

CIRCULAR DATED 1 FEBRUARY 2018

THIS CIRCULAR (AS DEFINED HEREIN) IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF CIMB BANK BERHAD, SINGAPORE BRANCH. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by CWG International Ltd. If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein), you should immediately hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Circular.



CWG INTERNATIONAL LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200610437K)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by

RHT CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201109968H)

for and on behalf of

ELIDOM INVESTMENT CO., LTD

(Incorporated in the British Virgin Islands)
(Company Registration No. 1952659)

Independent Financial Adviser to the Independent Directors



CIMB BANK BERHAD (13491-P)
SINGAPORE BRANCH
(Incorporated in Malaysia)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 5 MARCH 2018 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN).

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Circular:

GENERAL

“2Q2017 Results”	:	Shall have the meaning ascribed to it in paragraph 8.8 of Appendix II to this Circular
“3Q2017”	:	Third quarter ended 30 September 2017
“9M2017”	:	Nine (9)-month period ended 30 September 2017
“9M2017 Results”	:	Unaudited consolidated financial statements of the Group for 3Q2017 and 9M2017, which were issued in the Company’s announcement released on the website of the SGX-ST at www.sgx.com on 7 November 2017
“Acceptance Forms”	:	The FAA and the FAT collectively or any one of them, as the case may be
“Board”	:	The Board of Directors of the Company
“Business Day”	:	A day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for business in Singapore
“CIMB Performance Update Letter”	:	The letter issued by CIMB in relation to the Performance Update, as set out in Appendix V of this Circular
“CIMB Statements of Prospects Letter”	:	The letter issued by CIMB in relation to the Statements of Prospects, as set out in Appendix VIII of this Circular
“Circular”	:	This circular to Shareholders enclosing, <i>inter alia</i> , the IFA Letter
“Closing Date”	:	5.30 p.m. (Singapore time) on 5 March 2018, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Offer
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	The Companies Act (Chapter 50 of Singapore)

“Company Securities”	:	(a) Shares; (b) securities which carry voting rights in the Company; and (c) convertible securities, warrants, options (including any options granted under any employee share scheme of the Company) or derivatives in respect of the Shares or securities which carry voting rights in the Company
“Concert Parties”	:	Parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
“Consortium Members”	:	Sinway, H&H and Floriland
“Constitution”	:	The constitution of the Company
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	The Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Distributions”	:	All dividends, rights, returns of capital and other distributions declared, paid or made by the Company in respect of Shares
“Encumbrances”	:	Any claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP
“FAT”	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are not deposited with CDP
“FY”	:	Financial year ended 31 December of a particular year as stated

- “IFA Letter”** : The letter dated 1 February 2018 from CIMB to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular
- “Independent Directors”** : The Directors who are considered independent for the purposes of the Offer, namely:
- (a) Mr. Chua Hwee Song;
 - (b) Mr. Thio Shen Yi;
 - (c) Mr. Kwok Wei Woon; and
 - (d) Mr. Lai Huen Poh
- “Interested Person”** : As defined in the Note on Rule 23.12 of the Code, an interested person, in relation to a company, is:
- (a) a director, chief executive officer, or substantial shareholder of the company;
 - (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;
 - (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;
 - (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
 - (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
 - (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
- “Irrevocable Undertakings”** : The irrevocable undertakings provided by each of the Consortium Members in favour of the Offeror to, *inter alia*, accept the Offer, as more particularly described in Section 6 of this Circular
- “KPMG Performance Update Report”** : The report issued by KPMG in relation to the Performance Update, as set out in Appendix IV of this Circular

“KPMG Statements of Prospects Report”	:	The report issued by KPMG in relation to the Statements of Prospects, as set out in Appendix VII of this Circular
“Latest Practicable Date”	:	26 January 2018, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as may be amended, modified or supplemented from time to time
“Minimum Acceptance Condition”	:	Shall have the meaning ascribed to it in Section 2.5 of this Circular
“Offer”	:	The voluntary conditional cash offer by RHT Capital, for and on behalf of the Offeror, to acquire the Offer Shares, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
“Offer Announcement”	:	The announcement in connection with the Offer released by RHT Capital, for and on behalf of the Offeror, on the Offer Announcement Date
“Offer Announcement Date”	:	28 December 2017, being the date of the Offer Announcement
“Offer Document”	:	The offer document dated 18 January 2018, including the FAA and the FAT, and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update the offer document from time to time
“Offer Document Despatch Date”	:	18 January 2018, being the date of despatch of the Offer Document
“Offer Document LPD”	:	10 January 2018, being the latest practicable date prior to the printing of the Offer Document
“Offer Price”	:	Shall have the meaning ascribed to it in Section 2.3 of this Circular
“Offer Shares”	:	All the issued Shares to which the Offer relates, as described in Sections 2.1 and 2.2 of this Circular
“Offer Unconditional Announcement”	:	Shall have the meaning ascribed to it in Section 2.5 of this Circular
“Offer Unconditional Date”	:	22 January 2018, the date on which the Offer was declared to be unconditional in all respects in accordance with its terms pursuant to the Offer Unconditional Announcement

“Offeror Securities”	:	(a) Offeror Shares;
		(b) securities which carry substantially the same rights as the Offeror Shares; and
		(c) convertible securities, warrants, options or derivatives in respect of any Offeror Shares or other securities which carry substantially the same rights as the Offeror Shares
“Offeror Shares”	:	Issued shares in the capital of the Offeror
“Overseas Shareholder”	:	A Shareholder whose address is outside Singapore as shown in the Register or in the Depository Register (as the case may be)
“Performance Update”	:	Shall have the meaning ascribed to it in paragraph 8.3 of Appendix II to this Circular
“PRC”	:	The People’s Republic of China
“Properties”	:	The properties as set out in Appendix IX to this Circular in which the Group has interests and which have been valued by the Valuers
“Record Date”	:	In relation to any Distributions, the date on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such Distributions
“Register”	:	The register of holders of the Shares, as maintained by the Share Registrar
“RMB”	:	Renminbi, being the lawful currency of the PRC
“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	:	The Securities and Futures Act (Chapter 289 of Singapore)
“Shareholders”	:	Holders of Shares, including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST
“Shares”	:	Ordinary shares in the capital of the Company
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS

“SRS Investors”	:	Investors who have purchased Shares pursuant to the SRS
“Statements of Prospects”	:	Shall have the meaning ascribed to it in paragraph 8.8 of Appendix II to this Circular
“Valuation Certificate”	:	The valuation certificate issued by Urbis in respect of certain of the Properties in connection with the Offer, a copy of which is set out in Appendix IX to this Circular
“Valuation Reports”	:	The reports issued by Colliers, Savills and Property Sciences, as the case may be, in respect of certain of the Properties in connection with the Offer, extracts of which are set out in Appendix IX to this Circular
“%” or “per cent.”	:	Percentage or per centum

COMPANIES/ORGANISATIONS/PERSONS

“CDP”	:	The Central Depository (Pte) Limited
“CIMB”	:	CIMB Bank Berhad, Singapore Branch, being the independent financial adviser to the Independent Directors in respect of the Offer
“CIMB Securities”	:	CIMB Securities (Singapore) Pte. Ltd.
“Colliers”	:	Colliers International (Hong Kong) Limited
“Company”	:	CWG International Ltd.
“Floriland”	:	Floriland Co., Ltd
“Group”	:	The Company and its subsidiaries
“H&H”	:	H&H Wealth Co., Ltd.
“KPMG”	:	KPMG LLP, being the auditors of the Company
“Offeror”	:	Elidom Investment Co., Ltd
“Property Sciences”	:	The Property Sciences Group, Inc.
“RHT Capital”	:	RHT Capital Pte. Ltd.
“Savills”	:	Savills Valuations Pty Ltd
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	B.A.C.S. Private Limited
“SIC”	:	Securities Industry Council of Singapore

“Sinway”	:	Sinway Investment Co., Ltd.
“Urbis”	:	Urbis Valuations Pty Ltd
“Valuers”	:	Colliers, Savills, Urbis and Property Sciences, the independent valuers appointed by the Independent Directors for the purposes of carrying out the valuation of the Properties in connection with the Offer

Unless otherwise defined, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

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

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act.

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

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

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

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date respectively, unless otherwise stated.

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

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter, the Valuation Certificate, the Valuation Reports and the Constitution are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter, the Valuation Certificate, the Valuation Reports and the Constitution respectively.

In this Circular, the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date is 662,038,606 Shares. Unless otherwise specified, all references to percentage shareholdings in the capital of the Company in this Circular are based on 662,038,606 Shares (excluding treasury shares) in the issued share capital of the Company as at the Latest Practicable Date.

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 “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions 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 of the Company should not place undue reliance on such forward-looking statements, and neither the Company nor CIMB guarantees any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement.

SUMMARY TIMETABLE

Offer Document Despatch Date	:	18 January 2018
Minimum Acceptance Condition met and Offer declared unconditional in all respects. Offer Unconditional Announcement released by RHT Capital, for and on behalf of the Offeror	:	22 January 2018
Despatch Date of this Circular	:	1 February 2018
Closing Date ⁽¹⁾⁽²⁾	:	5.30 p.m. (Singapore time) on 5 March 2018, or such later date(s) as may be announced from time to time by or on behalf of the Offeror
Date of settlement of consideration in respect of the Offer ⁽¹⁾⁽³⁾	:	<p>In respect of valid and complete acceptances received on or before the Offer Unconditional Date, within seven (7) Business Days of the Offer Unconditional Date</p> <p>In respect of valid and complete acceptances received after the Offer Unconditional Date but before the Closing Date, within seven (7) Business Days after the date of receipt of each such acceptance</p>
Final date of settlement of consideration in respect of the Offer	:	Within seven (7) Business Days after the Closing Date

Notes:

- (1) Please also refer to Appendix 1 to the Offer Document for further details.
- (2) Pursuant to the Offer Unconditional Announcement, RHT Capital announced, for and on behalf of the Offeror, that the Offer had become unconditional in all respects on the Offer Unconditional Date and accordingly the Closing Date of the Offer was extended to 5.30 p.m. (Singapore time) on 5 March 2018, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.
- (3) CPFIS Investors, SRS Investors and other investors who hold Shares through finance companies or Depository Agents will receive notification letter(s) from their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents. Such investors should refer to those notification letter(s) for details of the last date and time (which may be earlier than the Closing Date) to reply to their respective CPF Agent Banks, SRS Agent Banks, finance companies and Depository Agents in order to accept the Offer.

CWG INTERNATIONAL LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200610437K)

LETTER FROM THE BOARD OF DIRECTORS

Board of Directors:

Mr. Qian Jianrong (Executive Chairman and Chief Executive Officer)
Mr. Tian Honglei (Executive Director)
Mr. Chua Hwee Song (Non-Independent Non-Executive Director)
Mr. Thio Shen Yi (Lead Independent Director)
Mr. Kwok Wei Woon (Independent Director)
Mr. Lai Huen Poh (Independent Director)

Registered Office:

6 Eu Tong Sen Street
#04-08 The Central
Singapore 059817

1 February 2018

To: The Shareholders of the Company

Dear Sir/Madam

VOLUNTARY CONDITIONAL CASH OFFER BY RHT CAPITAL, FOR AND ON BEHALF OF THE OFFEROR, TO ACQUIRE ALL THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On 28 December 2017, being the Offer Announcement Date, RHT Capital, for and on behalf of the Offeror, announced that the Offeror intends to make a voluntary conditional cash offer for all the Offer Shares.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Letter to Shareholders in the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer contained in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.3 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of CIMB to the Independent Directors in respect of the Offer.

Shareholders should consider carefully the recommendation of the Independent Directors and the advice of CIMB to the Independent Directors in respect of the Offer before deciding whether to accept or reject the Offer.

2. THE OFFER

2.1 Offer

Based on the information set out in the Offer Document, RHT Capital has, for and on behalf of the Offeror, made the Offer to acquire all the Shares other than those already held by the Company as treasury shares and those already held by the Offeror as at the date of the Offer (the "**Offer Shares**") in accordance with Rule 15 of the Code and subject to the terms and conditions set out in the Offer Document and the Acceptance Forms.

2.2 Offer Shares

Section 2.2 of the Letter to Shareholders in the Offer Document states that the Offer will be extended to all the Offer Shares. For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.

2.3 Offer Price

Section 2.3 of the Letter to Shareholders in the Offer Document states that the consideration for each Offer Share (the "**Offer Price**") will be as follows:

For each Offer Share: S\$0.195 in cash

2.4 No Encumbrances

Section 2.4 of the Letter to Shareholders in the Offer Document states that the Offer Shares are to be acquired (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any), the Record Date for which falls on or after the Offer Announcement Date.

Section 2.4 further states that in the event of any such Distributions on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price to a Shareholder who validly accepts or has validly accepted the Offer by the amount of such Distribution.

2.5 Minimum Acceptance Condition

Section 2.5 of the Letter to Shareholders in the Offer Document states that the Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and its Concert Parties holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares (excluding any Shares held in treasury) as at the close of the Offer (such condition, the "**Minimum Acceptance Condition**").

As set out in the same Section 2.5:

- (a) pursuant to the Irrevocable Undertakings, the Consortium Members will tender all of their 536,763,362 Shares (representing approximately 81.1% of the total number of issued Shares (excluding treasury shares)) in acceptance of the Offer;
- (b) as a result, the Minimum Acceptance Condition will be met upon receipt of such valid acceptances from the Consortium Members and the Offer will thereby be declared unconditional in all respects; and
- (c) save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

On the Offer Unconditional Date, RHT Capital announced, for and on behalf of the Offeror, that as at 5.00 p.m. (Singapore time) on the same date, the Offeror had received, pursuant to the Offer, valid acceptances in respect of an aggregate of 539,068,559 Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), result in the Offeror and its Concert Parties holding such number of Shares carrying more than 50% of the voting rights attributable to the total number of issued Shares (excluding treasury shares) (the "**Offer Unconditional Announcement**").

Accordingly, the Minimum Acceptance Condition was satisfied and the Offer had become and was declared unconditional in all respects on the Offer Unconditional Date.

A copy of the Offer Unconditional Announcement is available on the website of the SGX-ST at www.sgx.com.

2.6 Revision of Terms of the Offer

Section 2.6 of the Letter to Shareholders in the Offer Document states that the Offeror reserves the right to revise the terms of the Offer in accordance with the Code.

2.7 Warranty

Section 2.7 of the Letter to Shareholders in the Offer Document states that a Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably represent, warrant and undertake to the Offeror that he sells such Offer Shares, as or on behalf of the beneficial owner(s) thereof, (a) fully paid, (b) free from all Encumbrances, and (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including the right to receive and retain all Distributions (if any), the Record Date for which falls on or after the Offer Announcement Date.

