor decoration businesses.
China Three Gorges Renewables Group Co Ltd	600905 CH Equity	China Three Gorges Renewables (Group) Co.,Ltd. operates renewable energy generation businesses. The company generates onshore wind power, photovoltaic power, wind power, hydropower, solar power, and other power products. China Three Gorges Renewables (Group) also operates investment businesses.
CECEP Wind-Power Corp	601016 CH Equity	CECEP Wind-power Corporation develops and constructs wind power projects. The company provides wind power generation, transmission, and electricity distribution services. CECEP Wind-power conducts businesses domestically.
Ningxia Jiaze New Energy Co Ltd	601619 CH Equity	Ningxia Jiaze Renewables Corporation Limited develops renewable energy projects. The company develops solar, wind, biological, and other energy resources. Ningxia Jiaze Renewables also operates technology transfer, foreign investments, and other businesses.
Jiangsu New Energy Development Co Ltd	603693 CH Equity	Jiangsu New Energy Development Co., Ltd. operates renewable energy development businesses. The company generates wind energy, solar energy, biomass and geothermal energy, ocean energy, and other energy products. Jiangsu New Energy Development also operates industrial investments, investment management, and other businesses.

The modified CAPM is introduced to incorporate non-systematic risks which are specific to the company or project, such as the development progress of the wind plant. Thus, a project specific risk premium was considered in the modified CAPM. The cost of equity under the modified CAPM was computed using the following formula:

$K_e = R_f + \beta * ERP + CSR$

Where:

K_e	=	Cost of equity	6.74%	
R_f	=	Risk-free rate	3.14%	Yield of 20-year China government bond as of the Valuation Date
β	=	Unlevered beta	0.53	Median unlevered beta of comparable companies (excluding Zhejiang Provincial New Energy Investment Group Co Ltd (600032 CH Equity) and China Three Gorges Renewables Group Co Ltd (600905 CH Equity) as their listing histories are less than 5 years). It is a measure of the systematic risk based on the relative risk of the asset being valued as compared to the risk of the market portfolio
ERP	=	Equity risk premium	4.94%	Equity risk premium is the return the market portfolio is expected to generate in excess of the risk-free rate which is referenced to equity risk premium database published by Professor Aswath Damodaran of New York University

CSR	=	Company-specific risk premium	1.00%	Company-specific risk premium is the other unsystematic risk which is not reflected in CAPM. Company-specific risk premium represents the projection risk and uncertainties associated with the incomplete construction status of the project as of Valuation Date

With respect to the APV Method, the unlevered cost of equity was used as the discount rate. As such, our analysis concludes that a rounded discount rate of 6.75% is appropriate for assessing the Unlevered Project Value of the Target Group.

Cost of Debt

The APV Method considers any benefits from financing cash flows, such as the interest tax shield, which is derived using the present value of the tax shield. The discount rate used in calculating the present value of the interest tax shield was the pre-tax cost of debt.

With reference to the expected borrowing rate of the Target Group referenced to the borrowing rates for renewable energy projects in China and the feasibility study report, a pre-tax cost of debt of 4.25% was adopted.

Prospective Financial Information

The valuation is based on prospective financial information ("PFI") of the Target Group referenced to the feasibility study report, research on economic, industry outlook and market conditions prevailing as of the Valuation Date, and the comparable companies as well as discussions with the Management and the management of the Target Group for the years from 2022 to 2043. The major assumptions are as follows:

Life of the Project

According to the project schedule provided by Management, the pre-construction design will begin in December 2022 and the construction will begin in March 2023 and complete in November 2023. According to the legal opinion prepared by Zhong Yin Law Firm (北京中銀律師事務所) and the information provided by the Management, a long-term fixed power purchase agreement for at least 20 years would be signed upon the completion of the wind farm's construction. As such, the Project is assumed to have an operation period of 20 years.

Revenue

The revenue of the Target Group comes from sale of electricity to state grid of China. The revenue was estimated on a before value-added tax ("VAT") basis as RMB 48,617 thousand constantly over the projection period from 2022 to 2043. The amount is derived based on the product of unit on-grid electricity price (excluding VAT), installed capacity and annual full load power generation hours.

The unit on-grid electricity price (excluding VAT) is RMB 0.346/kWh over the projection period. It is calculated by excluding the 13% VAT for wind power energy projects from the fixed unit on-grid electricity price (including VAT) of RMB 0.391/kWh per the cooperative development framework agreement signed between Yangzhou Suyi Xinhua New Energy Co., Ltd. (揚州市蘇溢新華新能源發展有限公司), State Power Investment Changjiang Ecological Co., Ltd. (國電投長江生態能源有限公司) and Yangzhou Ruipeng New Energy Co., Ltd. (揚州市瑞彭新能源發展有限公司) and the feasibility study report.

The installed capacity is 50MW per the feasibility study report over the projection period from 2022 to 2043.

The annual full load power generation hours are around 2,810 hours per the feasibility study report from 2022 to 2043.

Operating expenses

The operating expenses include business taxes and surcharges, depreciation expenses, maintenance expenses, salary and welfare expenses, insurance expenses, material expenses, and other expenses. Operating expenses as a percentage of revenue is expected to drop from 49.1% in 2024 to 29.7% in 2043, indicating an increase of operating EBIT margin from 50.9% in 2024 to 70.3% in 2043.

Business taxes and surcharges is charged based on 10% of VAT which comprises 5% of city construction and maintenance tax and 5% of educational surcharge per the feasibility study report. Given that there were VAT deductibles arouse from the purchase of fixed assets in 2023, no VAT would be charged from 2024 to 2027. There would be partial VAT charges in 2028 and full charges of VAT in 2029 and onwards. As such, business taxes and surcharges which is calculated based on VAT would also follow the same trend of VAT.

Depreciation expenses are RMB 19,907 thousand per annum from 2024 to 2038. It is derived based on 15-year straight line depreciation on original fixed assets amounted RMB 314,316 thousand with 5% savage value per the feasibility study report.

Maintenance expenses are calculated based on initial capital expenditure on fixed assets, 0.2% from 2024 to 2028; 1% from 2029 to 2033; 1.5% from 2034 to 2038 and 2% from 2039 to 2043 per the feasibility study report. The expenses are subjected to annual inflation of 2% over the projection period as referenced to IMF's forecast on China's long-term inflation rate.

Regarding the salary and welfare expenses, the salary expenses are calculated based on 8 staff of annual salary amounted RMB100 thousand each per annum while welfare expenses are calculated based on 8 staff of welfare amounted RMB50 thousand each per annum. The expenses are subjected to annual inflation of 2% over the projection period as referenced to IMF's forecast on China's long-term inflation rate.

Insurance expenses are calculated based on 0.25% of initial capital expenditure on fixed assets per the feasibility study report. The expenses are subjected to annual inflation of 2% over the projection period as referenced to IMF's forecast on China's long-term inflation rate.

Material expenses are calculated based on RMB6/kW per the feasibility study report. The expenses are subjected to annual inflation of 2% over the projection period as referenced to IMF's forecast on China's long-term inflation rate.

Other expenses are calculated based on RMB18/kW and fixed rental expenses of RMB187.9 thousand per the feasibility study report. The expenses (excl. fixed rental expenses) are subjected to annual inflation of 2% over the projection period as referenced to IMF's forecast on China's long-term inflation rate.

Non-operating income

Non-operating income is the refund of 50% VAT. According to the notice published by the Ministry of Finance and the State Administration of Taxation of the PRC (財稅(2015)74 號), sales of electricity related products are entitled to an immediate refund of 50% VAT.

Income tax

According to the Enterprise Income Tax Law in the PRC and advised by Management, income earned by enterprises from the public infrastructure facility projects, are entitled to a tax holiday of a three-year full exemption, followed by a three-year 50% exemption of enterprise income tax, commencing from their first turnover-making year. The Subject Company is subject to tax concession with charging zero tax from 2024 to 2026. It will be charged with 12.5% income tax rate from 2027 to 2029, and a normal income tax rate of 25% from 2030 and onward.

Capital expenditure

Per the feasibility study report, there would be around RMB 314,316 thousand of initial capital expenditure on fixed assets in 2023 for the construction and development of the wind farm. Major fixed assets include 13 sets of wind turbine, wind generator tower and compact substation which cost RMB 8,500 thousand, RMB 3,400 thousand and RMB 550 thousand each respectively. Other fixed assets also comprise reinforcing steel, cement, other building raw materials, etc.

Other initial expenditure which is not subjected to capitalization includes consultant and management fee amounted approximately RMB 25,684 thousand per the feasibility study report. Such amount is used for the services in relation to consultancy, surveying, design, construction work, project management, etc.

Working capital

The net working capital of the Target Group includes accounts receivable (based on revenue from electricity sale), Accounts receivable (based on non-operating income (50% VAT refund)) and accounts payable (based on operating expenses excluding depreciation expenses). Their expected turnover days are estimated to be 30 days, 30 days and 40 days respectively by the Management and the management of the Target Group. The net working capital as a percentage of revenue ranges from 5.6% to 7.3% over the operation period from 2024 to 2042. The net working capital is assumed to be released upon the end of the Project life in 2043, indicating the net working capital as a percentage of revenue as 0%.

Interest expense

It is expected that the Target Group will raise RMB 276,759 thousand of long-term debt to support the initial capital expenditure for the construction and development of the wind farm. The debt will be gradually repaid over 15 years from 2024 to 2038, with a borrowing rate of 4.25% based on the feasibility study report and estimation by the Management and the management of the Target Group.

It is also expected that the Target Group will raise RMB 1,050 thousand of long-term debt as operating cash for the operation of the wind farm. The debt will be repaid at the end of the operation in 2043. The borrowing rate is expected to be 3.7% based on the feasibility study report and estimation by the Management and the management of the Target Group.

Conclusion

Unlevered Project Value

The Unlevered Project Value of the Target Group was calculated as the sum of the present values of the projected FCFF from 2022 and 2043 discounted at a discount rate that was appropriate for the risk of investing in the project. The Unlevered Project Value was concluded to be RMB 69.6 million.

Present value of tax shield benefits

Under the APV Method, as the discount rate used for deriving the Unlevered Project Value was at all-equity financing level, an adjustment was made by adding the present value of tax shield benefit at effective tax rate contributed by the interest expenses on the outstanding loans which is tax deductible as advised by the Management and the management of the Target Group. The discount rate adopted for calculating the present value of the tax shield was the pre-tax cost of debt which was based on the expected borrowing rate of the Target Group. The total present value of tax shield benefits was concluded to be RMB 8.1 million.

Project Value

Based on the APV Method, the marketable value of the Project was concluded to be RMB 77.7 million. Further adjustment in relation to the discount for lack of marketability is discussed in the section "Additional Consideration".

10. Additional Consideration

Discount for Lack of Marketability ("DLOM")

The concept of marketability deals with the liquidity of an ownership interest, that is how quickly and easily it can be converted to cash if the owner chooses to sell. The lack of marketability discount reflects the fact that there is no ready market for shares in privately held companies which are typically not readily marketable compared to similar interest in public companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly held company.

In this valuation, option-pricing method was used to estimate the DLOM. Under option-pricing method, the cost of put option, which can hedge the price change before the privately held share can be sold, was considered as a basis to determine the lack of marketability discount. This option-pricing method is one of the methods commonly used in estimating DLOM as it can take into consideration factors like timing of liquidity event and estimated volatility of the Company's shares. As the time to a liquidity event becomes shorter, the degree of the DLOM becomes smaller.

In this valuation exercise, we have assessed the DLOM using the put option method, which is one of the most commonly used theoretical models. The DLOM is determined to be 5% by "Finnerty Model" based on assumed maturity of 1 year and expected volatility of 30% referenced to those of comparable companies.

11. Sources of Information, Principal Assumptions & Material Risk Factors

Our investigation covers the discussion with you and the Company's representatives, collecting the information about the Company's history, operations and prospects of the business. We requested detailed information about the Company's position in order to conduct a detailed review and make an independent valuation. We assume that the data obtained in the course of the valuation, along with the opinions and representations provided to us by the Company are adequate and are prepared in reasonable care with credibility or reliability.

Sources of information include but not limited to:

- Development agreement of the wind power project between Sweden New Energy Industry Co., Ltd. (斯维登新能源工业(江苏)有限公司) and the People's Government of Guocun Town, Jiangdu District, Yangzhou City (揚州江都區郭村鎮人民政府) as of June 3, 2021
- Cooperative development framework agreement between Yangzhou Suyi Xinhua New Energy Co., Ltd. (揚州市蘇溢新華新能源發展有限公司), State Power Investment Changjiang Ecological Co., Ltd. (國電投長江生態能源有限公司) and Yangzhou Ruipeng New Energy Co., Ltd. (揚州市瑞彭新能源發展有限公司)
- Feasibility study report of the 50MW wind power project in Guocun Town, Jiangdu District, Yangzhou City, Jiangsu Province prepared by Zhong Jiao Urban Energy Research and Design Institute Co., Ltd. (中交城市能源研究設計院有限公司)
- Grid connection reports in relation to the 50MW wind power project in Guocun Town, Jiangdu District, Yangzhou City, Jiangsu Province prepared by 江蘇科能電力工程諮詢有限公司
- Engineering procurement construction (EPC) contract between Yangzhou Ruipeng New Energy Co., Ltd. (扬州市瑞彭新能源发展有限公司), 中交城市能源研究設計院有限公司 and 蘇華建設集團有限公司
- Analysis report on wind turbines selection for the 50MW wind power project in Guocun Town, Jiangdu District, Yangzhou City, Jiangsu Province prepared by Mingyang Smart Energy
- Legal opinion issued by Zhong Yin Law Firm (北京中銀律師事務所) on the issues related to licensing, approval, construction, grid connection and the life of the long-term fixed power purchase agreement of onshore wind power projects in China;
- Financial due diligence and projections review report of Yangzhou Suyi Xinhua New Energy Co., Ltd. (扬州市苏益新华新能源发展有限公司) and Yangzhou Ruipeng New Energy Co., Ltd. (扬州市瑞彭新能源发展有限公司) prepared by Nexia TS Advisory Pte. Ltd. dated August 16, 2022

- Legal Report on Yangzhou Ruipeng New Energy Co., Ltd. (扬州市瑞彭新能源发展有限公司) prepared by RHTLaw Asia dated August 17, 2022
- Draft announcement and draft sales and purchase agreement of the Proposed Acquisition
- Discussion with the Management and the management of the Target Group in relation to the wind power project, provided information and adopted assumptions in the prospective financial information;
- Relevant market data from Bloomberg; and
- Other relevant documents.

The factors considered in this valuation included, but were not limited to, the following:

- The nature and history of the valuation subject and the assets being held;
- The financial conditions of the valuation subject;
- The terms and conditions of relevant contracts and agreements;
- The economic conditions and the industry outlooks in general;
- The specific economic environment and competition of the valuation subject;
- Market-derived investment returns of entities engaged in similar lines of business; and
- The financial and business risks of the valuation subject.

The general assumptions considered in this valuation included, but were not limited to, the following:

- The Project will undergo construction in 2023 and operation from 2024 to 2043;
- The long-term debt to support the initial capital expenditure for the construction and development of the wind farm can be raised at a designated borrowing rate;
- A long-term fixed power purchase agreement for at least 20 years will be granted by the China government upon completion of the construction;
- All information provided by the Management and the management of the Target Group are true, accurate and complete;
- There will be no material changes in the existing political, legal, fiscal and economic conditions in which the valuation subject is carried or plans to be carried on;
- There will be no major changes in the current taxation law in countries in which the Target Group operates;
- Future exchange rates and interest rates will not differ materially from those prevailing market expectations;
- The availability of finance will not be a constraint on the future growth of the Target Group's operation;
- The Target Group will retain and have competent management, key personnel, and technical staff to support its ongoing operation and responsible ownership and competent management are assumed;
- Industry trends and market conditions for related industries will not deviate significantly from economic forecasts; and
- There are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the value of the valuation subject.

Potential risks and uncertainties relating to the Project include, but are not limited to, the following:

- If the project plan as proposed in the feasibility study report (including the projection and construction plan) is not developed, executed or operated effectively, the Project and its prospects may be materially and adversely affected.

Such projection risk and uncertainties associated with the incomplete construction status of the project as of Valuation Date is reflected in the company-specific risk premium as other unsystematic risk which is not reflected in CAPM.

12. Confidentiality & Service Conditions

The service(s) provided by CBRE Limited will be performed in accordance with professional appraisal standard. Our compensation is not contingent in any way upon our conclusions of value. We assume, without independent verification, the accuracy, of all data provided to us. We will act as an independent contractor and reserve the right to use subcontractors. All files, working papers or documents developed by us during the course of the engagement will be our property. We will retain this data for at least six years.

This report and valuation shall be used only in its entirety and no part shall be used without making reference to the whole report. Our report is to be used only for the specific purpose stated herein and any other use is invalid. No reliance may be made by any third party without our prior written consent. You may show our report in its entirety to those third parties who need to review the information contained herein. No one should rely on our report as a substitute for their own due diligence. Except for financial reporting and auditing purposes, no reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent.

The valuation may not be used in conjunction with any other valuation or study. The value conclusion(s) stated in this valuation is based on the program of utilization described in the report, and may not be separated into parts. No change of any item in any of the valuaticn shall be made by anyone other than CBRE Limited and we shall have no responsibility for any such unauthorized change.

You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement. You will not be liable for our negligence. Your obligation for indemnification and reimbursement shall extend to any controlling person of CBRE Limited, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the 1 times of the amount of fees we received for this engagement.

We reserve the right to include your company/firm name in our client list, but we will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative process or proceedings. These conditions can only be modified by written documents executed by both parties.

No opinion is intended to be expressed for matters which require legal or other specialized expertise or knowledge, beyond that customarily employed by appraisers.

The selection of the price to be accepted requires consideration of factors beyond the information we will provide or have provided. An actual transaction involving the subject business might be concluded at a higher value or at a lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivations of the buyers and sellers at that time.

In all matters that may be potentially challenged by a Court or others, we do not take any responsibility for the degree of reasonableness of contrary positions that others may choose to take, nor for the costs or fees that may be incurred in the defence of our recommendations against such challenge(s). We will, however, retain our suppcrting work papers for your matter(s), and will be available to assist in active defence of our professional positions taken, at our then current rates, plus direct actual expenses and according to our then standard professional agreement.

13. Limiting Conditions

The primary assumptions and limiting conditions pertaining to the value estimate conclusion(s) stated in this report are summarized below. Other assumptions are cited elsewhere in this report.