3. DETAILS OF THE OFFER

3.1 Closing Date

As stated in the Offer Unconditional Announcement, the Offer became unconditional as to acceptances on the Offer Unconditional Date and pursuant to Rule 22.6 of the Code, the Offer must remain open for acceptance for not less than 14 days after the date on which the Offer would otherwise have closed.

Accordingly, Shareholders should note that the Offer will remain open for acceptance until 5.30 p.m. (Singapore time) on 5 March 2018, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3.2 Further Details of the Offer

The Offer is made subject to the terms and conditions as set out in the Offer Document. Appendix 1 to the Offer Document sets out further details on (a) the duration of the Offer, (b) the settlement of the consideration for the Offer, (c) the requirements relating to the announcement(s) of the level of acceptances of the Offer, and (d) Shareholders' right of withdrawal of acceptances of the Offer.

4. PROCEDURES FOR ACCEPTANCE

Appendix 2 to the Offer Document sets out the procedures for acceptance of the Offer by a Shareholder.

5. INFORMATION ON THE OFFEROR, THE CONSORTIUM MEMBERS AND THE CONSORTIUM ARRANGEMENTS

Details of the Offeror, the Consortium Members and the Consortium Arrangements are set out in Section 5 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

“5. INFORMATION ON THE OFFEROR, THE CONSORTIUM MEMBERS AND THE CONSORTIUM ARRANGEMENTS

5.1 The Offeror

The Offeror is a special purpose vehicle incorporated in the British Virgin Islands on 3 August 2017 for the sole purpose of undertaking the Offer. Its principal activity is that of an investment holding company. The Offeror has not carried on any business since its incorporation, except for matters in connection with the making of the Offer. As at the Latest Practicable Date, the Offeror has issued a total of 50,000 ordinary shares with a par value of US\$1.00 each, and the respective shareholdings of the Consortium Members in the Offeror is as follows:

<i>Name of Consortium Member</i>	<i>Number of shares in the Offeror owned or controlled</i>	<i>Proportion of the total number of issued shares in the Offeror</i>
<i>Sinway</i>	<i>46,500</i>	<i>93.0%</i>
<i>H&H</i>	<i>2,750</i>	<i>5.5%</i>
<i>Floriland</i>	<i>750</i>	<i>1.5%</i>
<i>Total</i>	<i>50,000</i>	<i>100.0%</i>

5.2 Shareholders of the Offeror

Information relating to the Consortium Members is as follows:

(a) Sinway

Sinway is a company incorporated in the British Virgin Islands on 15 July 2011. Sinway has issued a total of 50,000 ordinary shares with a par value of US\$1.00 each. Sinway is principally an investment holding company which is held by Mr. Qian Jianrong (86.0%), Mr. Mao En (7.5%), Mr. Gong Ming (4.3%) and Mr. Tian Honglei (2.2%). Its sole director is Mr. Qian Jianrong.

(b) H&H

H&H is a company incorporated in the British Virgin Islands on 25 March 2015. H&H has issued a total of 50,000 ordinary shares with a par value of US\$1.00 each. H&H is principally an investment holding company which is held by Mr. Mao Zhihang, who is also its sole director.

(c) Floriland

Floriland is a company incorporated in the British Virgin Islands on 11 August 2015. Floriland has issued a total of 50,000 ordinary shares with a par value of US\$1.00 each. Floriland is principally an investment holding company which is held by Mr. Li Bin (62.7%) and Mr. Sun Weihou (37.3%), who are also its directors.

5.3 Sole Director of the Offeror

As at the Latest Practicable Date, the sole director of the Offeror is Mr. Qian Jianrong.

5.4 Consortium Arrangements

(a) Consortium Agreement

*The Offeror and the Consortium Members have, on the Offer Announcement Date, entered into a consortium agreement (the “**Consortium Agreement**”) in relation to the regulation of the relationship of the Consortium Members inter se as shareholders of the Offeror and the making of the Offer. The arrangements agreed between the Consortium Members pursuant to the Consortium Agreement include:*

- (i) *the shareholding structure of the Offeror during the period of the Offer shall be, equal to the proportion that the number of Offer Shares held by each Consortium Member bears to the total number of Offer Shares held by all of them and, as follows:*

<i>Sinway</i>	<i>:</i>	<i>93.0%</i>
<i>H&H</i>	<i>:</i>	<i>5.5%</i>
<i>Floriland</i>	<i>:</i>	<i>1.5%</i>

The acquisition of Offer Shares by the Offeror is to be funded by way of (1) the Consortium Members subscribing for shares in the Offeror in the above-mentioned shareholding proportions (subscription amounts payable by the Consortium Members to be set-off against the Offer Price payable by

the Offeror to them as described in Section 5.4(b) (Irrevocable Undertakings) of this Offer Document), and (2) an interest-free shareholder's loan (the "**Sinway Shareholder's Loan**") provided by Sinway only;

- (ii) following the later of (1) the completion of the Offer; or (2) in the event that the Offeror is entitled to and exercises its right of the Compulsory Acquisition, the completion of the Compulsory Acquisition, the amounts drawn down under the Sinway Shareholder's Loan shall be capitalised into shares in the Offeror. Accordingly, assuming that the Offeror acquires 100% of the Company, the respective shareholdings in the Offeror will potentially be as follows after capitalising the Sinway Shareholder's Loan:

Sinway : 94.4%
H&H : 4.4%
Floriland : 1.2%; and

- (iii) the Consortium Members shall be entitled to appoint a specified number of representatives to the board of the Offeror. As at the Latest Practicable Date, the sole director of the Offeror is Mr. Qian Jianrong. After the close of the Offer (and the completion of the Compulsory Acquisition process if applicable), the board of the Offeror shall comprise four (4) directors, of which Sinway shall be entitled to appoint up to two (2) directors, H&H shall be entitled to appoint up to one (1) director, and Floriland shall be entitled to appoint up to one (1) director.

...

(c) **SIC Confirmation**

The SIC has confirmed that the arrangements under the Consortium Agreement do not constitute special deals under Rule 10 of the Code.

5.5 Shareholdings of the Consortium Members in the Company

As at the Latest Practicable Date, the shareholdings of the Consortium Members in the Company are as follows:

Name of Consortium Member	Number of shares owned or controlled	Proportion of the total number of issued Shares⁽¹⁾
Sinway	499,241,587	75.4%
H&H	29,481,395	4.5%
Floriland	8,040,380 ⁽²⁾	1.2%
Total	536,763,362	81.1%

Notes:

(1) Based on the 662,038,606 Shares (excluding treasury shares) in issue as at the date hereof.

(2) The 8,040,380 Shares owned or controlled by Floriland are held by its nominee, UOB Kay Hian Private Limited."

Additional information on the Offeror and Sinway is set out in Appendix 3 to the Offer Document.

6. IRREVOCABLE UNDERTAKINGS

Details of the Irrevocable Undertakings are set out in Section 5.4(b) of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

“(b) Irrevocable Undertakings

In conjunction with the Offer and the Consortium Agreement, the Consortium Members who are existing shareholders of the Company have provided irrevocable undertakings (the “Irrevocable Undertakings”) in favour of the Offeror to, amongst others:

- (i) accept the Offer in respect of all (and not some only) of their respective Shares (as set out in Section 5.5 (Shareholdings of the Consortium Members in the Company) of this Offer Document) and not withdraw such acceptance once it has been given;*
- (ii) in respect of all of their respective Shares (as set out in Section 5.5 (Shareholdings of the Consortium Members in the Company) of this Offer Document) to be tendered in acceptance of the Offer (the “Set-Off Shares”), agree:*
 - (A) to waive their rights under Rule 30 of the Code to receive any cash settlement or payment in respect of all the Set-Off Shares within the time period prescribed under Rule 30 of the Code; and*
 - (B) that the consideration payable by the Offeror in respect of the Set-Off Shares shall be satisfied in full by setting off the Offer Price multiplied by the number of Set-Off Shares (the “Set-Off Amount”) against the subscription amount payable by the Consortium Members for their respective subscription of shares in the capital of the Offeror pursuant to the Consortium Agreement;*
- (iii) exercise all voting rights attached to their respective Shares as set out in Section 5.5 (Shareholdings of the Consortium Members in the Company) of this Offer Document in such manner as to oppose the taking of any action which may preclude, delay, frustrate, restrict or otherwise prejudice the Offer;*
- (iv) not transfer or otherwise dispose of any of their respective Shares as set out in Section 5.5 (Shareholdings of the Consortium Members in the Company) of this Offer Document during the period commencing from the date of the Irrevocable Undertakings and ending on the Closing Date or the date on which the Irrevocable Undertakings are terminated or cease to be binding, whichever is the earlier; and*
- (v) not acquire any further Shares.”*

7. OFFEROR'S RATIONALE FOR THE OFFER

The Offeror's rationale for the Offer is set out in Section 7 of the Letter to Shareholders in the Offer Document, which is reproduced in italics below:

"7. RATIONALE FOR THE OFFER

7.1 Intention to Delist and Privatise the Company. *The Offeror is making the Offer with a view to delisting and privatising the Company.*

7.2 Opportunity for Shareholders to realise their investment in the Shares at a premium. *As set out in Section 10 (Financial Aspects of the Offer) of this Offer Document, the Offer Price represents a premium of approximately 29.1%, 29.1%, 30.9% and 10.2% over the VWAP¹ per Share for the 1-month, 3-month, 6-month and 12-month periods respectively up to and including the Last Trading Day. The Offer Price also represents a premium of 27.5% over the last transacted price per Share on the Last Trading Day.*

The Offer Price under the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

7.3 Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity. *The historical trading volume of the Shares has been low. The average daily trading volume of the Shares over the last 1-month, 3-month, 6-month and 12-month periods up to and including the Last Trading Day are set out in the table below:*

Description	Average daily trading volume⁽¹⁾	Average daily trading volume as a percentage of total number of issued Shares (%)⁽²⁾
<i>1-month period prior to and including the Last Trading Day</i>	<i>105,076</i>	<i>0.02</i>
<i>3-month period prior to and including the Last Trading Day</i>	<i>75,117</i>	<i>0.01</i>
<i>6-month period prior to and including the Last Trading Day</i>	<i>88,113</i>	<i>0.01</i>
<i>12-month period prior to and including the Last Trading Day</i>	<i>531,619</i>	<i>0.08</i>

Notes:

(1) *The average daily trading volume is computed based on data extracted from ShareInvestor using the total volume of Shares traded divided by the number of Market Days (excluding days with full day trading halts on the Shares) with respect to the 1-month, 3-month, 6-month and 12-month periods prior to and including the Last Trading Day.*

(2) *Calculated using the average daily trading volume divided by the total number of issued Shares (excluding treasury shares).*

¹ Calculation of VWAP does not include married trade transactions within the relevant periods.

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in the Shares with an opportunity to realise their entire investment in the Shares at a premium over the prevailing market prices which would not otherwise be readily available to Shareholders given the low trading liquidity of the Shares.

7.4 Greater Management Flexibility. *The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company and facilitating the implementation of any strategic initiatives and/or operational changes of the Group to achieve greater efficiency and competitiveness.*

7.5 Compliance Costs relating to Listing Status. *If the Company is delisted, the Company will be able to dispense with compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and channel such expenses towards its business operations. In addition, the Company has not carried out any exercise to raise cash funding on the SGX-ST since 2014.”*

8. OFFEROR’S INTENTIONS RELATING TO THE COMPANY

The Offeror’s intentions relating to the Company are set out in Sections 8 and 9 of the Letter to Shareholders in the Offer Document, which are reproduced in italics below:

“8. THE OFFEROR’S INTENTIONS RELATING TO THE COMPANY

The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. The Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the interests of the Company.

Save as disclosed above, the Offeror presently has no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business.

The Offeror’s intentions in relation to the listing status of the Company are set out in Section 9 (Compulsory Acquisition and Listing Status) of this Offer Document.

9. COMPULSORY ACQUISITION AND LISTING STATUS

9.1 Compulsory Acquisition. *Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the “Dissenting Shareholders”) at a price equal to the Offer Price (the “Compulsory Acquisition”).*

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

9.2 Listing Status. *Pursuant to Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.*

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.

9. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in the Company Securities and the Offeror Securities as at the Latest Practicable Date, are set out in Appendix II to this Circular.

10. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

10.1 Appointment of the Independent Financial Adviser

CIMB has been appointed as the independent financial adviser to advise the Independent Directors for the purpose of making a recommendation to the Shareholders in connection with the Offer.

10.2 Independent Directors

Mr. Chua Hwee Song, Mr. Thio Shen Yi, Mr. Kwok Wei Woon and Mr. Lai Huen Poh are independent for the purpose of the Offer and are required to make a recommendation to Shareholders.

The SIC has ruled that both Mr. Qian Jianrong and Mr. Tian Honglei are exempted from the requirement to make a recommendation on the Offer to the Shareholders, given that each of Mr. Qian Jianrong and Mr. Tian Honglei is of the view that he will face an irreconcilable conflict of interest that would render it inappropriate for him to join the remainder of the Board in making a recommendation to the Shareholders in connection with the Offer, for the reasons set out below:

- (a) Mr. Qian Jianrong, the Executive Chairman and Chief Executive Officer of the Company, is the sole director of the Offeror, and the sole director and a majority shareholder of Sinway, a Consortium Member; and
- (b) Mr. Tian Honglei, an Executive Director of the Company, is a shareholder of Sinway, a Consortium Member.