- Unless otherwise stated in this report, the valuation of the business has not considered or incorporated the potential economic gain or loss resulting from contingent assets, liabilities or events existing as at the Valuation Date.
- The Management is assumed to be competent, and the ownership to be in responsible hands, unless otherwise noted in this report. The quality of the business management can have a direct effect on the viability and value of the business/ asset/ project being assessed.
- Unless otherwise stated, no effort has been made to determine the possible effect, if any, on the subject business because of future country, provincial or local legislations/ regulations, including any environmental or ecological matters or interpretations thereof.
- All facts and data set forth in our report are true and accurate to the best of our knowledge and belief. No investigation of legal fees or title of the business has been made, and the owner's claim to the business has been assumed valid. No consideration has been given to liens or encumbrances that may be against the business except as specifically stated (if any) in the auditors' report.
- During the course of the valuation, we have considered information provided by the Company and other third parties. We believe these sources to be credible and reliable in terms of the valuation purpose, significance to the valuation, expertise as well as the independence of the information provider, but no further responsibility is assumed for their accuracy. We have had verbal conversations with the current management of the Company concerning the past, present, and prospective operating results of the Company. We assume that there are no hidden or unexpected conditions associated with the businesses that might adversely affect the reported value.
- This valuation is based upon data, conditions, hypotheses and assumption stated herein and as presented to us by the Company and other third parties, upon which we relied.
- This appraisal reflects facts and conditions existing at the Valuation Date. Subsequent events have not been considered, and we have no obligation to update our report for such events and conditions. We have no responsibility or obligation to update this report for events or circumstances occurring subsequent to the Valuation Date.

14. Certificate of Appraiser

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- I am in a position to provide an objective and unbiased valuation, and has the requisite knowledge and experience to undertake the valuation.
- This report has been prepared in conformity with the requirements set forth by the International Valuation Standards Council.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and represent the unbiased professional analyses, opinions and conclusions of CBRE Limited.
- CBRE Limited and I have no present or prospective interest in the property that is the subject of this report, and has no personal interest or bias with respect to the parties involved.
- Compensation for CBRE Limited is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- Anyone providing significant professional assistance is identified on the signatory page of this report.

15. Valuation Result

The valuation has been conducted based on generally-accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, which not all of which can be easily quantified or ascertained. While the assumptions and consideration of such matters are considered to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and/ or CBRE Limited.

In accordance with the purpose and scope of our engagement set out in Section 3 and Section 5, and subject to the limitation of our work set out in Section 13, source of information and principal assumptions set out in Section 13, and further to the service conditions set out in Section 12, based on the methodology adopted as outlined in Section 8, we are of the opinion that the market value of the Project as of June 30, 2022, free from any encumbrances, is approximately RMB 74,000,000 (RENMINBI SEVENTY FOUR MILLION ONLY).

We hereby certify that we have neither present nor prospective interests in the Company, Target Group or the values reported.

Yours faithfully,
For and on behalf of
CBRE Limited

Chester Leung
Senior Director

Leo Lam
Associate Director

CBRE

16. Contact Details

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APPENDIX 2 – EXECUTIVE SUMMARY OF THE AG INDEPENDENT VALUATION REPORT

The English executive summary of the AG Independent Valuation Report is a summarised translation of the original Chinese version of the AG Independent Valuation Report, and is prepared by the Company for Shareholders' reference only. It has not been reviewed seen nor approved by the AG Independent Valuer. It is qualified in its entirety by, and should be read in conjunction with, the information contained in full in the original Chinese version of the AG Independent Valuation Report.

In the event of any discrepancies, conflicts or inconsistencies between the English and Chinese versions, please refer to the Chinese version which will prevail.

Real Estate Valuation Report

Valuation Project Number:	Hailifangguzi [2022] No. 1002
Valuation Project Name:	Real estate market valuation for a project under construction (excluding construction area sold) at Haikou City Qiongshan Avenue West, Atlantis Garden (the total construction area is 59,731.68 square metres (m^2), and the land area is 20,713.52 m^2)
Valuation Reliant Party:	Peng Fei
Valuation Company:	Hainan Licheng Land-Real Estate Appraisal Co., Ltd.
Registered Real Estate Appraiser:	Xing Wei – Registration certificate number: 4620040012 Zhan Jing – Registration certificate number: 4620210016
Date of Issuance:	October 8, 2022

Letter to the Valuation Reliant Party

Mr. Peng Fei:

Based on your instruction, we have performed the market valuation for a project under construction which encompasses the urban-mixed residential land of 20,713.52 m^2 (excluding the shared land area sold of 4,417.64 m^2) and the first and second phases of the above-ground construction area of 59,731.68 m^2 (excluding the 10,028.04 m^2 construction area sold for the first phase of residential building) located in Haikou City, Qiongshan Avenue West. The market value of the project under construction is valued on September 30, 2022. The purpose of the valuation is to provide a reference basis for the market value of the Valuation Object.

After accepting the engagement, we have conducted an on-site survey on the Valuation Object and carried out the necessary research on the real estate market in the region where the Valuation Object is located. This report is prepared in accordance with the real estate valuation guidelines and other relevant laws and regulations, with the adoption of the valuation procedures and the proven valuation methodologies, on the basis of careful analysis of the existing information and through precise calculations, with the consideration of the factors affecting the real estate price. The summary of the valuation contents and outcome are as follows:

Valuation objective:	To provide a reference basis for the market value of the approved Valuation Object.
Valuation Object:	The urban-mixed residential land of 20,713.52 m^2 (excluding the shared land area sold of 4,417.64 m^2) and the first and second phases of the above-ground construction area of 59,731.68 m^2 (excluding the 10,028.04 m^2 construction area sold for the first phase of residential building) located in Haikou City, Qiongshan Avenue West. The Valuation Object is a residential housing area, and the property ownership belongs to Hainan Fufa Plantation Co., Ltd. and Hainan Fuda Construction Materials Co., Ltd.
Valuation date:	September 30, 2022
Value type:	The value type of this valuation is the real estate market value of the Valuation Object, including the Valuation Object's residential property ownership and the value of its shared land use right

The value type of this valuation report is the market value of the real estate. The real estate market value is defined as the intrinsic value of the Valuation Object after proper marketing, where the transaction amount as at the valuation date is voluntarily transacted in an arm's length manner by parties who are knowledgeable, prudent and without compulsion.

Valuation method: The Cost Method and the Hypothetical Development Method have been adopted for this valuation.

Valuation outcome: Pursuant to the valuation objective, in accordance with the real estate valuation guidelines, with the adoption of the valuation procedures and the proven valuation methodologies, the analysis confirms that the market value of the Valuation Object, Haikou City, Qiongshan Avenue West, which consists of the urban-mixed residential land of 20,713.52 m^2 (excluding the shared land area sold of 4,417.64 m^2) and the first and second phases of the above-ground construction area of 59,731.68 m^2 (excluding the 10,028.04 m^2 construction area sold for the first phase of residential building) which is under construction, is RMB 675,747,100 as at September 30, 2022. (The urban-mixed residential land occupies a land area of 20,713.52 m^2, where the unit price of the land is RMB 12,063/ground m2 (or equivalent to RMB 8.042 million/mu), total valuation amounting to RMB 249,867,200).

Special Notes:

This valuation report is valid for one (1) year from the date of issuance, that is, from October 8, 2022 to October 7, 2023. During the validity period of this report, if the regional real estate market changes significantly and has substantial impact to the market value derived from the valuation, the Valuation Reliant Party shall engage a real estate appraiser to adjust or re-appraise the market value accordingly.

The valuation outcome and the relevant explanations are detailed in the attached "Valuation Outcome Report". For details of the valuation analysis and the calculation process, please refer to the attached "Valuation Technical Report".[1] Every section of the valuation report, attached to this letter, is an important part of this report. The absence of any items in this valuation report will cause it to lose its integrity and legitimacy.

Sincerely!

Hainan Licheng Land Real Estate Appraisal Co., Ltd.

October 8, 2022

[1] The "Valuation Outcome Report" and the "Valuation Technical Report" are included in the "AG Independent Valuation Report" which is available for inspection. Please refer to Section 14 of the Circular for further details.

Annex – Further details as required to be disclosed in a summary letter and/or a valuation certificate under the Practice Guide of the Singapore Institute of Surveyors and Valuers (SISV)

Interest valued **:** 100% of the market value of the Valuation Object

Tenure of the land use right **:** The land use right will end on March 25, 2067, and the remaining life of the land use right as at the valuation date is about 44.49 years.

Valuation assumptions and limitations

Assumptions:

I. General assumptions of this valuation

(1) This report assumes users of state-owned construction land and property owners have legally obtained the land use right for the state-owned construction land and the property ownership, and paid relevant taxes, and has not considered other rights.

(2) This valuation is based on the assumption that all the information and data provided by the Valuation Reliant Party are true and valid. We have quoted them assuming that they are true.

(3) The valuation result in the report is the public market value of the Valuation Object, i.e. the expected best transaction price as at the valuation date, which is based on the following assumptions:

(i) There are willing sellers and willing buyers;
(ii) The trading behavior of both buyers and sellers is shrewd and prudent;
(iii) The property is freely transferable on the open market;
(iv) Before the valuation date, there is a relatively reasonable negotiation period based on the type of property and real estate market conditions;
(v) During the negotiation period, the market conditions and the valuation are static;
(vi) Additional bids from special buyers are not considered.

(4) This valuation report is to provide a reference basis for the market value of the Valuation Object, and it is invalid for other purposes.

(5) Without the permission of the valuation firm and the valuer, this report shall not be published or technically exchanged.

(6) The valuer conducted an on-site survey of the Valuation Object, and is responsible for the objectivity, authenticity and impartiality of the on-site survey. However, the valuer's survey of the Valuation Object is limited to the appearance and usage

status of the Valuation Object. Unless there is a separate agreement, the valuer is not responsible for investigating the structural quality of the Valuation Object. Where there is no reason to doubt the Valuation Object has potential safety hazards and there is no certification or inspection done by relevant professional organisation, the valuer is also not responsible for reasonable assumption of its safety.

(7) The assessment results of this valuation report do not take into account the comprehensive risks of changes in factors such as inflation, interest rates, and profits.

(8) When assessing the Valuation Object, no consideration was given to certain factors that may affect its valuation, such as the debts owed by the property owner, any disputes that may occur, the impact of the sold items and the expenses and taxes that may incur when disposing the Valuation Object.

(9) The Valuation Reliant Parties has provided the Valuation Object's "State-owned Land Use Certificate" Haikou City National Usage (2007) No. 006731, Haikou City National Usage (2007) No. 006743 and "Construction Engineering Design Scheme Examination Notice", "Construction Project Planning Permit of the People's Republic of China (Jianzi No. 460100201500087 (Construction category))", "Construction License of the People's Republic of China (No. 460108201511170101)", where copy of the ownership certificates are consistent with the original documents. We have not verified with relevant governmental departments, and when there is no reason to doubt its legitimacy, authenticity, accuracy and completeness, we assume that the information provided by the Valuation Reliant Party is legitimate, true, accurate and complete.

(10)

(i) The total land area of Atlantis Garden and the general planning of the first and second phases of the above-ground area

According to the "State-owned Land Use Certificate" Haikou City National Usage (2007) No. 006731 and Haikou City National Usage (2007) No. 006743 provided by the Valuation Reliant Party, the total land area of the two parcels of land is 25,131.16 m^2.

The total construction scale of Atlantis Garden: 69,759.72 m^2, according to the "Construction Project Planning Permit of the People's Republic of China (Jianzi No. 460100201500087 (Construction category))", the total construction scale of the first phase of the project is 32,340.31 m^2 (including the commercial buildings) (the above-ground building area is 31,139.20 m^2, the underground building area is 1,201.11 m^2), according to "Construction Project Design Scheme Examination Opinion", the total construction scale of the second phase of the project is 37,419.41 m^2 (the above-ground building area is 28,287.03 m^2, the underground building area is 9,132.38 m^2).

(ii) The status of the Atlantis Garden Project as at the Valuation Date

According to the "Image Progress Statement" provided by the Valuation Reliant Party: as of September 30, 2022, the main structure of the four buildings, i.e. buildings A and B of the first phase and buildings C and D of the second phase, has been completed: 69,759.72 m^2, the completed building area for the main structure of the buildings A and B is 32,340.31 m^2, where the completed above-ground area for the main structure of the buildings A and B is 28,287.03 m^2, the completed commercial building area is 2,852.17 m^2, the completed underground building area is 1,201.11 m^2 (including the underground area of the commercial building of 794.02 m^2), the proportion of completion to the total construction area is 100%; the main structure of the buildings C and D has been covered with roof, the total completed building area is 37,419.41 m^2 (of which the above-ground building area is 28,287.03 m^2, the underground building area is 9,132.38 m^2), the proportion of completion to the total construction area is 100%.

Renovation status: the above-ground area of the buildings A and B has been completed; the commercial building has been covered with roof, but the facade is under construction. The main structure of buildings C and D has been covered with roof and the façade is under construction, the underground area is completed.

(iii) Valuation Object

This valuation covers the completed construction area for Atlantis Gardens as at the valuation date, excluding the sold units and the apportioned land use right area occupied by these units. The specific valuation is as follows:

Building area of the buildings A and B: 28,287.03 m^2 (the main structure of the above-ground area of the buildings A and B is 21,111.16 m^2 (after deducting the sold units' building area of 10,028.04 m^2), the underground building area is 1,201.11 m^2 (including the underground area of the commercial building of 794.02 m^2), the building area of the buildings C and D is 37,419.41 m^2 (of which the above-ground building area is 28,287.03 m^2, the underground building area is 9,132.38 m^2).

(11) The objective of this valuation is to provide a reference basis for the market value of the Valuation Object, using the open market value, but the Valuation Reliant Party shall take note of and consider other factors such as future market changes and changes in depreciation of building.

II. Assumptions of uncertain matters

(1) The Valuation Object is identified by the relevant personnel from the Valuation Reliant Party during the on-site survey and if it is inconsistent with the reality, it should be revalued; During the on-site survey, the valuer did not measure or test

the building foundation and structure, and this valuation assumes that there are no building foundation, structure and other major quality problems.

(2) The construction area of the building under construction shall be based on the copy of the "Image Progress Statement" provided by the Valuation Reliant Party, the overall specific and accurate data shall be based on the final confirmation by the relevant competent authority, if the data differs from the final confirmation by the relevant competent authority, this report should be adjusted or re-assessed accordingly.

III. Assumptions that deviate from the facts

(1) The valuation result is to provide a reference basis for the market value of the Valuation Object. During the valuation process, consideration was not given to factors such as macroeconomic changes in economic policies, changes in market supply, changes in market structure, natural forces and other force majeure, which may have an impact to the value of the properties; consideration was also not given to the impact of the future potential breach of contract liabilities as well as the special transaction price under the special transaction mode, etc. on the valuation results. When the above conditions change, the valuation result is also generally expected to change.

(2) The valuation result does not take into account the impact of the debts owed by the Valuation Object and its owner, contingent liabilities and operating decision mistakes or market failure.

(3) According to the "Real Estate Registration Certificate" Qiong (2021) Haikou City Real Estate Certificate No. 0172681 provided by the Valuation Reliant Party, the Valuation Object is still under mortgage charge as at the valuation date, Mortgagor: Hainan Fuda Construction Materials Co., Ltd. and Hainan Fufa Plantation Co., Ltd. have mortgaged 56 units of the "Atlantis Garden (Phase 1)" project with estimated building area of 16,103.44 m^2 and the corresponding apportioned land use right under the land use right certificates for Haikou City National Usage (2007) No. 006743, Haikou City National Usage (2007) No. 006731 to 10 financial institutions including Qionghai City Rural Credit Cooperation Federation Association, for secured debts of RMB 120,000,000, and the start and end date of the debts: 13 September 13, 2021 to September 13, 2024.

(4) Inconsistent assumptions

No inconsistent assumptions.

(5) Assumptions with insufficient basis

No assumptions with insufficient basis.

Limitations:

1. This report reflects the value of the Valuation Object based on the valuation objective, according to the fair price determined by open market conditions as at the valuation date. Laws, regulations and government-issued documents used in the report have not changed.

2. As at the valuation date, the completed above-ground area of the buildings A and B is 28,287.03 m^2, the completed above-ground area of the commercial building is 2,852.17 m^2, the completed underground building area is 1,201.11 m^2, of which the building area of the sold units in the buildings A and B is 10,028.04 m^2 (refer to the list of sold area for details), after deducting the sold units' building area of 4,417.64 m^2; after deducting the sold units' building area, the main structure of the above-ground area of the buildings A and B is 21,111.16 m^2, the underground building area is 1,201.11 m^2. The completed building area of the buildings C and D is 37,419.41 m^2 (of which the above-ground building area is 28,287.03 m^2, the underground building area is 9,132.38 m^2).

3. This valuation result is valid for one (1) year from the date of the valuation report, (from October 8, 2022 to October 7, 2023). A new appraisal will be required if during the validity period of this report, there are any major changes arising from the national policies, economic environment, physical conditions of the property itself and any other factors, and these changes will have a significant impact on the valuation result.

4. The valuation firm and the valuer will not be responsible for any possible impact on valuation arising from the defects caused by the Valuation Reliant Party, when the Valuation Reliant Party did not provide special instructions, which are not generally known to the valuer on the basis of professional experience.

5. All data calculations in this report are obtained through computerised continuous calculations. Since the data in the report are rounded to two decimal places or rounded to the nearest whole number, therefore, there may be situations where individual equations are not exactly equal, but these do not affect the accuracy and guidance of the calculation results and the final valuation result.

Special Notes:

The Valuation Object is part of a real estate project which is a project under construction, and the continuation of the construction of the Valuation Object shall be subject to impact of the overall real estate project. Since the entire project is not within the scope of this valuation, this report is unable to consider its impact, it is assumed that the Valuation Object and the entire project can continue to be built within a reasonable period of time from the valuation date. It is hereby stated the above to draw the attention of the report users, and the report users should consider such impact on the valuation of the Valuation Object on their own.

Valuation methods

I. Choice of valuation method

According to "Real Estate Valuation Specification" (GB/T50291-2015), at present, the valuation methods for real estate valuation usually include market comparison method, income method, hypothetical development method, cost method, etc. Market comparison method should be selected as the main valuation method if the conditions allow. The income method should be selected as one of the valuation methods if the property generates income. In the case where there is no market basis or the market basis is insufficient resulting in it not suitable to use the market comparison method, income method and hypothetical development method, the cost method can be used as the main valuation method.