Both Mr. Qian Jianrong and Mr. Tian Honglei will, however, together with the remaining Directors of the Board, still assume responsibility for the accuracy of facts stated and opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

10.3 CIMB's Advice to the Independent Directors

The advice of CIMB to the Independent Directors in respect of the Offer is set out in the IFA Letter annexed as Appendix I to this Circular. The opinion and advice of CIMB to the Independent Directors in respect of the Offer is reproduced in italics below:

"In arriving at our advice to the Independent Directors on the Offer, we have considered, inter alia, the following factors which should be read in the context of the full text of this letter:

- (i) Prior to the Last Trading Day, the Shares last closed above the Offer Price on 21 April 2015;*
- (ii) Between the Last Trading Day and the Latest Practicable Date, the closing price of the Shares had generally trended upwards but has not closed above the Offer Price;*
- (iii) The Offer Price is equivalent to the highest transacted price of the Shares in the 1-year period prior to the Offer Announcement;*
- (iv) The Offer Price represents a premium of between 10.3% to 30.8% over the various VWAPs in the various historical periods prior to the Offer Announcement;*
- (v) Over the last three years, the ADTV of the Shares have generally declined. The ADTV of the Shares was 1,188,479 shares in the 3-year period prior to the Offer Announcement and had decreased to 110,330 shares in the more recent 1-month period prior to the Offer Announcement, representing a decline from approximately 1.02% to 0.07% of the Company's free float;*

- (vi) Over the 3-year period prior to the Offer Announcement, trading in the Shares occurred on approximately 87.5% of all market days in that period, while over the more recent 1-year period prior to the Offer Announcement, trading in the Shares occurred on approximately 86.1% of all market days in that period;
- (vii) After the Last Trading Day and up to the Latest Practicable Date, based on publicly available information, the Offeror had acquired a total of 3,077,400 Shares at S\$0.195 for each Share. This represented approximately 9.9% of the total trading volume of the Shares during that period;
- (viii) The Shares had generally underperformed the FSSTI over the last three years;
- (ix) The Share price after the Last Trading Day is likely to be supported by the Offer;
- (x) The Offer Price represents a discount of approximately 18.1% to 25.9% to the estimated NAV per Share of S\$0.238 to S\$0.263 as at 31 December 2017;
- (xi) The Offer Price represents a discount of approximately 56.2% to 58.5% to the RNAV per Share of S\$0.445 to S\$0.470 as at 31 December 2017;
- (xii) At 0.74x to 0.82x, the P/NAV multiple implied by the Offer Price is lower than the average historical P/NAV multiple of the Shares for the 1-year and 3-year periods up to the Last Trading Day;
- (xiii) The P/NAV multiple implied by the Offer Price is above the corresponding median and mean multiples of the Comparable Companies;
- (xiv) The P/RNAV multiple implied by the Offer Price is slightly below the corresponding median and mean multiples of the Comparable Companies;
- (xv) The P/E multiple implied by the Offer Price is below the range of P/E multiples of the Comparable Companies;
- (xvi) The P/NAV multiple implied by the Offer Price is below the corresponding median and mean multiples of the Precedent Transactions;
- (xvii) The P/RNAV multiple implied by the Offer Price is below the corresponding median and mean multiples of the Precedent Transactions;
- (xviii) The P/E multiple implied by the Offer Price is significantly below the corresponding median and mean multiples of the Precedent Transactions;
- (xix) The market price premium implied by the Offer Price, when compared against the closing Share price, is above the corresponding overall median and mean premia of the Precedent Takeovers;
- (xx) The market price premium implied by the Offer Price, when compared against the 1-month VWAP prior to announcement, is in-line with the corresponding overall median and mean premia of the Precedent Takeovers;
- (xxi) The market price premium implied by the Offer Price, when compared against 3-month VWAP prior to announcement, is below the corresponding overall median and mean premia of the Precedent Takeovers;

- (xxii) *The Company's dividend yield as implied by the Offer Price is higher than almost all of the Comparable Companies and the FSSTI;*
- (xxiii) *The Offeror and its Concert Parties already owned, controlled or have agreed to acquire approximately 87.2% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date and have already secured statutory control of the Company which entitles it to pass all resolutions on matters in which the Offeror and its concert parties do not have an interest at general meetings of Shareholders including resolutions on dividend payments by the Company;*
- (xxiv) *There is no publicly available evidence of any alternative offer for the Shares and it is highly unlikely that there will be any competing offer for the Shares;*
- (xxv) *The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company and in the event that the trading of Shares on the SGX-ST is suspended, the Offeror has no intention to undertake or support any action for any such trading suspension to be lifted; and*
- (xxvi) *The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced.*

Based upon, and having considered, inter alia, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as of the Latest Practicable Date, the Offer Price is NOT FAIR BUT REASONABLE under current prevailing market, economic, industry, monetary and other relevant conditions. Accordingly, we advise the Independent Directors to recommend that Shareholders ACCEPT THE OFFER or sell their Shares in the open market if they can receive a price higher than the Offer Price (after netting off the related transaction expenses).

In rendering the advice above, we have not had regard to the specific investment objective, financial situation, tax position or particular need and constraint of any individual Shareholder. As each Shareholder would have different investment objective and profile, we would advise that any individual Shareholder who may require specific advice in relation to his investment objective or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. Shareholders should note that the opinion and advice of CIMB should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer."

11. RECOMMENDATION OF THE INDEPENDENT DIRECTORS

The Independent Directors, having considered carefully the terms of the Offer and the advice given by CIMB to the Independent Directors in the IFA Letter, have set out their recommendation on the Offer below:

The Independent Directors concur with CIMB's assessment of the Offer and its recommendation thereon, as set out in Section 10.3 of this Circular and in the IFA Letter. **Accordingly, the Independent Directors recommend that Shareholders ACCEPT the Offer.**

In making the above recommendation, the Independent Directors have not had regard to the general or specific investment objectives, financial situations, risk profiles, tax positions and/or particular needs and constraints of any specific Shareholder. As different

Shareholders would have different investment profiles and objectives, the Independent Directors recommend that any specific Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

Shareholders should read and consider carefully this Circular, including the recommendation of the Independent Directors and the advice of CIMB to the Independent Directors in respect of the Offer as set out in Appendix I to this Circular in their entirety, before deciding whether to accept or reject the Offer. Shareholders are also urged to read the Offer Document carefully.

Shareholders should also be aware and note that there is no assurance that the price of the Shares will remain at current levels after the close or lapse of the Offer and the current price performance of the Shares is not indicative of the future price performance levels of the Shares.

12. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 13 of the Letter to Shareholders in the Offer Document which is reproduced in italics below:

“13. OVERSEAS SHAREHOLDERS

*13.1 **Overseas Jurisdictions.** This Offer Document does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law.*

The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.

*Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the laws of that jurisdiction (the “**Restricted Jurisdiction**”) and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

13.2 **Overseas Shareholders.** *The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the Register or in the Depository Register (as the case may be) (each, an “Overseas Shareholder”) may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.*

For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Document and the relevant Acceptance Forms may not be sent.

It is the responsibility of Overseas Shareholders who wish to accept the Offer to (a) request for this Offer Document, the Acceptance Forms, and/or any related documents; or (b) satisfy themselves as to the full observance of the laws of the relevant overseas jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, or compliance with other necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, RHT Capital, CDP, the Share Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, RHT Capital, CDP, the Share Registrar and any person acting on their behalf may be required to pay. In (a) requesting for this Offer Document, the Acceptance Forms, and/or any related documents; or (b) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and RHT Capital that he is in full observance of the laws of the relevant jurisdiction in that connection and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in doubt about his position should consult his professional adviser in the relevant jurisdiction.

13.3 **Copies of the Offer Document and the Acceptance Forms.** *Where there are potential restrictions on sending this Offer Document and the Acceptance Forms to any overseas jurisdictions, the Offeror and RHT Capital each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of this Offer Document, the Acceptance Forms and any related documents during normal business hours and up to the Closing Date, from the office of the Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road, #03-00 ASO Building, Singapore 048544. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror c/o the Share Registrar at the above-stated address to request for the Offer Document, the Acceptance Forms and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.*

13.4 **Notice.** *The Offeror and RHT Capital each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or if necessary, paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.*

13. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

As stated in Sections 14.6 and 14.7 of the Letter to Shareholders in the Offer Document, CPFIS Investors and SRS Investors will receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks, which may be earlier than the Closing Date. CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts and SRS investment accounts.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer must do so not later than 5.30 p.m. (Singapore time) on the Closing Date. Please refer to Appendix 2 to the Offer Document, which sets out the procedures for acceptance of the Offer.

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document which has been sent to them.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Circular (other than those relating to the Offeror, parties acting in concert with the Offeror, the Offer, the Offer Announcement, the Offer Document, the Offer Unconditional Announcement, the IFA Letter, the KPMG Performance Update Report, the CIMB Performance Update Letter, the KPMG Statements of Prospects Report, the CIMB Statements of Prospects Letter, the Valuation Certificate and the Valuation Reports) are fair and accurate and that there are no other material facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

In respect of the IFA Letter, the KPMG Performance Update Report, the CIMB Performance Update Letter, the KPMG Statements of Prospects Report, the CIMB Statements of Prospects Letter, the Valuation Certificate and the Valuation Reports, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are, to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Announcement, the Offer Document, the Offer Unconditional Announcement, the IFA Letter, the KPMG Performance Update Report, the CIMB Performance Update Letter, the KPMG Statements of Prospects Report, the CIMB Statements of Prospects Letter, the Valuation Certificate and the Valuation Reports), the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Circular.

The Directors jointly and severally accept responsibility accordingly.

Yours faithfully
For and on behalf of the Board

Thio Shen Yi
Lead Independent Director

LETTER FROM CIMB TO THE INDEPENDENT DIRECTORS

CIMB BANK BERHAD (13491-P)
Singapore Branch
(Incorporated in Malaysia)

50 Raffles Place
#09-01 Singapore Land Tower
Singapore 048623

1 February 2018

To: **The Independent Directors**
CWG International Ltd.
6 Eu Tong Sen Street
#04-08 The Central
Singapore 059817

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER FOR CWG INTERNATIONAL LTD.

1. INTRODUCTION

On 28 December 2017 (the “**Offer Announcement Date**”), RHT Capital Pte. Ltd. (“**RHT Capital**”) announced, for and on behalf of Elidom Investment Co., Ltd. (the “**Offeror**”), that the Offeror intends to make a voluntary conditional cash offer (the “**Offer**”) for all the issued and paid-up ordinary shares (the “**Shares**”) in the capital of CWG International Ltd. (the “**Company**”) other than those already held by the Company as treasury shares and those already held by the Offeror as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the “**Code**”).

On 22 January 2018 (the “**Offer Unconditional Date**”), RHT Capital announced, for and on behalf of the Offeror, that the Offer had become and was declared unconditional in all respects on the Offer Unconditional Date (the “**Offer Unconditional Announcement**”).

In connection with the Offer, CIMB Bank Berhad, Singapore Branch (“**CIMB**”) has been appointed as the independent financial adviser to advise the directors of the Company (the “**Directors**”) who are considered independent (the “**Independent Directors**”) for the purposes of the Offer.

This letter sets out, *inter alia*, our evaluation of the financial terms of the Offer and our advice thereon. It forms part of the circular dated 1 February 2018 issued by the Company to its shareholders (“**Shareholders**”) setting out, *inter alia*, details of the Offer as well as the recommendation of the Independent Directors in respect thereof (the “**Circular**”).

Unless otherwise defined or the context otherwise requires, all terms defined in the Circular and the offer document issued by RHT Capital for and on behalf of the Offeror dated 18 January 2018 (the “**Offer Document**”) shall have the same meanings herein. Any differences between the amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

To ensure that this letter is comprehensive and concise, details contained in the Circular and the Offer Document, where necessary or relevant are not wholly reproduced, but instead, are referenced to or summarised throughout this letter. We recommend that the Independent Directors advise Shareholders to read these contextual references and summaries with due care.

2. TERMS OF REFERENCE

We have been appointed to advise on the financial terms of the Offer and whether Shareholders should accept or reject the Offer, pursuant to Rules 7.1 and 24.1(b) of the Singapore Code on Take-overs and Mergers (the “**Code**”). We have confined our evaluation to the financial terms of the Offer and our terms of reference do not require us to evaluate or comment on the commercial risks and/or commercial merits of the Offer or the future prospects of the Company and its subsidiaries (the “**Group**”) or any of its associated or joint venture companies and we have not made such evaluation or comment. However, we may draw upon the views of the Directors and/or the management of the Company (the “**Management**”) (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this letter. We have not been requested to, and we do not, express any opinion on the relative merits of the Offer as compared to any other alternative transaction. We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares.

We have held discussions with the Directors and the Management and have examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Directors, the Management and the Company’s other professional advisers. We have not independently verified such information, whether written or verbal, and accordingly we cannot and do not warrant or make any representation (whether express or implied) regarding, or accept any responsibility for, the accuracy, completeness or adequacy of such information. However, we have made such enquiries and exercised our judgment as we deem necessary on such information and have found no reason to doubt the reliability of the information.

We have relied upon the assurances of the Directors (including those who may have delegated supervision of the Circular) that they have taken all reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular are fair and accurate in all material respects. The Directors have confirmed to us, that to the best of their knowledge and belief, all material information relating to the Group or any of its associated and joint venture companies and the Offer have been disclosed to us, that such information is fair and accurate in all material respects and that there are no other material facts and circumstances the omission of which would make any statement in the Circular inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted such responsibility accordingly.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, real properties) of the Group or any of its associated and joint venture companies. We have not been furnished with any such evaluation or appraisal, except for the reports (the “**Valuation Reports**”) from the valuers appointed by the Company in connection with the Offer (the “**Independent Valuers**”) (extracts of which are set out in Appendix IX to the Circular) on which we have placed sole reliance in the evaluation or appraisal of the assets concerned. We have not made any independent verification of the contents of the Valuation Reports.

Our analysis and opinion are based upon market, economic, industry, monetary and other conditions prevailing as at 26 January 2018 (the “**Latest Practicable Date**”), as well as the information made available to us as at the Latest Practicable Date. Such conditions may

change significantly over a short period of time. Accordingly, we do not express any opinion or view on the future prospects, financial performance and/or financial position of the Group or any of its associated and joint venture companies. Shareholders should take note of any announcement and/or documents relevant to their consideration of the Offer which may be released or published by or on behalf of the Company and/or the Offeror after the Latest Practicable Date.

In rendering our advice, we have not had regard to the specific investment objectives, financial situation, tax position, risk profile or particular needs and constraints of any individual Shareholder. As each Shareholder would have different investment objective and profile, any Shareholder who may require specific advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised in relation to the preparation of the Circular (other than this letter, our letter in relation to the Performance Update reproduced in Appendix V to the Circular and our letter in relation to the Statements of Prospects reproduced in Appendix VIII to the Circular). We were not involved in and have not provided any advice in the preparation, review and verification of the Circular (other than this letter and our letters reproduced in Appendix V and Appendix VIII to the Circular). Accordingly, we take no responsibility for, and express no views (express or implied) on, the contents of the Circular (other than this letter and our letters reproduced in Appendix V and Appendix VIII to the Circular).

3. THE OFFER

As set out in Section 2 of the Circular, *inter alia*, the key terms and conditions of the Offer are as follows:

3.1 Offer Shares

The Offer will be extended to all the Shares other than those already held by the Company as treasury shares and those already held by the Offeror as at the date of the Offer (the “**Offer Shares**”).

For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all the Shares owned, controlled or agreed to be acquired by the parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression “**Offer Shares**” shall include such Shares.

3.2 Offer Price

As stated in the Offer Document, the Offer Price is:

For each Offer Share: S\$0.195 in cash.

3.3 No Encumbrances

As stated in the Offer Document, the Offer Shares are to be acquired (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date, and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions (if any), the Record Date for which falls on or after the Offer Announcement Date.

In the event of any such Distributions on or after the Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price to a Shareholder who validly accepts or has validly accepted the Offer by the amount of such Distribution.

3.4 Minimum Acceptance Condition

As stated in the Offer Document, the Offer was conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), would result in the Offeror and its Concert Parties holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares (excluding any Shares held in treasury) as at the close of the Offer (the “**Minimum Acceptance Condition**”).