II. The basis of valuation methods and valuation ideas

(1) Comparison method: Select a certain number of comparable examples and compare them with the Valuation Object, the valuation of the Valuation Object shall be determined after processing the transaction prices of the comparable examples. This method is suitable to use when there is a large number of similar properties with frequent transactions and certain level of comparability. According to the research by the valuer, there are very few similar transactions for properties under construction in the area where the Valuation Object is located and hence, it is not suitable to use comparative method for this valuation;

(2) Income method: It is to predict the future income of the Valuation Object, using the rate of return or capitalisation rate, the multiplier of income, to convert future income into value to obtain the valuation of the Valuation Object. This method is suitable for income-generating real estate usually with economic income such as rent. The Valuation Object is in the construction stage and has not yet formed income benefit capability, considering the operability of this valuation method, the income approach is not suitable for this valuation;

(3) Cost method: It is to measure the value of the Valuation Object based on replacement cost or rebuilding cost less depreciation as at the valuation date. The cost method is generally suitable for the valuation of the overall real estate project which can be developed and constructed independently. The cost method is especially suitable for the properties which have limited comparable transactions to use the comparable method, no economic income or potential economic income to use the income method, and for the purpose of public welfare and public use. Properties that have unique designs or are developed and constructed only for the special needs of specific users, and individual buildings or their decorative or renovation parts, are also usually valued using the cost method. According to the current market conditions in the area where the Valuation Object is located in, the formation of real estate cost prices in the same supply circle has a certain degree of objectivity and universality, and it is possible to research on the current cost price of similar real estate as a reference to estimate the price composition of the

Valuation Object, hence, the cost method can be used for the valuation of the Valuation Object. This valuation adopts the idea of combined real estate valuation;

Hypothetical development method: The valuation is based on the necessary expenditures for subsequent development and discount rate, or calculating the present value of the necessary expenditures and the expected profit for subsequent development and the expected value after the development is completed, or using the expected value after the development is completed minus the necessary expenditures and the expected profit for subsequent development. The hypothetical development method is suitable for the real estate with development or re-development potential and the comparable method, the income method, etc., except for the cost method, can be adopted for the expected value after the development, including land available for development, construction in progress, aged houses that can be redeveloped, renovated or changed in use, etc. The Valuation Object is construction in progress and can only be put into use after the construction is completed, and it has detailed planning indicators, so it is suitable to use the hypothetical development method for its valuation;

Ways of obtaining land value: Based on the research by the valuer, there are very few cases of similar transactions or leasing in the area where the Valuation Object is located at, and accordingly the market comparison method and the income method are not suitable for its valuation. With the city development, the local land demand has been rising in the recent years, the scarcity of land causes the land market price to be much higher than the cost, and hence, the cost approximation method is not suitable. The base land price has already covered the area where the Valuation Object is located in, and hence, it is suitable to use the base land price modification method in the valuation. Therefore, the base land price modification method has been selected for the valuation of the land. The land parcel of the Valuation Object has development value, and has detailed planning indicators, the similar real estate market transaction market and operation market after the completion of development in the region are also more mature, and it is suitable to use the residual method for the valuation, and hence, the base land price modification method and the residual method are selected for the valuation of the land parcel of the Valuation Object.

In summary, on the premise that other valuation methods are unavailable or difficult, considering the suitability and operability of the methods, combining with the valuation objective, this valuation adopts the cost method and the hypothesis development method.

Step 1: There is a developed construction market in the area where the Valuation Object is located in, and its replacement cost is easy to obtain; Therefore, it is determined to use the cost method to value the Valuation Object. When using the cost method in the valuation, we use the separate valuation methods, where the valuation of the buildings is calculated using the replacement cost method, and the valuation of the land is calculated using the base land price modification method and the residual method.

The basic formula of the cost method is:

Real estate price = Land price + property development costs + management fees + selling expenses + investment interest expenses + sales taxes and fees + development profit – building depreciation expenses

Step 2: According to the current conditions of the Valuation Object, use the hypothetical development method to value the construction in progress of the Valuation Object.

The basic formula of hypothetical development method is:

Value of construction in progress = Real estate value after development – subsequent construction costs – management fees – investment interest expenses – selling expenses – sales taxes and fees – subsequent construction investment profit – taxes and fees borne by the buyer of the construction in progress

III. Valuation of part of the land

A. Choice of Valuation Method

Reason for not choosing certain methods:

(1) As there are few similar land lease cases, it is difficult to determine the reasonable rent of the Valuation Object, and hence, it is difficult to accurately determine the value of the land use right of the Valuation Object by using the income method. The present earning value method has a strong theoretical basis and a wide range of applications as a valuation method, but it is difficult to grasp in practice, according to the actual conditions of the land parcel of the Valuation Object and combined with market research, it is difficult to obtain stable net income and appropriate discount rate, and the estimation of the expected income of such land parcel is relatively complicated, so it is not appropriate to adopt the income method in this valuation;

(2) The land is used for urban mixed residential, and there are few similar land transaction cases in the market recently, so it is not possible to adopt the market comparison method to value the land parcel of the Valuation Object;

(3) It is difficult to obtain data such as compensations paid for the land parcel of the Valuation Object, and it is difficult to accurately measure various land costs, and hence, it is difficult to use the cost approximation method to accurately calculate its land use right value.

Reason for choosing certain methods:

(1) The government has announced the base land prices and has a complete base land prices correction system, the land parcel of the Valuation Object is located within the base land prices coverage of Haikou City, where the Haikou Municipal

People's Government issued the "Report on Haikou City Urban Construction Project Land Grading and Base Land Price Valuation Results" on September 10, 2021. As the area where the land parcel of the Valuation Object is located in is covered with a relatively mature system for the use of the base land price modification method, the base land price modification method is hence selected as one of the valuation methods for this valuation;

(2) As the planning indicators documents of the Valuation Object are complete, according to the requirements of the "Technical Parameters Guidelines for Valuation of State-owned Construction Land Use Right in Hainan Province", the residual method can be selected as another valuation method.

Comprehensive valuation to obtain the real estate price

As different valuation methods may result in different in the valuations, this valuation adopts the cost method to obtain real estate valuation of RMB 616,942,700, and using the hypothetical development method to obtain the real estate valuation of RMB 812,957,200. Comprehensive analysis of the valuation results of the cost method and the hypothetical development method, the results obtained by the above two valuation methods have certain gap, on the basis that the valuation of the hypothetical development method is based on the prediction of housing prices and related indicators, and the relevant forecast can be affected by the future market conditions, construction costs and other factors which may have a greater impact and uncertainties; The cost method is based on the individual unique features, and based on the sum of various objective costs incurred in the formation of the current status of the building at the valuation date, plus management fees, profits, interests, taxes payable, etc., and then subtract the corresponding depreciation expenses to obtain the real estate price of the Valuation Object. The valuation results of the cost method can better reflect the market value of construction in progress. Based on the above analysis and combined with the "Real Estate Valuation Specification", the weighted arithmetic mean method is adopted, where the cost method takes 70% of the weight, and the hypothetical development method takes the weight 30%, then:

The valuation of the Valuation Object
= RMB 616,942,700 × 0.70 + RMB 812,957,200 × 0.30
= RMB 675,747,100

房地产估价报告

估价报告编号：海立房估字[2022]第 1002 号

估价项目名称：海口市琼山大道西侧亚特兰蒂斯花园（总建筑面积为 59731.68 平方米，土地面积为 20,713.52 平方米）在建工程（扣除已售建筑面积）房地产市场价值评估

估价委托人：彭飞

房地产估价机构：海南立诚土地房地产评估有限公司

注册房地产估价师：邢　为　注册证号：4620040012

詹　婧　注册证号：4620210016

估价报告出具日期：2022 年 10 月 8 日

致估价委托人函

彭飞先生：

承蒙委托，我们对您委托的位于海口市琼山大道西侧两宗20,713.52㎡城镇混合住宅用地（扣除已售分摊土地面积4417.64㎡）及地上一、二期建筑面积为59731.68㎡（已扣除一期住宅销售部分建筑面积10028.04㎡）在建工程市场价值进行估价，价值时点为2022年9月30日，估价目的是为核定估价对象市场价值提供参考依据。

受理委托后，我们对估价对象进行了实地查勘，并对估价对象所在区域房地产市场进行了必要的调查了解。遵循房地产估价规范等有关法律法规，按照估价程序，采用科学的估价方法，在认真分析现有资料的基础上，经过周密准确地测算，详细考虑了影响房地产价格的各项因素，确定了估价对象的最终估价结果并撰写完成了估价报告。本次评估基本内容及结果如下：

估价目的：为核定估价对象市场价值提供参考依据。

估价对象：海口市琼山大道西侧两宗20,713.52㎡城镇混合住宅用地（扣除已售分摊土地面积4417.64㎡）及地上一、二期建筑面积为59731.68㎡（已扣除一期住宅销售部分建筑面积10028.04㎡），该房屋用途为住宅，产权人为海南福发种植有限公司、海南福达建材有限公司。

价值时点：2022年9月30日

价值类型：本次评估的价值类型为估价对象的房地产市场价值，包括估价对象房屋所有权及其分摊的土地使用权价值。

本报告评估价格类型为房地产市场价值。房地产市场价值为估价对象适当营销后，由熟悉情况、谨慎行事且不受强迫的交易双方，以公平交易方式在价值时点自愿进行交易的金额。

估价方法：本次评估采用了成本法和假设开发法进行评估。

估价结果：根据估价目的，遵循估价原则，采用科学的估价方法，经测算分析，确定估价对象海口市琼山大道西侧两宗20,713.52㎡城镇混合住宅用地（扣除已售分摊土地面积4417.64㎡）及地上一、二期建筑面积为59731.68㎡（已扣除一期住宅销售部分

建筑面积 10028.04 ㎡）在建工程房地产在价值时点 2022 年 9 月 30 日的评估总值为 67574.71 万元，人民币**大写陆亿柒仟伍佰柒拾肆万柒仟壹佰元整**。（其中城镇混合住宅用地土地面积 20,713.52 ㎡，土地单价 12063 元/地面㎡(合 804.20 万元/亩)，评估总值为 24986.72 万元）。

特别提示：

本报告使用期限自估价报告出具之日起壹年，即使用期限自 2022 年 10 月 8 日起至 2023 年 10 月 7 日止。在使用期限内，如果区域房地产市场发生显著变化，并且对房地产评估价值产生明显影响时，估价委托方应聘请房地产估价机构进行调整或重新确定其评估价值。

估价结果及有关说明详见后附《估价结果报告》，估价分析及计算过程详见后附《估价技术报告》，附本函后的各项内容均为本报告的重要组成部分，缺少任何一项均会使本报告丧失完整性及合法性。

此致!

海南立诚土地房地产评估有限公司

二〇二二年十月八日

二、估价的假设和限制条件

假设条件：

一、本次估价的一般假设

1、本报告以国有建设用地使用者和房屋所有者合法取得国有建设用地使用权和房屋所有权，并交纳有关税费，且未设定他项权利为假设前提。

2、本次估价是以委托方提供的全部资料和数据是真实有效的为假设前提。我们假设是真实的前提下引用。

3、报告中估价对象的估价结果为委估对象公开市场价值，即在价值时点是预期能够成交的最好价格，它依据了如下假设：

（1）存在自愿销售的卖者和自愿购买的买者；

（2）买卖双方的交易行为都是精明和谨慎的；

（3）该物业可以在公开市场上自由转让；

（4）在价值时点前，相对于物业的特性和房地产市场状况而言，有一段合理的谈判周期；

（5）在此周期内，市场状态和价值水平是静止不变的；

（6）不考虑特殊买家的附加出价。

4、本估价报告是为核定估价对象市场价值提供参考依据，他项用途无效。

5、未经受托评估单位和估价师的许可，本报告不得公开发表或进行技术交流。

6、估价人员对估价对象进行了现场查勘，并对实地查勘的客观性、真实性、公正性承担责任。但估价人员对估价对象的查勘限于估价对象的外观和使用状况。除非另有协议书，估价人员不承担对估价对象建筑结构质量进行调查的责任，在无理由怀疑估价对象存在安全隐患且无相应的专业机构进行鉴定、检测的情况下，对其安全的合理假定等。

7、本估价报告的评估结果未考虑通货膨胀和利息率及利润等因素变化的综合风险。

8、在评估估价对象时未考虑因产权人所欠债务和发生的纠纷以及已销售项目对其

带来的影响和估价对象处分时应负担的费用和税项等可能影响其价值的因素。

9、估价委托人提供了估价对象的《国有土地使用证》海口市国用（2007）第006731号、海口市国用（2007）第006743号和《建设工程设计方案审查通知书》、《中华人民共和国建设工程规划许可证（建字第460100201500087（建筑类）号）》、《中华人民共和国建筑工程施工许可证（编号：460108201511170101）》，该权属证明复印件与其原件一致。我们未向政府有关部门进行核实，在无理由怀疑其合法性、真实性、准确性和完整性的情况下，假定估价委托人提供的资料合法、真实、准确、完整。

10、

（1）亚特兰蒂斯花园总用地面积及地上一期、二期的总规划情况：

依据委托方提供的《国有土地使用证》证书号：海口市国用（2007）第006731号、海口市国用（2007）第006743号可知两宗地总的土地面积为**25131.16㎡**。

亚特兰蒂斯总建筑规模：**69759.72㎡**，根据《中华人民共和国建设工程规划许可证》（编号建字第460100201500087（建筑类）号）可知项目一期总建设规模**32340.31㎡（包含商业楼）**（地上建筑面积为31139.20㎡，地下建筑面积1201.11㎡），根据《建设工程设计方案审查意见书》项目二期总建设规模**37419.41㎡**（地上建筑面积28287.03㎡，地下建筑面积9132.38㎡）；

（2）亚特兰蒂斯花园截止价值时点已完工情况：

根据委托方提供的《形象进度说明》上说明：截止至2022年9月30日一期A、B和二期C、D四栋主体结构已完成：**69759.72m²**，其中A、B栋主体结构完成建筑面积：32340.31m²（其中地上主体结构A、B栋完成建筑面积28287.03㎡，商业楼完成建筑面积2852.17㎡，地下建筑面积1201.11㎡（地下包含商业楼的地下室建筑面积794.02㎡），完成比例占总建筑面积的100%；C、D栋主体已封顶，已完成建筑面积37419.41㎡（其中地上建筑面积28287.03㎡，地下建筑面积9132.38㎡），完成比例占总建筑面积的100%。

装修情况：地上A、B栋已完工；商业楼已封顶，正在外立面施工。C、D主体封

顶及外立面施工，地下室已完工。

（3）估价对象：

本次评估项目为亚特兰蒂斯花园截止价值时点已完工的建筑面积，不包含已销售部分的建筑面积和其所占的分摊土地使用权面积。具体评估如下：

A、B 栋建筑面积：28287.03m²（其中地上主体结构 A、B 栋评估建筑面积 21111.16 ㎡（扣除已销售部分建筑面积 10028.04 ㎡），地下建筑面积 1201.11 ㎡（地下包含商业楼的地下室建筑面积 794.02 ㎡），C、D 栋建筑面积 37419.41 ㎡（其中地上建筑面积 28287.03 ㎡，地下建筑面积 9132.38 ㎡）。

11、本次估价目的为核定估价对象市场价值提供参考依据，采用公开市场价值，但需考虑将来市场变化及建筑物使用的折旧变化等因素，提请报告使用者充分注意。

二、未定事项假设

1、本次估价对象由委托方有关人员现场指认，若与实际不符，应重新估价；估价人员现场查勘时，未对其做建筑物基础、房屋结构上的测量和实验，本次估价假设其无建筑物基础、结构等方面的重大质量问题。

2、在建工程建筑面积根据委托方提供的《形象进度说明》复印件为准，具体准确的数据应以相关主管部门最终确定的为准，若该数据与相关主管部门最终确定的数据不符，则应对本报告进行相应的调整或者重估。

三、背离事实假设

1、估价结果是为核定估价对象市场价值提供参考依据，估价时没有考虑国家宏观经济政策发生变化、市场供应关系变化、市场结构转变、遇有自然力和其他不可抗力等因素对房地产价值的影响，也没有考虑估价对象将来可能承担违约责任的事宜，以及特殊交易方式下的特殊交易价格等对估价结果的影响；当上述条件发生变化时，估价结果一般亦会发生变化。

2、估价结果未考虑估价对象及其所有权人已承担的债务，或有债务及经营决策失误或市场运作失当对其价值的影响。

3、根据估价委托人出具的《不动产登记证明》琼（2021）海口市不动产证明第0172681号，截止价值时点，估价对象仍在抵押之中，抵押人：海南福达建材有限公司和海南福发种植有限公司将“亚特兰蒂斯花园（一期）”项目56个单元预测建筑面积16103.44平方米及土地使用权证为海口市国用（2007）第006743号及海口市国用（2007）第006731号项下相对应的分摊土地使用权一并抵押给琼海市农村信用合作联社等10家金融机构，担保债权数额人民币12000万元，顺位为贰号，债权起止时间：2021年9月13日起2024年09月13日止。

四、不相一致假设

无不相一致假设。

五、依据不足假设

无依据不足假设。

限制条件：

1、本报告是反映估价对象在本次评估目的下，根据公开市场条件确定的价值时点公允价格。报告中所用的法规、规定和政府颁布的文件没有改变。

2、本次评估A、B栋截止价值时点已完工地上建筑面积28287.03㎡，商业楼已完工地上建筑面积为2852.17㎡，地下建筑面积1201.11㎡，其中A、B栋住宅楼已销售建筑面积为10028.04㎡（详见已销售面积清单），扣除已销售建筑物的占地面积4417.64㎡；扣除已销售建筑面积后本次A、B栋和商业楼评估地上建筑面积21111.16㎡，地下建筑面积1201.11㎡。C、D栋建筑面积37419.41㎡（其中地上建筑面积28287.03㎡，地下建筑面积9132.38㎡）。

3、本评估结果自评估报告完成之日起壹年内有效（自2022年10月8日至2023年10月7日止）。若在此期间内由于国家政策、经济环境及物业本身的物理状况等因素发生重大变动，且这些变动会对评估结果产生重大影响，或需处分估价对象时，须重新评估。

4、对委托方单位存在的可能影响资产评估值的瑕疵事项，在委托方委托时未作特殊说明，而评估人员根据专业经验一般不能获知的情况下，评估机构及评估人员不承担

责任。

5、本报告中数据运算全部采用电算化连续计算得出，由于在报告中计算有关数据均按四舍五入保留两位小数或取整，因此，可能出现个别等式不完全相等的情况，但不影响运算结果和最终估价结果的准确性和指导性。

特殊说明:

估价对象是其所属整个项目中的一部分房地产，目前仍为未完工的在建工程项目，估价对象的续建应受到整个项目的影响。由于整个项目并非本次评估范围，本报告无法考虑其影响情况，故假设估价对象与整个项目一起自价值时点之日起能按合理期限续建完成进行本次评估。特此说明，提请报告使用者关注，并在估价对象处置时自行考虑其对价值的影响。

(九)估价方法

1、估价方法的选择

按照《房地产估价规范》（GB/T50291-2015），目前评估房地产的估价方法通常有市场比较法、收益法、假设开发法、成本法等。有条件选用市场比较法进行估价的，应以首选市场比较法为主要的估价方法；收益性房地产的估价，应选用收益法作为其中的一种估价方法。在无市场依据或市场依据不充分而不适宜用市场比较法、收益法、假设开发法进行估价的情况下，可采用成本法作为主要的估价方法。

2、估价方法的依据及估价思路

（1）比较法：是选取一定数量的可比实例，将它们与估价对象进行比较，根据其间的差异对可比实例成交价格进行处理后得到估价对象价值或价格的方法。该方法适用于同类房地产数量较多、经常发生交易且具有一定可比性的房地产。估价对象作为在建工程项目，根据估价人员调查了解，估价对象所处区域极少有类似物业交易案例，不宜采用比较法对其评估；

（2）收益法：是预测估价对象的未来收益，利用报酬率或资本化率、收益乘数将未来收益转换为价值得到估价对象价值或价格的方法。该方法适用于估价对象或其同类房地产通常有租金等经济收入的收益性房地产。估价对象项目处于在建阶段，尚未形成收益能力，考虑评估方法的可操作性，本次评估不宜采用收益法；