On the Offer Unconditional Date, RHT Capital announced, for and on behalf of the Offeror, that as at 5.00 p.m. (Singapore time) on the same date, the Offeror had received, pursuant to the Offer, valid acceptances in respect of an aggregate of 539,068,559 Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise), resulted in the Offeror and its Concert Parties holding such number of Shares carrying more than 50% of the voting rights attributable to the total number of issued Shares (excluding treasury shares).

Accordingly, the Minimum Acceptance Condition was satisfied and the Offer had become and was declared unconditional in all respects on the Offer Unconditional Date.

4. INFORMATION ON THE OFFEROR, THE CONSORTIUM MEMBERS AND THE CONSORTIUM ARRANGEMENTS

4.1 The Offeror

Please refer to Section 5 of the Circular for information on the Offeror, the Consortium Members and the Consortium Agreement.

4.2 Irrevocable Undertakings

In conjunction with the Offer and the Consortium Agreement, the Consortium Members who are existing shareholders of the Company have provided the Irrevocable Undertakings in favour of the Offeror to, amongst others:

- (i) accept the Offer in respect of all (and not some only) of their respective Shares and not withdraw such acceptance once it has been given;
- (ii) in respect of all of their respective Shares to be tendered in acceptance of the Offer (the “**Set-Off Shares**”), agree:
 - (A) to waive their rights under Rule 30 of the Code to receive any cash settlement or payment in respect of all the Set-Off Shares within the time period prescribed under Rule 30 of the Code; and
 - (B) that the consideration payable by the Offeror in respect of the Set-Off Shares shall be satisfied in full by setting off the Offer Price multiplied by the number of Set-Off Shares (the “**Set-Off Amount**”) against the subscription amount payable

by the Consortium Members for their respective subscription of shares in the capital of the Offeror pursuant to the Consortium Agreement;

- (iii) exercise all voting rights attached to their respective Shares in such manner as to oppose the taking of any action which may preclude, delay, frustrate, restrict or otherwise prejudice the Offer;
- (iv) not transfer or otherwise dispose of any of their respective Shares during the period commencing from the date of the Irrevocable Undertakings and ending on the Closing Date or the date on which the Irrevocable Undertakings are terminated or cease to be binding, whichever is the earlier; and
- (v) not acquire any further Shares.

Based on the Offer Unconditional Announcement, the acceptances received by the Offeror as at 5.00 p.m. (Singapore time) on the Offer Unconditional Date included the 536,763,362 Offer Shares which are the subject of the Irrevocable Undertakings.

5. RATIONALE FOR THE OFFER

The full text of the rationale for the Offer has been extracted from the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. Shareholders are advised to read the extract below carefully.

*“7.1 **Intention to Delist and Privatise the Company.** The Offeror is making the Offer with a view to delisting and privatising the Company.*

*7.2 **Opportunity for Shareholders to realise their investment in the Shares at a premium.** As set out in Section 10 (Financial Aspects of the Offer) of this Offer Document, the Offer Price represents a premium of approximately 29.1%, 29.1%, 30.9% and 10.2% over the VWAP⁽¹⁾ per Share for the 1-month, 3-month, 6-month and 12-month periods respectively up to and including the Last Trading Day. The Offer Price also represents a premium of 27.5% over the last transacted price per Share on the Last Trading Day.*

The Offer Price under the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

7.3 Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity. *The historical trading volume of the Shares has been low. The average daily trading volume of the Shares over the last 1-month, 3-month, 6-month and 12-month periods up to and including the Last Trading Day are set out in the table below:*

Description	Average daily trading Volume⁽¹⁾	Average daily trading volume as a percentage of total number of issued Shares (%)⁽²⁾
<i>1-month period prior to and including the Last Trading Day</i>	<i>105,076</i>	<i>0.02</i>
<i>3-month period prior to and including the Last Trading Day</i>	<i>75,117</i>	<i>0.01</i>
<i>6-month period prior to and including the Last Trading Day</i>	<i>88,113</i>	<i>0.01</i>
<i>12-month period prior to and including the Last Trading Day</i>	<i>531,619</i>	<i>0.08</i>

Notes:

(1) *The average daily trading volume is computed based on data extracted from ShareInvestor using the total volume of Shares traded divided by the number of Market Days (excluding days with full day trading halts on the Shares) with respect to the 1-month, 3-month, 6-month and 12-month periods prior to and including the Last Trading Day.*

(2) *Calculated using the average daily trading volume divided by the total number of issued Shares (excluding treasury shares).*

The Offer therefore provides Shareholders who find it difficult to exit the Company as a result of the low trading volume in the Shares with an opportunity to realise their entire investment in the Shares at a premium over the prevailing market prices which would not otherwise be readily available to Shareholders given the low trading liquidity of the Shares.

7.4 Greater Management Flexibility. *The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company and facilitating the implementation of any strategic initiatives and/or operational changes of the Group to achieve greater efficiency and competitiveness.*

7.5 Compliance Costs relating to Listing Status. *If the Company is delisted, the Company will be able to dispense with compliance costs associated with maintenance of a listed status and other regulatory requirements and human resources that have to be committed for such compliance and channel such expenses towards its business operations. In addition, the Company has not carried out any exercise to raise cash funding on the SGX-ST since 2014."*

6. OFFEROR'S INTENTIONS RELATING TO THE COMPANY

The relevant text of the Offeror's intentions relating to the Company has been extracted from the Offer Document and is set out in italics below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document. Shareholders are advised to read the extract below carefully.

“8. THE OFFEROR’S INTENTIONS RELATING TO THE COMPANY

The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. The Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the interests of the Company.

Save as disclosed above, the Offeror presently has no intention to (a) introduce any major changes to the existing businesses of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of existing employees of the Group, in each case, other than in the ordinary course of business.”

“9.1 Compulsory Acquisition. In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from SGX-ST.”

“9.2 Listing Status. The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.”

7. FINANCIAL EVALUATION OF THE TERMS OF THE OFFER

Methodology

In assessing the financial terms of the Offer, we have considered the following:

- (i) Historical trading performance of the Shares on the SGX-ST;
- (ii) Net asset value (“NAV”) and revalued net asset value (“RNAV”) of the Group;
- (iii) Historical market price of the Shares relative to historical trailing NAV of the Group;
- (iv) Valuation multiples of selected listed companies which are broadly comparable to the Company (the “Comparable Companies”);
- (v) Valuation multiples implied in selected transactions involving target companies which are in an industry similar to that of the Company (the “Precedent Transactions”);
- (vi) Premia paid in recent delistings or privatisations of listed companies on the SGX-ST (the “Precedent Takeovers”);
- (vii) Dividend track record of the Company;
- (viii) The Group’s historical financial performance and financial position; and
- (ix) Other relevant considerations which have a bearing on our assessment.

General bases and assumptions

We wish to highlight that unless specified otherwise, we have relied on the following general bases in our analysis:

- (i) As at the Latest Practicable Date, the issued and paid-up capital of the Company (excluding treasury shares) comprises 662,038,606 Shares, and the Company holds 4,812,400 Shares in treasury;
- (ii) As at the Latest Practicable Date, the Company does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company; and
- (iii) The underlying figures, financial and market data used in our analysis, including securities' prices, trading volumes, free float data and foreign exchange rates have been extracted from Bloomberg L.P., Thomson Reuters, Mergermarket Limited, SGXNET and/or other public filings as at the Latest Practicable Date or provided by the Company where relevant. CIMB makes no representations or warranties, express or implied, as to the accuracy or completeness of such information.

Valuation multiples

We have applied the following valuation multiples in our analysis:

Valuation Multiples	General Description
P/NAV	<p>The “P/NAV” or “price-to-NAV” multiple illustrates the ratio of the market price of a company’s share relative to its historical NAV per share as recorded in its financial statements.</p> <p>The NAV of a company is defined as its total assets (including intangible assets) less its total liabilities and excludes, where applicable, minority interests. In respect of the Company, the NAV represents equity attributable to owners of the Company and excludes “other equity instruments” which relate to perpetual capital securities issued by the Company which had since been redeemed and redeemable perpetual preference shares issued by a wholly-owned subsidiary of the Company.</p> <p>The NAV figure provides an estimate of the value of a company assuming the sale of all its assets at book value, the proceeds of which are first used to settle liabilities and obligations with the balance available for distribution to shareholders. Comparisons of companies using their NAVs are affected by differences in accounting policies, in particular, revenue recognition, depreciation and amortisation policies.</p>

Valuation Multiples	General Description
P/RNAV	<p>The “P/RNAV” or “price-to-RNAV” multiple illustrates the ratio of the market price of a company’s share relative to its revalued NAV per share.</p> <p>The RNAV approach is a common method of valuing a company’s key assets at their market or realisable value, which may exceed their net book or carrying value. The market values would typically be appraised by expert valuers on the basis of market benchmarks or by discounting future cash flows.</p>
P/E	<p>The “P/E” or “price-to-earnings” multiple illustrates the ratio of the market price of a company’s share relative to its earnings per share. The P/E multiple is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to revenue recognition, depreciation and amortisation.</p>

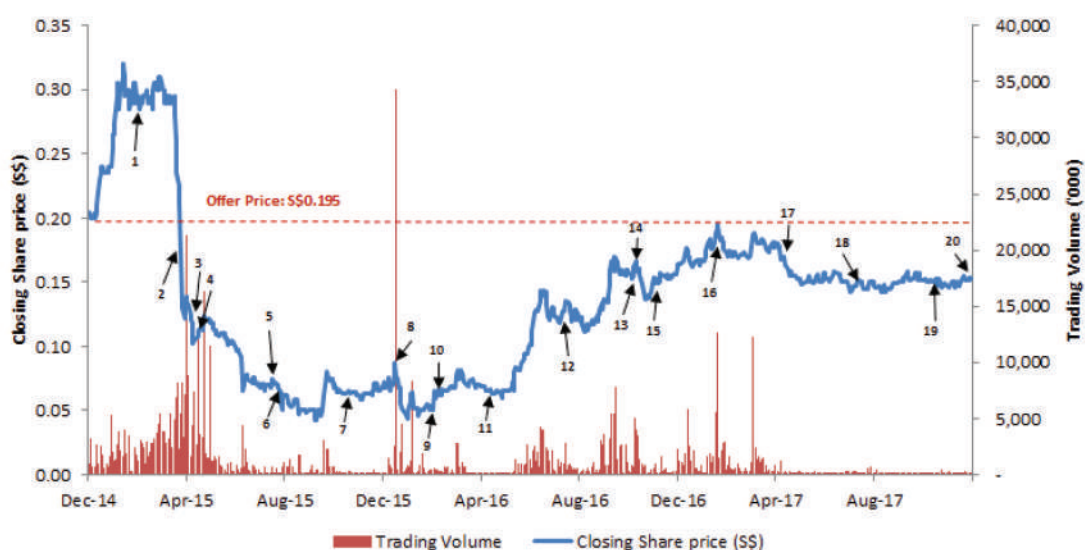
7.1 Historical trading performance of the Shares

7.1.1 Price performance and trading activity of the Shares

In evaluating the Offer Price, it is relevant to examine the price performance and trading volume of the Shares over a reasonable period, during which the market price of the Shares may ordinarily reflect public investors’ valuation of the Shares, based on publicly available information.

Share price performance

We set out below the daily closing prices and trading volumes of the Shares for the period between 29 December 2014 (being the date falling 3 years prior to the Last Trading Day (as defined hereinafter)) and 28 December 2017 (being the last full trading day on which the Shares were traded prior to the release of the Offer Announcement) (the “**Last Trading Day**”) and highlight certain key events during this period.



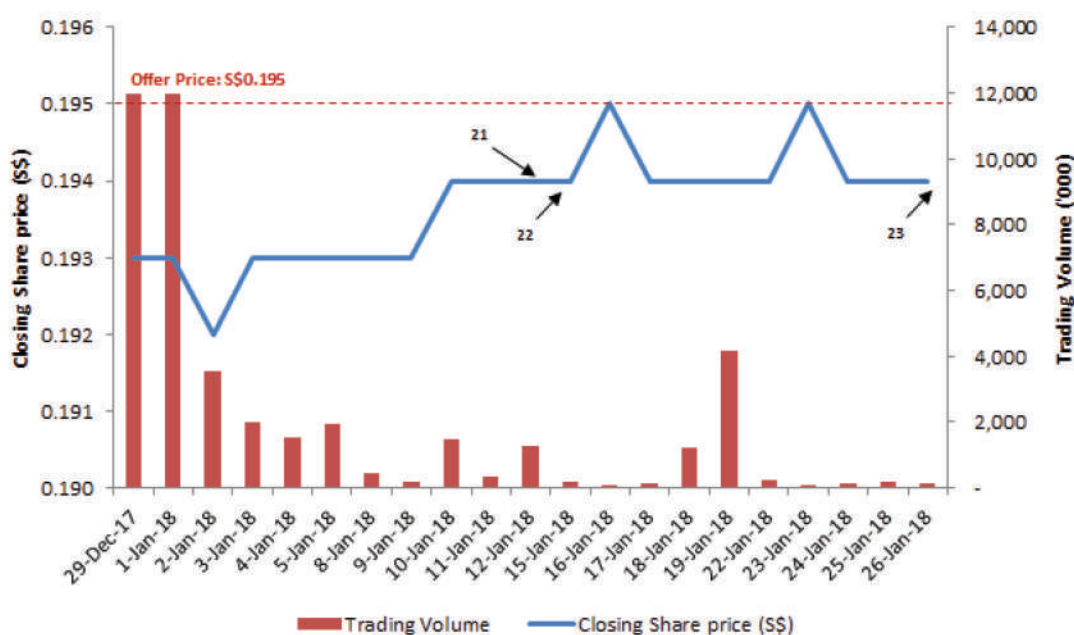
Source: Bloomberg L.P. and the Company’s filings

Notes:

- (1) **1 March 2015:** The Company released its unaudited results for the financial year ended 31 December 2014 (“FY2014”) and reported that the Group recorded a profit attributable to owners of the Company of RMB9.6 million in FY2014 compared to a profit of RMB109.0 million in the financial year ended 31 December 2013 (“FY2013”). There was no dividend recommended in respect of the Shares.
- (2) **23 April 2015:** The Company provided a “nil” response to SGX-ST’s queries regarding its trading activity. On the same day, the SGX-ST issued a trade-with-caution warning on the Shares.
- (3) **5 May 2015:** The Company announced that the Group expected to report a higher net loss for the three months ended 31 March 2015 (“3M2015”) compared to the three months ended 31 March 2014 (“3M2014”).
- (4) **14 May 2015:** The Company released its unaudited results for 3M2015 and reported that the Group recorded a loss attributable to owners of the Company of RMB35.9 million in 3M2015 compared to a loss of RMB18.8 million in 3M2014. There was no dividend recommended in respect of the Shares.
- (5) **14 August 2015:** The Company released its unaudited results for the six months ended 30 June 2015 (“6M2015”) and reported that the Group recorded a loss attributable to owners of the Company of RMB21.2 million in 6M2015 compared to a profit of RMB10.7 million in the six months ended 30 June 2014. There was no dividend recommended in respect of the Shares.
- (6) **21 August 2015:** The Company announced that the Group had successfully won the bid for the land use rights for the land parcel located at North of Jiyuan Road, East of Cailian Road, Yuanhe Street, Xiangcheng District, Suzhou City, the PRC. The consideration for this land parcel was approximately RMB690 million and the land comprised a site area of approximately 46,800 square metres and was expected to be developed into residential units. On the same day, the Company also announced that the Group had successfully won the bid for the land use rights for the land parcel located at North of Chegou Road, East of Xingfang Street, Xietang Street, Suzhou Industrial Park, Suzhou City, the PRC. The consideration for this land parcel was approximately RMB363.6 million and the land comprised a site area of approximately 24,200 square metres and was expected to be developed into residential units.
- (7) **13 November 2015:** The Company released its unaudited results for the nine months ended 30 September 2015 (“9M2015”) and reported that the Group recorded a loss attributable to owners of the Company of RMB21.4 million in 9M2015 compared to a loss of RMB53.5 million in the nine months ended 30 September 2014. There was no dividend recommended in respect of the Shares.
- (8) **13 January 2016:** The Company provided a “nil” response to SGX-ST’s queries regarding its trading activity.
- (9) **29 February 2016:** The Company released its unaudited results for the financial year ended 31 December 2015 (“FY2015”) and reported that the Group recorded a profit attributable to owners of the Company of RMB37.1 million in FY2015 compared to a profit of RMB9.6 million in FY2014. There was no dividend recommended in respect of the Shares.
- (10) **2 March 2016:** The Company announced that the SGX-ST had notified the Company that it would be placed on the watch-list due to the minimum trading price entry criterion with effect from 3 March 2016.
- (11) **11 May 2016:** The Company released its unaudited results for the three months ended 31 March 2016 (“3M2016”) and reported that the Group recorded a loss attributable to owners of the Company of RMB19.2 million in 3M2016 compared to a loss of RMB35.9 million in 3M2015. There was no dividend recommended in respect of the Shares.
- (12) **5 August 2016:** The Company released its unaudited results for the six months ended 30 June 2016 (“6M2016”) and reported that the Group recorded a loss attributable to owners of the Company of RMB54.1 million in 6M2016 compared to a loss of RMB21.2 million in 6M2015. There was no dividend recommended in respect of the Shares.
- (13) **2 November 2016:** The Company announced that the Group intended to set up private real estate investment trusts (“REITs”) to hold properties in different real estate asset classes in markets where the Group had been mandated to operate in, with a view of listing the REITs when appropriate. The Company also announced that the Group was then planning to establish its first REIT to hold education-related assets with a track record of building education campuses and international schools in the PRC.
- (14) **7 November 2016:** The Company released its unaudited results for the nine months ended 30 September 2016 (“9M2016”) and reported that the Group recorded a loss attributable to owners of the Company of RMB107.5 million in 9M2016 compared to a loss of RMB21.4 million in 9M2015. There was no dividend recommended in respect of the Shares. The Company announced that it had adopted a dividend policy which aimed to provide Shareholders with a dividend pay-out of S\$0.01 per Share.
- (15) **2 December 2016:** The Company announced that the SGX-ST had informed the Company that it would be removed from the watch-list with effect from 5 December 2016.
- (16) **15 February 2017:** The Company released its unaudited results for the financial year ended 31 December 2016 (“FY2016”) and reported that the Group recorded a profit attributable to owners of the Company of RMB114.8 million in FY2016 compared to a profit of RMB37.7 million in FY2015. A final dividend of S\$0.01 per Share was recommended in respect of FY2016.

- (17) **9 May 2017:** The Company released its unaudited results for the three months ended 31 March 2017 (“3M2017”) and reported that the Group recorded a loss attributable to owners of the Company of RMB30.6 million in 3M2017 compared to a loss of RMB19.2 million in 3M2016. There was no dividend recommended in respect of the Shares.
- (18) **7 August 2017:** The Company released its unaudited results for the six months ended 30 June 2017 (“6M2017”) and reported that the Group recorded a loss attributable to owners of the Company of RMB38.8 million in 6M2017 compared to a loss of RMB54.1 million in 6M2016. There was no dividend recommended in respect of the Shares.
- (19) **13 November 2017:** The Company released its unaudited results for the nine months ended 30 September 2017 (“9M2017”) and reported that the Group recorded a loss attributable to owners of the Company of RMB63.7 million in 9M2017 compared to a loss of RMB107.5 million in 9M2016. There was no dividend recommended in respect of the Shares.
- (20) **28 December 2017:** The Offer was announced.

We set out below the daily closing prices and trading volumes of the Shares for the period after the Last Trading Day and up to the Latest Practicable Date:



Source: Bloomberg L.P. and the Company’s announcements released on SGXNET

Notes:

- (21) **13 January 2018:** The Company announced that the Group had subscribed for a promissory note (the “**US Promissory Note**”) issued by US Hospitality Investments LLC (“**US Hospitality**”) at a principal amount of US\$25 million.
- (22) **15 January 2018:** The Company announced that the Group had been successful in its bid for the land use rights of a land parcel, with a site area of 47,683 square metres, located at Yuhang District, Hangzhou City, Zhejiang Province, the PRC for a consideration of RMB1,143.9 million. The site would be used for residential and commercial purposes. The Company also announced that the Group intended to enter into a joint venture with a third party to jointly develop and manage the land parcel and that the development of the land parcel was not expected to be completed before 2019.
- (23) **26 January 2018:** The Company released the Performance Update.

We note the following:

- (i) Between December 2014 and October 2015, the market price of the Shares displayed significant volatility, fluctuating between a high of S\$0.320 on 10 February 2015 and falling to a low of S\$0.043 on 6 October 2015. Thereafter, the price generally trended upward to reach S\$0.195 on 16 February 2017 before falling into a narrow trading band of between S\$0.142 and S\$0.159 in the last 6 months prior to the Last Trading Day;
- (ii) Prior to the Last Trading Day, the Shares last closed above the Offer Price on 21 April 2015 when it closed at S\$0.210;
- (iii) Between the Last Trading Day and the Latest Practicable Date, the closing price of the Shares had generally trended upwards but has not closed above the Offer Price; and
- (iv) As at the Latest Practicable Date, the closing price of the Shares was below the Offer Price at S\$0.194.

Price premia and trading volume

We set out below the premia implied by the Offer Price over the historical volume-weighted average transacted prices (“VWAP”) and historical average daily trading volume (“ADTV”) of the Shares for various periods over the last 3 years prior and up to the Last Trading Day.

	VWAP ⁽¹⁾ (S\$)	Premium of Offer Price over VWAP (%)	Highest price (S\$)	Lowest price (S\$)	ADTV ⁽²⁾	ADTV as a percentage of free float ⁽³⁾ (%)
Periods prior to the Offer Announcement						
Last 3 years ⁽⁴⁾	0.166	17.5%	0.320	0.043	1,188,479	1.02%
Last 1 year ⁽⁴⁾	0.177	10.3%	0.195	0.142	617,761	0.46%
Last 6 months	0.149	30.8%	0.159	0.142	116,566	0.08%
Last 3 months	0.151	29.2%	0.159	0.146	89,291	0.06%
Last 1 month	0.151	29.5%	0.155	0.146	110,330	0.07%
Last Trading Day	0.153	27.5%	0.153	0.153	6,600	0.00%
Periods after the Offer Announcement						
After the Last Trading Day and up to the Latest Practicable Date	0.193	0.9%	0.195	0.192	1,549,715	1.00%
Last traded price on the Latest Practicable Date	0.194	0.5%	0.194	0.194	152,200	0.13%

Source: Bloomberg L.P.

Notes:

- (1) The historical VWAPs are rounded to the nearest three (3) decimal places for the purpose of calculating the corresponding premium.
- (2) The ADTV of the Shares is calculated based on the total volume of the Shares traded during the period divided by the number of market days during that period.
- (3) Based on the public float of the Shares during each relevant period.
- (4) Between 28 December 2016 and 13 January 2017, the Company bought an aggregate of 4,812,400 Shares pursuant to its share buy-back scheme by way of market acquisitions at a price of between S\$0.162 and S\$0.177 per Share. The figures in the table above include such share buy-backs.

We note the following:

- (i) The Offer Price is equivalent to the highest transacted price of the Shares in the 1-year period prior to the Offer Announcement;
- (ii) The Offer Price represents a premium of between 10.3% to 30.8% over the various VWAPs in the various historical periods prior to the Offer Announcement;
- (iii) The Offer Price represents a premium of 0.9% over the VWAP in the period after the Last Trading Day and up to the Latest Practicable Date; and
- (iv) The Offer Price represents a premium of approximately 0.5% over the last traded price on the Latest Practicable Date.

We also note that:

- (i) The ADTV of the Shares ranged between 6,600 Shares and 1,188,479 Shares, or between 0.00% to 1.02% of the Company's free float, in the various historical periods prior to the Offer Announcement;
- (ii) Over the last three years, the ADTV of the Shares have generally declined. The ADTV of the Shares was 1,188,479 shares in the 3-year period prior to the Offer Announcement and had decreased to 110,330 shares in the more recent 1-month period prior to the Offer Announcement, representing a decline from approximately 1.02% to 0.07% of the Company's free float;
- (iii) The ADTV of the Shares in the period after the Last Trading Day and up to the Latest Practicable Date was 1,549,715 Shares, or approximately 1.00% of the Company's free float; and
- (iv) Over the 3-year period prior to the Offer Announcement, trading in the Shares occurred on approximately 87.5% of all market days in that period, while over the more recent 1-year period prior to the Offer Announcement, trading in the Shares occurred on approximately 86.1% of all market days in that period.

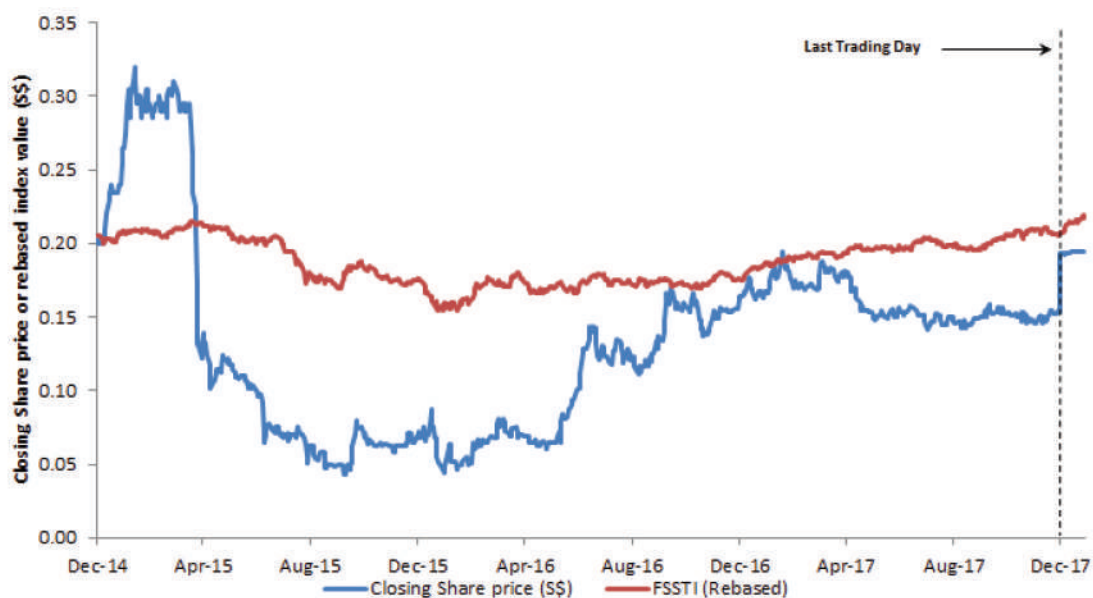
Based on the above, it appears that the trading volume and frequency of transactions in the Shares have generally declined over the historical periods prior to the Offer Announcement. The decreased frequency of transactions and lower absolute trading volume of the Shares during the more recent 1-month period prior to the Offer Announcement may render the Shares illiquid for investors who wish to transact larger quantum of shares.

We note that according to Bloomberg L.P., the Company is not covered by any research analyst.

Shareholders should note that the past trading performance of the Shares should not, in any way, be relied upon as an indication of its future trading performance. The price performance of the Shares may be due to market factors and other individual factors which may not be easily isolated and identified with certainty.

7.1.2 Price performance of the Shares relative to broad market performance

To gauge the price performance of the Shares relative to the general price performance of the stock market, we set out below the market price movement of the Shares against the FTSE Straits Times Index (“FSSTI”) for the period between 29 December 2014 (being the date falling 3 years prior to the Last Trading Day) and the Latest Practicable Date.



Source: Bloomberg L.P.

Note:

- (1) The FSSTI is a market capitalisation weighted index based on the stocks of 30 representative companies listed on the Mainboard of the SGX-ST.

We note the following:

- (i) Overall, the Shares had underperformed the FSSTI over the three years leading up to the Offer Announcement;
- (ii) Between late December 2014 and late April 2015, the Shares experienced volatile trading and had significantly outperformed the FSSTI;
- (iii) Between late April 2015 and the Last Trading Day, the Shares had generally underperformed the FSSTI; and
- (iv) Between the Last Trading Day and the Latest Practicable Date, the Shares had recorded an increase of 26.8% in price, higher than the relative performance of the FSSTI which increased by 4.9% over the same period.

After the Last Trading Day and up to the Latest Practicable Date, based on publicly available information, the Offeror had acquired a total of 3,077,400 Shares at S\$0.195 for each Share. This represented approximately 9.9% of the total trading volume of the Shares during that period. It would appear likely that the Offer and acquisitions by or on behalf of the Offeror have been supporting the market price and trading volume of the Shares since the Offer Announcement Date. Accordingly, there is no assurance that the market price and trading volume of the Shares will be sustained at these levels after the close of the Offer.

7.2 NAV and RNAV of the Group

Given the asset intensive nature of the Group's property development and investment business, we have considered both the book NAV and RNAV of the Group in assessing the Offer Price. Property companies are generally valued using an NAV-based valuation approach as their asset backings are perceived as providing support for the value of their shares.

7.2.1 NAV

Based on the Performance Update, the unaudited consolidated NAV of the Group as at 31 December 2017 was estimated to range from approximately RMB767 million to RMB848 million or approximately S\$157.4 million to S\$174.0 million (using an exchange rate of RMB4.8722: S\$1 as at 31 December 2017) or S\$0.238 to S\$0.263 per Share.