（3）成本法：是测算估价对象在价值时点的重置成本或重建成本和折旧，将重置成本或重建成本减去折旧得到估价对象价值或价格的方法。成本法一般适用于测算可独立开发建设的整体房地产的价值或价格。对很少发生交易而限制了比较法运用，又没有经济收入或潜在经济收入而限制了收益法运用的房地产，以公益、公用为目的的房地产，特别适用成本法估价。有独特设计或只针对特定使用者的特殊需要而开发建设的房地产，以及单独的建筑物或其装饰装修部分，通常也是采用成本法进行估价。根据委估宗地所在区域目前市场状况，同一供给圈内房地产成本价格形成具有一定的客观性和普遍性，可调查现时类似房地产成本价格作为参考依据估算委估对象价格构成，故可选择成本法对委估对象价格进行评估。本次评估采用房地合估思路：

（4）假设开发法：是求得估价对象后续开发的必要支出及折现率或后续开发的必

要支出及应得利润和开发完成后的价值，将开发完成后的价值和后续开发的必要支出折现到价值时点相减，或将开发完成后的价值减去后续开发的必要支出及应得利润得到估价对象价值或价格的方法。假设开发法适用于具有开发或再开发潜力且开发完成后的价值可以采用比较法、收益法等成本法以外的方法测算的房地产，包括可供开发的土地、在建工程、可重新开发、更新改造或改变用途的旧房等。估价对象为在建工程，需续建完成后才能投入使用，且其有详细规划指标，宜采用假设开发法进行评估；

土地价值的求取思路：经估价人员调查了解，委估对象所在区域近期同类用地交易及出租案例极少，不具备采用市场比较法和收益法评估的条件。随着城市的发展，近年来，当地的土地需求不断上涨，土地资源的稀缺性导致土地市场售价远高于成本，故不宜采用成本逼近法。基准地价已覆盖估价对象所处区域，因此宜采用基准地价系数修正法对土地进行评估。故土地的评估选择基准地价系数修正法进行评估。委估宗地具有开发利用价值，且具有详细规划指标，区域内开发完成后的类似房地产交易市场及经营市场比较成熟，宜采用剩余法进行评估，故土地的评估选择基准地价系数修正法和剩余法进行评估。

综上，在其他评估方法不可用或存在较大难度的前提下，考虑方法的适宜性和可操作性，结合评估目的，本次评估整体采用成本法及假设开发法进行估价。

步骤一：估价对象所在区域建筑市场发达，其重置成本容易获得；故确定采用“成本法”对委估房地产进行评估，采用“成本法”评估时我们采用房地分估方法计算，建筑物部分采用重置成本法进行计算，土地部分采用基准地价系数修正法和剩余法。

成本法的基本公式为：

房地产价格=土地价格+房屋开发成本+管理费用+销售费用+投资利息+销售税费+开发利润-建筑物折旧

步骤二：根据委估对象的现状，采用“假设开发法”对委估在建工程进行评估。

假设开发法的基本公式为：

在建工程价值=开发完成后的房地产价值 - 续建成本 - 管理费用 - 投资利息 - 销售费用 - 销售税费 - 续建投资利润 - 买方购买在建工程应负担的税费

3、土地部分估价

A、估价方法的选择

不选取方法的理由：

(1) 类似土地出租案例较少，难以确定估价对象合理的租金，采用收益法难以准确确定估价对象的土地使用权价值，收益还原法是具有较强的理论依据而应用面很广的一种估价方法，但在实践的过程中较难把握，根据委估宗地的实际情况并结合市场调查，其稳定纯收益和适当还原率的求取比较困难，且这类宗地的预期收益估算较为复杂，故不宜采用收益法对该地进行评估；

（2）土地用途为城镇混合住宅用地，市场近期较少同类土地交易案例，故无法采用市场比较法评估委估宗地的价值；

（3）估价对象征地补偿费用等资料较难取得，各项土地费用难以精确的测算，故成本逼近法难以准确计算其土地使用权价值。

选取方法的理由：

（1）政府已公布基准地价，具有完备的基准地价修正体系的区域，估价对象宗地位于海口市基准地价覆盖范围内，海口市人民政府二〇二一年九月十日《海口市城镇建设用地土地定级与基准地价评估成果报告》已覆盖此次委托评估地块所在区域，基准地价系数修正法的估价体系较为成熟，故采用基准地价系数修正法作为评估方法之一；

（2）估价对象规划指标文件齐全，根据《海南省国有建设用地使用权估价技术参数指引》要求，可选用“剩余法”作为另一种评估方法。

Ⅲ、综合评估求取房地产价格

由于不同的评估方法可能会使评估价格产生差异，本次评估运用“成本法”求得房地产评估总值为61694.27万元，采用“假设开发法”求得房地产单位价格为81295.72万元，综合分析成本法和假设开发法的估价结果，以上两种评估方法求取的结果有一定的差距，假设开发法评估是建立在对房价及相关参数预测基础上的，而相关预测受未来市场、建筑成本等因素的影响较大，具有不稳定性；成本法是根据委估对象的个别特征，以在价值时点的建筑物现状形成所耗费的各项客观费用之和为主要依据，加上一定的管理费用、利润、利息、应缴纳的税金等，再减去相应的折旧即为委估对象房地产价格，成本法评估结果更能反应在建工程的市场价值。根据以上分析结合《房地产估价规范》，采用加权算术平均法，成本法取权重70%，假设开发法取权重30%，则：

委估房地产评估值=61694.27×0.70+81295.72×0.30=67574.71万元

（六）估价结果的确定

根据估价目的，遵循估价原则，采用科学的估价方法，经测算分析，确定估价对象海口市琼山大道西侧亚特兰蒂斯花园（总建筑面积为59731.68平方米，土地面积为20,713.52平方米）在建工程于价值时点（二〇二二年九月三十日）评估总值为67574.71万元，人民币**大写陆亿柒仟伍佰柒拾肆万柒仟壹佰元整**。（其中城镇混合住宅用地土地面积20,713.52㎡，土地单价12063元/地面㎡(合804.20万元/亩)，评估总值为24986.72万元）。

HEALTHBANK HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201334844E)

*Unless otherwise defined, all capitalised terms herein shall have the same meanings ascribed to them in the circular issued by the Company to shareholders of the Company dated 15 December 2022 (the "**Circular**").*

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of the Company will be convened and held by way of electronic means on 30 December 2022 at 10:30 a.m., for the purpose of considering and, if thought fit, passing with or without any modification(s), the Proposed Resolutions set out below as ordinary resolutions:-

Shareholders should note that Ordinary Resolution 2 and Ordinary Resolution 3 are inter-conditional upon each other as they are integral parts of the same transaction. This means that if Ordinary Resolution 2 is not passed, Ordinary Resolution 3 will be deemed to be not passed, and *vice versa*. Further, each of Ordinary Resolution 2 and Ordinary Resolution 3 is conditional upon the passing of Ordinary Resolution 1. In the event that Ordinary Resolution 1 is not passed, Ordinary Resolutions 2 and 3 will be deemed to be not passed.

ORDINARY RESOLUTION 1: THE PROPOSED DIVERSIFICATION OF THE GROUP'S EXISTING BUSINESS TO INCLUDE THE NEW BUSINESSES

That:

(a) approval be and is hereby given for the diversification by the Group of its Existing Business to include the New Businesses as described in the Circular, and any other activities related to the New Businesses; and

(b) the Directors (or anyone of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to the Proposed Diversification as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

ORDINARY RESOLUTION 2: THE PROPOSED ACQUISITION OF THE TARGET GROUP

That, subject to and contingent upon the passing of Ordinary Resolutions 1 and 3 in this Notice of EGM:

(a) approval be and is hereby given for the proposed acquisition of 100% of the shares in the capital of the Target pursuant to the Agreement entered into between the Company and the Vendor; and

(b) the Directors (or anyone of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to the Proposed Acquisition as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

ORDINARY RESOLUTION 3: THE PROPOSED DISPOSAL OF THE LHL SHARES AND ASSIGNMENT OF THE HF LOANS, IN PARTIAL SATISFACTION OF THE CONSIDERATION FOR THE ABOVEMENTIONED PROPOSED ACQUISITION

That, subject to and contingent upon the passing of Ordinary Resolutions 1 and 2 in this Notice of EGM:

(a) approval be and is hereby given for (i) the transfer by the Company of 100% of the shares in LHL, and (ii) the assignment of the Company's rights, title and interests in and to the HF Loans, to the Vendor in partial satisfaction of the Consideration payable by the Company pursuant to the Agreement; and

(b) the Directors (or anyone of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to the Proposed Payment as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

By Order of the Board of Directors of
HealthBank Holdings Limited

George Peng Fei
Executive Director and Chief Executive Officer

15 December 2022
Singapore

Notes:

1. **Printed copies of this Notice of EGM and the accompanying Proxy Form will not be sent to Members.** Instead, these documents may be accessed on SGXNet at https://www.sgx.com/securities/company-announcements.

2. The EGM will be convened and held by electronic means.

3. Alternative arrangements relating to, among others, attendance at the EGM via electronic means (including arrangements by which Members may participate in the EGM proceedings through (i) real-time electronic voting and (ii) real-time electronic communication; submission of comments, queries and/or questions to the Company in advance of the EGM; and addressing of substantial and relevant comments, queries and/or questions relating to the Proposed Resolutions prior to or at the EGM) are set out in the notes below and Section 10 of the Circular.

4. In the case of Shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

Members may participate at the EGM by taking note of the following steps:

5. **Registration for Virtual EGM**

   A Member will be able to follow the proceedings of the EGM by attending the virtual EGM via mobile phone, tablet, computer or any such electronic device.