The table below sets out the discount of the Offer Price to the estimated NAV per Share as at 31 December 2017.

	As at 31 December 2017	Discount implied by the Offer Price
NAV (estimated)	S\$157.4 million to S\$174.0 million	
Offer Price	S\$0.195	–
NAV per Share	S\$0.238 to S\$0.263	18.1% to 25.9%

Based on the above, we note that the Offer Price represents a discount of approximately 18.1% to 25.9% to the estimated NAV per Share as at 31 December 2017.

We note that the assets of the Group as at 30 September 2017 comprise mainly: (i) development properties (approximately 61.8% of total assets); (ii) cash and cash equivalents (approximately 14.1% of total assets); (iii) trade receivables, other receivables and advance payments (approximately 13.5% of total assets); and (iv) investment properties (approximately 6.3% of total assets).

7.2.2 RNAV

We have also considered the RNAV of the Group taking into consideration the prevailing market value of the Group's significant properties. In connection with the Offer, the Company has commissioned independent valuations to determine the market value of the properties in which the Group has interests (the "**Revalued Properties**").

Development properties⁽⁵⁾

Description	Location	Approximate site area / gross floor area (square metres) ⁽¹⁾	Sale status ⁽²⁾	Expected year of completion	Company's effective interest	Market value ⁽³⁾ (S\$ million)	Share of net revaluation surplus/(deficit) after potential tax liabilities and minority interests ⁽⁴⁾ (S\$ million)
<i>The PRC</i>							
1. Suzhou Industrial Park Royal Mansion (High-rise, mid-rise and multi-rise residential towers, complemented with car parks and other ancillary facilities)	North of Zhongxin Avenue and west of Zhongnan Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC	Residential: 9,760.74 Car park: 25 lots	>90%	Completed	60.0%	33.6	7.9
2. Suzhou Royal Palace (High-rise residential towers and retail, complemented with car parks and other ancillary facilities)	North of Suzhan Road and east of Jiangqian Road, Gusu District, Suzhou, Jiangsu Province, the PRC	Residential: 1,955.00 Commercial: 1,785.87 Storage: 484.74 Car park: 65 lots	>90%	Completed	75.0%	9.2	2.0
3. Suzhou Chiway Star Hub (Serviced apartment towers, SOHO towers and retail, complemented with car parks and other ancillary facilities)	South of West Shennu Road and west of Hezhong Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC	Serviced apartment: 15,000.18 SOHO: 6,263.63 Car park: 117 lots	>80%	2018	55.0%	74.2	25.0
4. Suzhou Chiway Prime Palace (Duplex residential, complemented with car parks and other ancillary facilities)	North of Jiyuan Road and west of Chenghe Road, Xiangcheng District, Suzhou, Jiangsu Province, the PRC	Residential: 73,819.35 Car park: 530 lots	>70%	2018	75.0%	212.3	25.5

Description	Location	Approximate site area / gross floor area (square metres) ⁽¹⁾	Sale status ⁽²⁾	Expected year of completion	Company's effective interest	Market value ⁽³⁾ (\$' million)	Share of net revaluation surplus/(deficit) after potential tax liabilities and minority interests ⁽⁴⁾ (\$' million)
5. Suzhou Chiway Royal Paradise Bay (High-rise residential towers, garden houses, complemented with car parks and other ancillary facilities)	East of Songtao Street and north of Linyi Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC	Residential: 42,313.59 Car park: 185 lots	>50%	2018	60.0%	110.3	14.3
6. Suzhou Bliss Harbour (High-rise residential towers, LOFT apartments, service apartments, a hotel and retain, complemented with other ancillary facilities)	No. 8 Binhe Road, Huqiu District, Suzhou, Jiangsu Province, the PRC	Residential: 55,814.34 LOFT: 16,351.75	>30%	2018	57.0%	112.0	4.5
7. Zhangjiagang Chiway Royal Paradise Bay (High-rise and low-rise residential towers, complemented with street shops, car park and other ancillary facilities)	East of Yong'an Road and north of Siyang Road, Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province, the PRC	Residential: 72,643.3 Storage: 3,218.7 Commercial: 1,035.0 Car park: 506 lots	>40%	2019	57.0%	104.3	13.9

Description	Location	Approximate site area / gross floor area (square metres) ⁽¹⁾	Sale status ⁽²⁾	Expected year of completion	Company's effective interest	Market value ⁽³⁾ (\$' million)	Share of net revaluation surplus/(deficit) after potential tax liabilities and minority interests ⁽⁴⁾ (\$' million)
8. Xuzhou Royal Palace (High-rise and multi-rise residential towers, complemented with car parks, storage rooms and other ancillary facilities)	South of Lishui Road and west of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, the PRC	Residential & storage: 175,748.94 Car park: 2,517 lots	Phase I: >90% Phase II: 100% Phase III: 100% Phase IV: >50%	Phase I & Phase II: Completed Phase III & Phase IV: 2018	80.0%	146.6	50.9
9. Xuzhou International School and Science and Technology Industrial Park – Xuzhou Starmall Plaza (Commercial, retail and education facilities, complemented with car parks and other ancillary facilities)	South of Lishui Road and east of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, the PRC	Mixed-used: 150,599.24	Phase I: >50% Phase II to Phase IV: nil	Phase I: 2018 Phase II to Phase IV: 2020	100.0%	88.7	18.9
10. Xuancheng Chiway Top Town (Residential and retail facilities, complemented with car parks and other ancillary facilities)	South of Shuiyang River South Road and east of Xiangyang Road, Xuancheng District, Xuancheng, Anhui Province, the PRC	Residential: 148,659.1 Commercial: 6,327.05 Storage: 473 rooms Car park: 1,687 lots	Phase III: >90% Phase IV: >90%	Phase III: 2018 Phase IV: Completed	100.0%	114.5	2.7

Description	Location	Approximate site area / gross floor area (square metres) ⁽¹⁾	Sale status ⁽²⁾	Expected year of completion	Company's effective interest	Market value ⁽³⁾ (\$ million)	Share of net revaluation surplus/(deficit) after potential tax liabilities and minority interests ⁽⁴⁾ (\$ million)
11. Xuancheng Xinkaiyuan Project (Residential and retail facilities, complemented with car parks and other ancillary facilities)	North of Baocheng Road and west of Xinglong Road, Xuanzhou Economic and Technological Development Zone, Xuancheng, Anhui Province, the PRC	Residential: 89,364.47 Commercial: 2,090.85 Car park: 681 lots	nil	2019	100.0%	29.8	(12.6)
12. Shanghai Royal Palace (High-rise and multi-rise residential towers, villa, LOFT and SOHO apartments, retail, complemented with car parks and other ancillary facilities)	East of Haifu Road and north of Longxiang Road, Jinshan District, Shanghai, the PRC	Residential: 3,725.00 Commercial: 7,415.08 Car park: 249 lots	>80%	Completed	100.0%	42.5	12.2
13. Wuxi Chiway Prime Palace (4 triplex residential towers, complemented with car parks and other ancillary facilities)	West of Xincheng Road and north of Shanxi River, Binhu District, Wuxi, Jiangsu Province, the PRC	Residential: 14,754.71 Car park: 76 lots	>40%	2018	57.0%	27.1	1.6
14. Wuxi Industrial Park Royal Mansion (Duplex, garden houses, low-rise and high-rise residential towers, complemented with car parks and other ancillary facilities)	East of Gonghu Avenue and south of Tangtieqiao Road, Binhu District, Wuxi, Jiangsu Province, the PRC	Residential: 177,515.20 Car park: 1,432 lots	nil	2020	60.0%	444.8	(11.9)

Description	Location	Approximate site area / gross floor area (square metres) ⁽¹⁾	Sale status ⁽²⁾	Expected year of completion	Company's effective interest	Market value ⁽³⁾ (\$ million)	Share of net revaluation surplus/(deficit) after potential tax liabilities and minority interests ⁽⁴⁾ (\$ million)
15. Royal Lake Mansion (Three high-rise residential towers and a freestanding double storey retail building, complemented with car parks and other ancillary facilities)	East of Mupu Street and south of Tianyuan Road, Jiangning Development Zone, Nanjing, Jiangsu Province, the PRC	Residential: 40,561.92 Commercial: 1,322.39 Car park: 352 lots	>90%	2018	60.0%	121.8	11.1
16. Wuhan Chiway Lakeside Palace (High-rise residential towers and triplex residential units, retail and underground car parking)	Intersection of Tengxun Avenue and Jinlong Street, Jiangxia District, Wuhan, Hubei Province, the PRC	Residential: 167,643.16 Commercial: 2,744.76 Car park: 1,535 lots	nil	2019	60.0%	193.1	(6.9)
17. Wuhan Chiway MOMA Royal Palace (Residential and retail units)	Intersection of Zhenxing Road and Changqing Road, Jiangnan District, Wuhan, Hubei Province, the PRC	Residential: 37,173.32 Commercial: 804.87 Car park: 282 lots	>40%	2018	44.1%	72.9	(1.8)
18. Suzhou Xinglun Project	South of Zhongyuan Road and east of Jinrong Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC	Land: 93,042.9	nil	2020	60.0%	137.7	(10.4)
19. Zhangjiagang Ruicheng Project (Residential and retail facilities)	North of Fumin Road, Tangqiao Town, Zhangjiagang, Suzhou, Jiangsu Province, the PRC	Land: 36,829.2	nil	2019	28.5%	23.4	(0.4)

Description	Location	Approximate site area / gross floor area (square metres) ⁽¹⁾	Sale status ⁽²⁾	Expected year of completion	Company's effective interest	Market value ⁽³⁾ (\$' million)	Share of net revaluation surplus/(deficit) after potential tax liabilities and minority interests ⁽⁴⁾ (\$' million)
20. Changshu Bicheng Project (Low-rise residential towers, complemented with car parks and other ancillary facilities)	West of Youzhou Road and north of Taoshejing Road, Haiyu Town, Changshu, Suzhou, Jiangsu Province, the PRC	Land: 19,510.0	nil	2019	19.8%	6.3	0.0
21. Changshu Bixin Project (Multi-rise residential towers, complemented with car parks and other ancillary facilities)	West of Renmin Road and north of Fujian Road, Haiyu Town, Changshu, Suzhou, Jiangsu Province, the PRC	Land: 21,817.0	nil	2019	19.8%	8.7	0.1
22. Zhangjiagang Zhonghe Project (Garden house residential, retail, complemented with car parks and other ancillary facilities)	East of Baiqiao Road, Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province, the PRC	Residential: 198,315.13 Commercial: 4,928.15 Car park 1,011 lots	>40%	2020	16.6%	61.1	8.3
23. Jiangying Hecheng Project Property (Residential uses)	East of Xinyang Road and South of Jinxiu South Road, Jiayangyin, Suzhou, Jiangsu Province, the PRC	325,757.0	nil	2020	15.0%	16.1	0.8
24. Changshu Ruiyi Project (High-rise residential towers, complemented with car parks and other ancillary facilities)	West of Zhangqinglian Road and north of Guqiu Road, Zhitang Town, Changshu, Suzhou, Jiangsu Province, the PRC	Land: 40,612.0	nil	2020	30.0%	28.9	0.1

Description	Location	Approximate site area / gross floor area (square metres) ⁽¹⁾	Sale status ⁽²⁾	Expected year of completion	Company's effective interest	Market value ⁽³⁾ (\$' million)	Share of net revaluation surplus/(deficit) after potential tax liabilities and minority interests ⁽⁴⁾ (\$' million)
<i>Australia</i>							
25. Stellar (96 residential apartments, 2 commercial/retail suites and 3 levels of basement parking)	771-775 Victoria Road, Ryde NSW 2112, Australia	7,440.0	>40%	2018	60.0%	9.2	(3.8)
26. Elan (90 residential apartments and 2 levels of basement parking)	17-25 Epping Road, Epping NSW 2121, Australia	12,757.0	>80%	2018	100.0%	51.8	(3.5)
27. Illumina (221 residential apartments and 3 ground floor retail tenancies)	48-53 Jephson Street, Toowong QLD 4066, Australia	17,152.0	>90%	2019	50.0%	44.4	2.3
28. Caddens (Large site featuring two dwellings and a stone fruit orchard)	46A & 46-66 O'Connell Street, Caddens, NSW Australia	Land: 114,270.0	nil	2021	100.0%	39.7	(5.8)
<i>United States</i>							
29. UCCH Project (Post Office – Single Tenant)	3751 W. 6Th Street, Los Angeles, CA 90020	3,213.4	nil	2021	50.0%	9.7	0.1
Total						2,374.6	145.0

Investment properties⁽⁶⁾

Description	Location	Approximate gross floor area (square metres) ⁽¹⁾	Expected year of completion	Tenure	Company's effective interest	Market value ⁽³⁾ (\$' million)	Share of net revaluation (deficit) after potential tax liabilities and minority interests ⁽⁴⁾ (\$' million)
<i>The PRC</i>							
1. Suzhou Royal Palace (Retail portion of Phase 2 comprising 28 retail units)	North of Suzhan Road and east of Jiangqian Road, Gusu District, Suzhou, Jiangsu Province, the PRC	5,532.01	Completed	Jun-2053	75.0%	26.5	(4.2)
2. Suzhou Chiway Star Hub (3-storey retail building with a single-storey basement for retail use)	South of West Shenhu Road and west of Hezhong Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC	27,616	2018	Jun-2055	55.0%	48.9	(1.0)
3. Suzhou Bliss Harbour (Retail and serviced apartment portion)	East of Binhe Road, Huqiu District, Suzhou, Jiangsu Province, the PRC	Retail: 5,734,.43 Serviced apartment: 8,918.99	2018	Jan-2056	57.0%	17.8	(0.1)
4. Xuzhou International School and Science and Technology Industrial Park – Xuzhou Training Centre (Phase I of kindergarten and bilingual school)	South of Lishui Road and east of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, the PRC	Kindergarten: 5,359.09 School: 31,504.53	Completed	Apr-2053	100.0%	29.5	(0.1)

Description	Location	Approximate gross floor area (square metres)⁽¹⁾	Expected year of completion	Tenure	Company's effective interest	Market value⁽³⁾ (\$' million)	Share of net revaluation (deficit) after potential tax liabilities and minority interests⁽⁴⁾ (\$' million)
5. Xuzhou International School and Science and Technology Industrial Park – Xuzhou Training Centre (Phase II of bilingual school, office building and underground carpark)	South of Lishui Road and east of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, the PRC	School: 7,709.57 Office: 40,389.41 Car park: 20,583.86	2018 (School)/ 2020 (office & car park)	Apr-2053	100.0%	12.1	(0.1)
6. Xuancheng Chiway Top Town – Building SY1# (Three-storey retail building, including one-storey basement) ⁽⁶⁾	South of Shuiyang River South Road and east of Xiangyang Road, Xuancheng, Anhui Province, the PRC	5,338.26	Completed	Jan-2050	100.0%	6.5	(0.0)
7. Suzhou Fortune Innovation Centre Phase I – III (3 blocks of office buildings)	No. 1099 Baodai West Road, Huqiu District, Suzhou, Jiangsu Province, the PRC	33,882.11	Completed	Feb-2058	70.0%	35.6	(4.7)
8. Suzhou Fortune Innovation Centre Phase IV (3 blocks of office buildings)	East of Kerui Road and north of Baodai West Road, Huqiu District, Suzhou, Jiangsu Province, the PRC	49,885.86	2018	Feb-2058	70.0%	10.2	(3.0)

Description	Location	Approximate gross floor area (square metres)⁽¹⁾	Expected year of completion	Tenure	Company's effective interest	Market value⁽³⁾ (\$' million)	Share of net revaluation (deficit) after potential tax liabilities and minority interests⁽⁴⁾ (\$' million)
9. Suzhou Hemei Garden Housing property (High-rise, retail and education facilities, complemented with car parks and other ancillary facilities)	West of Huchi Road and north of Jinzhu Street, Jinchang District, Suzhou, Jiangsu Province, the PRC	2,649.66	Completed	Apr-2052	70.0%	3.8	(0.0)
10. Wuxi Chiway Regent Town – Community Centre (4-storey aboveground and 1-storey underground retail building)	South of Taishan Road and west of Xixing Road, Xinwu District, Wuxi, Jiangsu Province, the PRC	7,397.37	Completed	Oct-2046	100.0%	8.0	(0.6)
11. Wuxi Chiway Regent Town (2-storey retail facility with 12 retail units)	South of Taishan Road and west of Xixing Road, Xinwu District, Wuxi, Jiangsu Province, the PRC	216.27	Completed	Oct-2046	100.0%	4.3	(0.4)
12. Wuxi Chiway Regent Town – Wuxi Eton House International School	South of Taishan Road and west of Xixing Road, Xinwu District, Wuxi, Jiangsu Province, the PRC	7,269.33	Completed	Oct-2056	100.0%	8.1	(0.0)

Description	Location	Approximate gross floor area (square metres)⁽¹⁾	Expected year of completion	Tenure	Company's effective interest	Market value⁽³⁾ (\$' million)	Share of net revaluation (deficit) after potential tax liabilities and minority interests⁽⁴⁾ (\$' million)
13. Wuxi Chiway Regent Town – Wuxi Overseas Chinese Academy	South of Taishan Road and west of Xixing Road, Xinwu District, Wuxi, Jiangsu Province, the PRC	25,024.00	2018	Oct-2056	100.0%	9.4	(0.0)
14. Suzhou Overseas Chinese Academy (International school including primary school, middle school, high school and other ancillary facilities)	North of Zhaojia Alley and east of Zhongnan Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, the PRC	52,460.98	2018	Oct-2054	65.0%	25.5	(0.1)
Total						246.2	(14.4)

Other properties⁽⁷⁾

Description	Location	Approximate site area / gross floor area (square metres) ⁽¹⁾	Company's effective interest	Market value ⁽³⁾ (S\$' million)	Share of net revaluation surplus after potential tax liabilities and minority interests ⁽⁴⁾ (S\$' million)
<i>The PRC</i>					
1. Suzhou Bliss Harbour – Hotel portion (Mid to high-end hotel)	No. 8 Binhe Road, Huqiu District, Suzhou, Jiangsu Province, the PRC	7,120.93	57.0%	8.4	0.1
2. Zhangjiagang Quantang Project (Vacant land for residential use)	South of Fumin Road, Zhangjiagang, Suzhou, Jiangsu Province, the PRC	Land: 27,484.40	34.0%	18.8	0.8
3. Hangzhou Jingcheng Project (Vacant land for residential use)	East of Hengxi Road, south of Zhiluxi, west of Kangtai Road and north of Zhongtai Road, Hangzhou, Zhejiang Province, the PRC	Land: 47,683.0	100.0%	242.2	5.5
Total				269.4	6.4

Source: The Company's filings, the Valuation Reports and the Management's computations

Notes:

(1) This information is provided by the Management. In respect of land parcels without a development plan, the figure relates to site area of the land only. In respect of properties under development, the figure relates to approximate gross floor area.

(2) The sale status of the relevant development properties is as at 31 December 2017 and is provided by the Management.

(3) The market values ascribed by the Independent Valuers are in the local currencies of the countries where the properties are located and these have been converted using the following closing exchange rates as at 31 December 2017:

RMB4.8722 : 1S\$

AUD0.9577 : 1S\$

USD0.7486 : 1S\$

For avoidance of doubt, the market values in the table above reflect the Company's effective interest only.

For development properties which have been sold but not completed, the actual selling prices were used to determine the gross development value of such development properties.

(4) The revaluation surplus for each of the Revalued Properties is computed by the Management as the difference between the market value on an "as-is" basis as indicated in the relevant Valuation Report and the corresponding estimated net book value of such property based on management accounts as at 31 December 2017. In valuing the properties under development, the Independent Valuers have valued such properties on the basis that they will be developed and completed in accordance with the latest development proposals provided by the Management.

The Management has highlighted that the estimated net book values of the Revalued Properties, used to derive the revaluation surplus, are based on management accounts as at 31 December 2017 which are subject to further adjustments as the Company is in the process of preparing its results for the twelve (12) months ended 31 December 2017. In particular, certain development properties may have to be further written down or there may be reversals of write-down. The Management has confirmed to us that in respect of such development properties, the Management has exercised reasonable judgment in determining the appropriate net book values to be used.

The potential tax liabilities that may be incurred by the Group on the hypothetical sale of these Revalued Properties is computed by the Management and amounted to approximately RMB977.0 million or S\$200.5 million in aggregate. The Management has highlighted that certain taxes payable in respect of the Revalued Properties located in the PRC (such as the land appreciation tax) are difficult to assess accurately due to their complexity, and may vary depending on the regulations imposed by the relevant local tax authorities. Accordingly, the exact amount of tax payable upon the disposal of such Revalued Properties will be subject to formal tax advice issued by the relevant tax authorities at the time of disposal.

(5) The development properties listed in the table above excludes certain land parcels for which the Group has committed to purchase but has not made full payment as at the Latest Practicable Date. Please also refer to Section 7.9.6 of this letter for details on the Group's commitments.

(6) The Management has confirmed to us that in arriving at the Group's estimated unaudited consolidated NAV as at 31 December 2017, all investment properties have been stated at their fair values on the balance sheet as at 31 December 2017 based on the market values ascribed by the Independent Valuers and changes in such fair values have also been recognised in management accounts for the twelve (12) months ended 31 December 2017. Accordingly, the figures in the last column of this table relate to only potential tax liabilities assuming the hypothetical sale of such investment properties rather than any revaluation surplus.

(7) These relate to: (i) land parcels for which the Group has committed to purchase but has not made full payment as at the Latest Practicable Date; and (ii) the hotel portion of Suzhou Bliss Harbor which was previously classified under development properties in the financial statements for 9M2017 as the Management has assessed that there has been a change in intent and use of this property.

(8) The Management has informed us that as at the Latest Practicable Date, the Group is in advanced discussion to dispose of this investment property known as Xuancheng Chiway Top Town – Building SY1# located at South of Shuiyang River South Road and east of Xiangyang Road, Xuancheng, Anhui Province, the PRC. The net revaluation surplus reflected in the table above is computed based on the market value as ascribed by the Independent Valuers which may be different from the disposal price of this property (if and when the disposal eventually materialises). The Management has confirmed to us that any loss or gain arising from the disposal of this property is not expected to have a material impact on the NAV of the Group.

Based on the above, the following computations have been made to determine the RNAV of the Group for the purpose of our analysis:

	(S\$' million)
Estimated unaudited consolidated NAV as at 31 December 2017 ⁽¹⁾	157.4 to 174.0
Add: Net revaluation surplus arising from Revalued Properties	137.0
RNAV as at 31 December 2017⁽²⁾⁽³⁾	294.4 to 311.0
RNAV per Share (S\$)	0.445 to 0.470
Discount to RNAV as implied by the Offer Price	(56.2)% to (58.5)%

Source: The Management's estimates, the Company's filings and CIMB's analysis

Notes:

- (1) The Group's estimated unaudited consolidated NAV as at 31 December 2017 was obtained from the Performance Update. Please refer to Appendix III to this Circular for details.
- (2) The above computation of RNAV did not take into account potential return (if any) from the Group's investment in the US Promissory Note issued by US Hospitality. Please refer to Section 7.9.5 of this letter for details.
- (3) The above computation of RNAV did not take into account the Group's contractual commitments (comprising development expenditures contracted but not provided for and acquisition of land contracted but not provided for) amounting to approximately RMB3.5 billion in aggregate and contingent liabilities amounting to approximately RMB2.8 billion as at 31 December 2017. Please refer to Section 7.9.6 of this letter for details.

Shareholders should note that the above analysis assumes the hypothetical sale of the Group's assets (including the Revalued Properties) as at the Latest Practicable Date. Save for the Revalued Properties, the other assets of the Group have not been revalued for the purpose of determining the RNAV of the Group.

The Management has confirmed to us that to the best of their knowledge and belief: (i) as at the Latest Practicable Date, save for the sale of development properties and bidding of vacant land parcels in the ordinary course of business and as disclosed herein, the Group does not have any current plan for an imminent material disposal or acquisition and/or conversion of the use of the Group's assets and/or material change in the nature of the Group's business; (ii) save for the Revalued Properties, there are no material differences between the realisable value of the Group's other assets and their respective book values as at 31 December 2017 which would have a material impact on the RNAV of the Group; (iii) save as disclosed herein, there have been no material acquisitions and/or disposals of assets by the Group between 31 December 2017 and the Latest Practicable Date; and (iv) other than those disclosed to us in Section 7.9.6 of this letter, there are no material contingent liabilities which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date.

We note from the Offer Document that the Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. It is also stated that the Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves and which it may regard to be in the interests of the Company. Save for the above, the Offeror presently has no intentions to introduce any major changes to the existing businesses of the Group or re-deploy the fixed assets of the Group, other than in the ordinary course of business.

We wish to highlight that the RNAV per Share shown above includes the revaluation surpluses on unsold and/or uncompleted development properties. Shareholders should be aware that the Group has not fully earned and/or realised the gains on such development

properties as at the Latest Practicable Date. There is no assurance that the actual gains (if any) eventually recorded by the Group on such development properties will be the same as those derived from the appraisals by the Independent Valuers.

We note that the Offer Price is at a significant discount of approximately 56.2% to 58.5% to the RNAV per Share of between S\$0.445 to S\$0.470 as at 31 December 2017.

7.3 Historical trailing P/NAV multiples of the Shares

We have also compared the P/NAV of the Shares implied by the Offer Price against the trailing P/NAV multiples of the Shares over the 3-year period prior to the Last Trading Day, as well as till the Latest Practicable Date, as set out below.



Source: Bloomberg L.P and the Company's filings

Notes:

- (1) The NAV per Share for the relevant historical periods is calculated using the latest available equity attributable to owners of the Company and the issued capital of the Company on the respective dates.
- (2) The P/NAV multiple implied by the Offer Price has been calculated using the share capital of the Company of 662,038,606 Shares.

We note that at a range of 0.74x to 0.82x, the P/NAV multiple implied by the Offer Price is lower than the:

- (i) average historical P/NAV multiple of the Shares for the 1-year period up to the Last Trading Day of 0.94x; and
- (ii) average historical P/NAV multiple of the Shares for the 3-year period up to the Last Trading Day of 0.87x.

7.4 Valuation multiples of Comparable Companies

We have compared the valuation multiples of the Company implied by the Offer Price with those of selected companies listed on the SGX-ST, which we consider to be broadly comparable to the Company. These Comparable Companies are similarly involved in the core business of property development and investment principally in the PRC.

We wish to highlight that the Comparable Companies listed below are not exhaustive and they differ from the Company in terms of, *inter alia*, market capitalisation, size of operations, composition of property portfolio and business activities, asset base, geographical spread, track record, financial performance, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. As such, any comparison made is necessarily limited and merely serves as an illustrative guide.

A brief description of the Comparable Companies is set out below.

Comparable Companies	Business description
Yanlord Land Group Limited	Yanlord Land Group Limited is a real estate developer based in the PRC that focuses on developing high-end residential, commercial and integrated property projects in strategically selected key high-growth cities in the PRC. The group has an established presence in ten key high-growth cities within the five major economic regions of the PRC, namely, (i) Yangtze River Delta – Shanghai, Nanjing and Suzhou; (ii) Pearl River Delta – Zhuhai and Shenzhen; (iii) Western China – Chengdu and Guiyang; (iv) Bohai Rim-Tianjin and Tangshan; and (v) Hainan International Tourist Island-Sanya.
Perennial Real Estate Holdings Limited	Perennial Real Estate Holdings Limited is an integrated real estate and healthcare company headquartered in Singapore. The group focuses on large-scale mixed-use developments as a real estate owner, developer, and manager. The group has presence in the PRC, Singapore, Malaysia, and Ghana. The group is a dominant commercial developer with sizeable integrated developments in the PRC, of which two are regional commercial hubs adjacent to the two high speed railway stations in the PRC, being Chengdu East High Speed Railway Integrated Development and Xi'an North High Speed Railway Integrated Development.
First Sponsor Group Limited	First Sponsor Group Limited is a developer and owner of real estate properties in the PRC and the Netherlands. The group is also a hotel owner and a provider of property financing services in the PRC. Its residential and commercial property developments are in tier-two cities in the PRC, namely, Chengdu and Dongguan.
Ying Li International Real Estate Limited	Ying Li International Real Estate Limited is a Chongqing-based property developer, principally engaged in the development, sale, rental, management and long-term ownership of high quality commercial and residential properties in the prime locations of Chongqing and Beijing in the PRC.

Comparable Companies	Business description
Pan Hong Holdings Group Limited	Pan Hong Holdings Group Limited focuses on developing residential and commercial properties in the second and third-tier cities in the PRC. The group operates in Hangzhou and Huzhou cities in Zhejiang Province, and Nanchang, Fuzhou and Yichun cities in Jiangxi Province.
Weiye Holdings Limited	Weiye Holdings Limited is engaged in real estate investment and development mainly focusing on projects in Henan Province and Hainan Province.

Source: Bloomberg L.P., Thomson Reuters and the Comparable Companies' websites and filings

The valuation multiples of the Comparable Companies set out below are based on their respective last transacted share prices as at the Latest Practicable Date. The valuation multiples of the Company (as implied by the Offer Price) are also set out below for comparison.

The valuation multiples of the Comparable Companies do not incorporate the premium typically required to acquire control as they reflect the traded prices of non-controlling stakes.