   In order to do so, a Member must pre-register at the URL **https://conveneagm.com/sg/healthbank2022egm** by **no later than 10:30 a.m. on 28 December 2022** (that is, not less than 48 hours before the time fixed for holding the EGM) (the "**Registration Deadline**") for authentication of their status as Members.

   Members who have been authenticated will receive email instructions to access the virtual EGM by **10:30 a.m. on 29 December 2022**. Members who have registered by the Registration Deadline but did not receive email instructions by 10:30 a.m. on 29 December 2022 may contact the Company by email at healthbank123@gmail.com for assistance.

   Members must not forward the abovementioned email instructions to other persons who are not Members and who are not entitled to attend the EGM. This is also to avoid any technical disruptions or overload to the EGM platform.

   Members are reminded that the EGM proceedings are private, and recording of the proceedings in whatever form is strictly prohibited.

   Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including under the Supplementary Retirement Scheme ("**SRS Investors**"), may attend and cast their votes at the EGM by pre-registering. If they would like to vote but are unable to attend the EGM, they should approach their respective agents, including SRS Operators, as soon as possible, so that the necessary arrangements can be made by the relevant agents to appoint the Chairman to act as their proxy, in which case, the investor shall be precluded from attending the EGM personally.

6. **Members' Queries**

   Members of the Company are encouraged to submit questions relating to the resolutions tabled for approval at the EGM in advance:

   (a) **via the pre-registration website** at the URL https://conveneagm.com/sg/healthbank2022egm;

   (b) **by email** to healthbank123@gmail.com; or

   (c) in hard copy **by post** to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08 Singapore 228218,

   in any case, by **10:30 a.m. on 22 December 2022** (the "**Cut-off Time**").

For verification purpose, when submitting any questions by post or via email, Members **MUST** provide the Company with their particulars (comprising full name (for individuals)/company name (for corporates), email address, contact number, NRIC/passport number/company registration number, shareholding type and number of shares held).

The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) as soon as possible and in any case, no later than **10:30 a.m. on 26 December 2022** (that is, no later than 48 hours before the closing date and time for the lodgement of the Proxy Forms).

Any subsequent clarifications sought by Members after the Cut-off Time will be addressed at the EGM. Members may also ask questions during the EGM.

The minutes of the EGM will be published on SGXNet within one (1) month after the date of the EGM.

Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including SRS Investors, can submit their questions in relation to any resolution set out in the Notice of EGM upon pre-registration; if they would like to vote but are unable to attend the EGM, they should approach their respective agents, including SRS Operators, as soon as possible, so that the necessary arrangements can be made by the relevant agents to appoint the Chairman to act as their proxy, in which case, the investor shall be precluded from attending the EGM personally.

7. Proxy Voting or Voting "live" at the EGM

A Member may personally attend and vote "live" at the EGM.

Alternatively:

(a) a member of the Company entitled to attend and vote at the EGM and who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote in his/her stead; and

(b) a member of the Company entitled to attend and vote at the EGM and who is a relevant intermediary may appoint more than two (2) proxies provided that each proxy is appointed to exercise the rights attached to different shares held by such member.

"relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

A proxy need not be a Member.

If a proxy is to be appointed, the instrument appointing the proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised. The Proxy Form has been uploaded together with this Notice of AGM on SGXNet on the same day.

Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

Members (whether individual or corporate) appointing a proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment may be treated as invalid.

The Proxy Form must be submitted to the Company in the following manner:

(d) **via the pre-registration website** at the URL https://conveneagm.com/sg/healthbank2022egm;

(e) **by email** to healthbank123@gmail.com; or

(f) in hard copy **by post** to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08 Singapore 228218,

in any case, **not less than 48 hours** before the time appointed for holding the EGM (and at any adjournment thereof), i.e. **by no later than 10:30 a.m. on 28 December 2022**.

A Member who wishes to submit a Proxy Form by (b) or (c) must first download the Proxy Form, which is available on SGXNet at the URL https://www.sgx.com/securities/company-announcements, complete and sign the Proxy Form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above. Members are strongly encouraged to submit completed proxy forms electronically via email.

Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, including SRS Investors, who wish to appoint a proxy, should approach their respective agents, including SRS Operators, to submit their votes at least seven (7) working days before the EGM, i.e. **by 5:00 p.m. on 19 December 2022**.

The Company shall be entitled to reject a Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as in the case where the appointor submits more than one instrument of proxy).

In the case of Shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by CDP as at 72 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to appoint the proxy.

8. **COVID-19 Measures**

The Company will continue to monitor the ongoing COVID-19 situation and reserves the right to take further measures as appropriate and at short notice, in order to comply with the various government and regulatory advisories from time to time. Any changes to the manner of conduct of the EGM will be announced on SGXNet at the URL https://www.sgx.com/securities/company-announcements. Members are advised to check the SGXNet regularly for updates on the EGM.

Personal Data Privacy:

"**Personal data**" in this Notice of EGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes, *inter alia*, the Member's name and its proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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*This Notice of EGM has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). This Notice of EGM has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Notice of EGM, including the correctness of any of the statements or opinions made, or reports contained in this Notice of EGM.*

The contact person for the Sponsor is Ms. Lee Khai Yinn (+65 6232 3210) at 1 Robinson Road #21-00 AIA Tower, Singapore 048542.

PROXY FORM

HEALTHBANK HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 201334844E)

PROXY FORM
(Please see notes overleaf before completing this form)

IMPORTANT
1. Investors who hold shares under the Supplementary Retirement Scheme ("**SRS Investors**") may attend and cast their votes at the virtual EGM personally. SRS Investors who are unable to attend the EGM but would like to vote, may inform their SRS Operators to appoint the Chairman of the EGM to act as their proxy, in which case, the SRS Investors shall be precluded from attending the EGM.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

This Proxy Form has been made available on SGXNet. A printed copy of this Proxy Form will **NOT** be despatched to members.

I/We* ________________________________ (Name) ____________________ (NRIC / Passport / Company Registration Number*)

of ____ (Address)

being a member of **HealthBank Holdings Limited** (the "**Company**"), hereby appoint:

Name	NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			

and/or*:

Name	NRIC/Passport/Registration No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			

and/or*: the Chairman of the extraordinary general meeting ("**EGM**"),

as my/our* proxy to attend and vote for me/us* on my/our* behalf at the EGM to be convened and held by way of electronic means on 30 December 2022 at 10:30 a.m. and at any adjournment thereof. Appointed proxy(ies) will be prompted via email (within two (2) business days after the Company's receipt of a validly completed and submitted Proxy Form) to pre-register at the pre-registration website which is accessible from the URL https://conveneagm.com/sg/healthbank2022egm in order to access the "live" audio-visual webcast or "live" audio-only stream of the EGM proceedings.

I/We* direct the aforesaid appointed proxy to vote for, or against, or abstain from voting on, the resolutions to be proposed at the EGM as indicated hereunder.

No.	Ordinary Resolution relating to:	No. of Votes For#	No. of Votes Against#	No. of Votes Abstain#
1.	The proposed diversification of the Group's Existing Business to include the New Businesses (the "**Proposed Diversification**")			
2.	The proposed acquisition of the Target Group (the "**Proposed Acquisition**")			
3.	The proposed disposal of the LHL Shares and assignment of the HF Loans, in partial satisfaction of the Consideration for the Proposed Acquisition (the "**Proposed Payment**")			

** Delete as appropriate*

 # If you wish to exercise all your votes "For" or "Against" or "Abstain", please indicate so with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. ***If no specific direction as to voting is given, the proxy/proxies (except where the Chairman of the EGM is appointed as my/our proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the EGM and at any adjournment thereof. In the absence of specific direction in respect of a resolution, the appointment of the Chairman of the EGM as my/our proxy for that resolution will be treated as invalid.***

Dated this _______ day of December 2022.

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Shareholder(s) and/or
Common Seal of Corporate Shareholder

PROXY FORM

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by you.

2. **The EGM will be convened and held by electronic means.** A member of the Company ("**Member**") may personally attend and vote at the EGM, or:

   a. a Member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend and vote at the EGM of the Company. Where such member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named proxy; and

   b. a Member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one (1) proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.

3. In appointing a proxy, if no specific direction as to voting is given by a Member, the proxy/proxies (except where the Chairman of the EGM is appointed as the Member's proxy) will vote or abstain from voting at his/her/their discretion on any matter arising at the EGM and at any adjournment thereof. In the absence of specific direction as to voting is given by a Member, the appointment of the Chairman of the EGM as the Member's proxy for the relevant resolutions will be treated as invalid.

4. SRS Investors who wish to appoint the Chairman of the EGM as proxy should approach their respective SRS operators to submit their votes by 5:00 p.m. on 19 December 2022 (that is, at least seven (7) working days before the date of the EGM) in order to allow sufficient time for their respective SRS Operators to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf by the cut-off date.

5. A proxy need not be a member of the Company.

6. The duly executed Proxy Form must be submitted to the Company in the following manner:

   (a) **via the pre-registration website** at the URL https://conveneagm.com/sg/healthbank2022egm ;

   (b) **by email** to healthbank123@gmail.com; or

   (c) in hard copy **by post** to the Company's registered office at 15 Scotts, 15 Scotts Road, #04-08 Singapore 228218,

   in any case, **not less than 48 hours** before the time appointed for holding the EGM (and at any adjournment thereof). Members of the Company are strongly encouraged to submit the completed and signed Proxy Forms by email.

7. This instrument of proxy must be signed by the appointor or his/her/its attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

8. Where this instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.

9. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967 of Singapore.

10. The Company shall be entitled to reject the instrument of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (such as in the case where the appointor submits more than one instrument of proxy).

11. In the case of shares entered in the Depository Register, a Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to appoint the proxy.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 15 December 2022.