	Market Capitalisation (S\$' million)	Net gearing ⁽¹⁾ (times)	P/NAV ⁽²⁾ (times)	P/RNAV ⁽³⁾ (times)	P/E ⁽⁴⁾ (times)
Yanlord Land Group Limited	3,457.4	0.9	0.8	0.5	5.0
Perennial Real Estate Holdings Limited	1,455.6	0.9	0.5	0.4	14.7
First Sponsor Group Limited	837.5	0.1	0.8	0.7	7.1
Ying Li International Real Estate Limited	455.2	0.8	0.4	0.2	20.4
Pan Hong Holdings Group Limited	169.1	0.4	0.5	n.a.	6.1
Weiye Holdings Limited	83.4	1.1	0.3	n.a.	n.m.
High		1.1	0.8	0.7	20.4
Low		0.1	0.3	0.2	5.0
Median		0.9	0.5	0.5	7.1
Mean		0.7	0.6	0.5	10.7
Company (implied by the Offer Price)	129.1	11.8	0.7 to 0.8	0.42 to 0.44	3.9

Source: Bloomberg L.P., analysts' estimates, companies' filings and CIMB's analysis

Notes:

"n.a." – Not available

"n.m." – Not meaningful

- (1) Net gearing is defined as total borrowings less cash and cash equivalents divided by shareholders' equity.
- (2) The P/NAV ratios of the Comparable Companies were based on their respective NAV values as set out in their latest available financial statements as at the Latest Practicable Date. In respect of the Company, the P/NAV ratio was computed based on the range of the NAVs obtained from the Performance Update.
- (3) The P/RNAV ratios of the Comparable Companies were based on the average of the R/NAV as indicated in the analysts' reports issued in the 12 months prior to the Latest Practicable Date. In respect of the Company, the P/RNAV ratio was computed based on the range of R/NAVs derived in Section 7.2.2 of this letter.
- (4) Based on earnings over the most recent twelve months as reported by each of the respective Comparable Companies.

We note that:

- (i) The P/NAV multiple implied by the Offer Price is above the corresponding median and mean multiples of the Comparable Companies;
- (ii) The P/RNAV multiple implied by the Offer Price is slightly below the corresponding median and mean multiples of the Comparable Companies;
- (iii) The P/E multiple implied by the Offer Price is below the range of P/E multiples of the Comparable Companies; and
- (iv) The Group's net gearing is significantly higher than those of the Comparable Companies.

Given the inherent fluctuations in reported earnings and asset intensive nature of the business due to the adoption of the completion method of revenue recognition, in our view, it would be appropriate to place more weight on the P/NAV and P/RNAV valuation approach in assessing the Offer Price.

7.5 Valuation multiples implied in Precedent Transactions

We have reviewed selected recent transactions involving property companies that are listed on the SGX-ST that are broadly comparable to the Company, and for which information is publicly available. A comparison of the Offer against these Precedent Transactions is set out below.

Announcement date	Target	P/NAV ⁽¹⁾ (times)	P/RNAV ⁽²⁾ (times)	P/E ⁽³⁾ (times)
13-Jul-17	United Engineers Limited ⁽⁴⁾	0.9	0.9	27.5
01-Apr-17	Tee International Limited ⁽⁵⁾	1.1	1.0	28.4
28-Mar-17	Top Global Limited ⁽⁶⁾	0.4	0.3	n.m.
08-Aug-16	Sim Lian Group Limited ⁽⁷⁾	0.9	0.8	15.8
14-Oct-15	Starland Holdings Limited ⁽⁸⁾	0.9	0.5	2.4
22-Sep-15	Eastern Holdings Ltd ⁽⁹⁾	1.2	0.8	n.m.
23-Jan-15	Keppel Land Limited ⁽¹⁰⁾	0.9	0.7	9.0

Announcement date	Target	P/NAV ⁽¹⁾ (times)	P/RNAV ⁽²⁾ (times)	P/E ⁽³⁾ (times)
High		1.2	1.0	28.4
Low		0.4	0.3	2.4
Median		0.9	0.8	15.8
Mean		0.9	0.7	16.6

Company (implied by the Offer Price)	0.7 to 0.8	0.42 to 0.44	3.9
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Source: Bloomberg L.P., Mergermarket Limited and the companies' filings

Notes:

"n.m." – Not meaningful as these targets had losses in the relevant periods.

- (1) Based on the most recently available NAV as reported by the target company prior to the respective announcement date. In respect of the Company, the P/NAV ratio was computed based on the range of the NAVs obtained from the Performance Update.
- (2) Based on the RNAV obtained from the relevant circulars in relation to the respective transactions. In respect of the Company, the P/RNAV ratio was computed based on the range of RNAs derived in Section 7.2.2 of this letter.
- (3) Based on earnings over the most recent twelve months prior to the respective acquisitions announcement as reported by the target company and the Company.
- (4) In respect of the mandatory conditional cash offer for United Engineers Limited, the offeror acquired 33.4% interest but the offer failed to become unconditional at the offer price.
- (5) In respect of the privatisation scheme of arrangement in relation to Tee International Limited, the offeror secured a 74.8% vote for the privatisation scheme, but this did not meet the requisite majority to approve the scheme.
- (6) In respect of the voluntary conditional cash offer for Top Global Limited, the acceptance condition of 90% was not met and the offer lapsed with the offeror's interest remaining at 77.4%.
- (7) In respect of the voluntary conditional cash offer for Sim Lian Group Limited, the acceptance condition of 90% was met and the offeror increased its interest from 82.6% to 99.2%.
- (8) In respect of the mandatory unconditional cash offer for Starland Holdings Limited, the offeror acquired 82.9% interest and further increased its interest to 99.1% through acceptance of the offer.
- (9) In respect of the voluntary delisting of Eastern Holdings Ltd, the offeror owned 84.0% interest and the delisting was approved by shareholders. The offeror subsequently increased its interest to 97.0% by way of an exit offer.
- (10) In respect of the voluntary unconditional cash offer for Keppel Land Limited, the offeror increased its interest from 54.5% to 95.1%.

We wish to highlight that the Precedent Transactions differ from the Offer in terms of, *inter alia*, the characteristics of the target companies, the nature of the respective transactions and other relevant criteria. In particular, the composition of the property portfolios, the scale of business operations and the geographical coverage of operations of the respective target companies may not be directly comparable to those of the Company. As such, any comparison made is necessarily limited and merely serves as an illustrative guide.

Based on the above, we note that:

- (i) The P/NAV multiple implied by the Offer Price is below the corresponding median and mean multiples of the Precedent Transactions;

- (ii) The P/RNAV multiple implied by the Offer Price is below the corresponding median and mean multiples of the Precedent Transactions; and
- (iii) The P/E multiple implied by the Offer Price is significantly below the corresponding median and mean multiples of the Precedent Transactions.

7.6 Premia paid in Precedent Takeovers

We note that it is the intention of the Offeror to make the Company its wholly-owned subsidiary and that the Offeror does not intend to maintain the listing status of the Company. In this regard and for the purpose of providing an illustrative guide as to how the financial terms of the Offer compare relative to other delistings and successful privatisations, we have compared the financial terms of the Offer with those of recent successful privatisations and delistings of companies listed on the SGX-ST over the period beginning 1 January 2016 to the Latest Practicable Date.

We wish to highlight that the premium that an offeror pays in any particular takeover depends on various factors such as the potential synergy that the offeror can gain by acquiring the target, the presence of competing bids for the target, prevailing market conditions and sentiments, attractiveness and profile of the target's business and assets, size of consideration and existing and desired level of control in the target. The comparison below is made without taking into consideration the underlying liquidity of the shares and the performance of the shares of the relevant companies below. Further, the list of target companies involved in the Precedent Takeovers set out in the analysis below are not directly comparable with the Company in terms of size of operations, market capitalisation, business activities, asset base, geographical spread, track record, accounting policies, financial performance, operating and financial leverage, future prospects and other relevant criteria. Hence, the comparison of the Offer with the Precedent Takeovers set out below is for illustrative purposes only. Any conclusions drawn from the comparisons made may not reflect any perceived valuation of the Company.

A summary of the relevant financial terms of the Precedent Takeovers is set out below.

Name of company	Premium of offer price over ⁽¹⁾ :			
	Announcement date	Closing price prior to announcement (%)	1 month VWAP prior to announcement (%)	3 month VWAP prior to announcement (%)
Tiger Airways Holdings Limited	04-Jan-16	45.2	48.5	56.3
HTL International Holdings Limited	07-Jan-16	46.0	69.2	98.4
Lantrovision (S) Ltd	27-Jan-16	47.7	42.8	46.2
China Yongsheng Limited	24-Feb-16	52.4	67.4	62.4
Xinren Aluminium Holdings Limited	25-Feb-16	31.3	49.6	50.0
OSIM International Ltd	07-Mar-16	27.0	40.9	42.5
Select Group Limited	23-Mar-16	23.5	38.2	43.4
Xyec Holdings Co., Ltd	29-Mar-16	50.0	49.3	49.3
Pteris Global Limited	21-Apr-16	33.9	38.0	44.1

Name of company	Premium of offer price over ⁽¹⁾ :			
	Announcement date	Closing price prior to announcement (%)	1 month VWAP prior to announcement (%)	3 month VWAP prior to announcement (%)
China Merchants Holdings (Pacific) Limited	09-May-16	22.9	21.8	25.3
Eu Yan Sang International Ltd	16-May-16	2.6	8.5	16.5
Otto Marine Limited	08-Jun-16	39.1	44.8	43.5
SMRT Group Limited	20-Jul-16	8.7	10.8	10.7
Sim Lian Group Limited	08-Aug-16	14.9	16.6	19.5
GMG Global Limited	23-Aug-16	10.8	25.2	39.9
China Minzhong Food Corporation Limited	15-Nov-16	25.0	24.8	23.1
Aztech Group Ltd	20-Sep-16	29.2	38.6	21.0
China New Town Development Company Limited	18-Oct-16	18.6	20.5	27.0
China Auto Electronics Group Limited	24-Oct-16	23.1	50.9	65.0
Innovalues Limited	26-Oct-16	13.5	19.0	21.6
Super Group Ltd	03-Nov-16	62.5	60.5	62.5
ARA Asset Management Limited	08-Nov-16	26.2	29.6	30.3
Advanced Integrated Manufacturing Corp. Ltd.	24-Nov-16	22.8	20.7	20.7
Auric Pacific Group Limited	07-Feb-17	13.4	17.7	23.8
Global Premium Hotels Limited	23-Feb-17	14.1	18.1	21.7
Nobel Design Holdings Ltd	02-May-17	8.5	9.4	15.9
Changtian Plastic & Chemical Limited	29-May-17	45.3	46.6	48.2
China Flexible Packaging Holdings Limited	19-Jun-17	23.2	24.3	28.2
Croesus Retail Trust	28-Jun-17	24.5	26.2	32.1
Global Logistic Properties Limited	14-Jul-17	25.2	19.4	17.8
Fischer Tech Limited	27-Jul-17	31.3	46.9	63.6
CWT Limited	07-Sep-17	5.9	6.4	14.8
Poh Tiong Choon Logistics Limited	20-Sep-17	1.6	30.1	41.3
GP Batteries International Limited	22-Sep-17	62.5	62.9	62.7
Cogent Holdings Limited	03-Nov-17	5.2	6.2	12.7

Name of company	Premium of offer price over ⁽¹⁾ :			
	Announcement date	Closing price prior to announcement (%)	1 month VWAP prior to announcement (%)	3 month VWAP prior to announcement (%)
High (Overall)		62.5	69.2	98.4
Low (Overall)		1.6	6.2	10.7
Mean (Overall)		26.8	32.9	37.2
Median (Overall)		24.5	29.6	32.1
Company (implied by the Offer Price)		27.5	29.5	29.2

Source: Bloomberg L.P. and the companies' offer documents and circulars

Note:

(1) Market premium is calculated based on the share price on either the last trading day or unaffected day for the given periods, as defined in the respective circulars.

Based on the above, we note that:

- (i) The market price premium implied by the Offer Price, when compared against the closing Share price prior to announcement, is above the corresponding overall median and mean premia of the Precedent Takeovers;
- (ii) The market price premium implied by the Offer Price, when compared against the 1-month VWAP prior to announcement, is in-line with the corresponding overall median and mean premia of the Precedent Takeovers; and
- (iii) The market price premium implied by the Offer Price, when compared against the 3-month VWAP prior to announcement, is below the corresponding overall median and mean premia of the Precedent Takeovers.

7.7 Dividend track record of the Company

In assessing the Offer Price, we have considered the dividend track record of the Company and the dividend yield of the Shares implied by the Offer Price relative to alternative investments.

We note that the Company had, on 7 November 2016, announced that it has adopted a dividend policy which aims to provide Shareholders with a dividend pay-out of S\$0.01 per Share per annum. Accordingly, in respect of FY2016, the Company paid a final dividend of S\$0.01 per Share. Prior thereto, since its listing on the SGX-ST by way of a reverse take-over in 2014, the Company has not paid any dividend to Shareholders.

Notwithstanding the dividend policy, the quantum of dividend payment by the Company in any year will generally depend on various factors including but not limited to the financial performance of the Group, its working capital and cash flow requirements as well as other considerations.

We note that the Company's dividend of S\$0.01 per Share in respect of FY2016 translates to a dividend yield of 5.7% based on the last cum-dividend share price then and an implied dividend yield of 5.1% based on the Offer Price.

Investment in selected alternative investments

Shareholders who accept the Offer have the ability to re-invest the proceeds from the Offer in selected alternative equity investments including the equity of the Comparable Companies and broad market index instruments that replicate the FSSTI. In this regard, the dividend yields of the Comparable Companies of their last financial year and the FSSTI are set out in the table below.

Comparable Companies	Prevailing dividend yield (%)
Yanlord Land Group Limited	2.3
Perennial Real Estate Holdings Limited	0.5
First Sponsor Group Limited	1.5
Pan Hong Holdings Group Limited	8.9
Comparable Companies Mean	3.3
Comparable Companies Median	1.9
FSSTI	3.0

Source: Bloomberg L.P, the Company's annual reports and CIMB's analysis

On the surface of the above-mentioned analysis, it would appear that Shareholders who accept the Offer may not be able to achieve comparable or better dividend yields as they did on their Shares if they were to accept the Offer, assuming they re-invest their proceeds from the Offer in the shares of the Comparable Companies (save for Pan Hong Holdings Group Limited), or in market instruments that replicate the FSSTI. As mentioned above, there is no assurance that the Company or any of the above Comparable Companies will continue to pay dividends in the future or maintain the level of dividends paid in previous periods.

Shareholders should note that as at the Latest Practicable Date, the Offeror has already acquired statutory control over the Company which would entitle it to alter the Company's dividend policy going forward.

7.8 The Group's financial performance and financial position

7.8.1 Review of Performance

A summary of the financial performance of the Group between FY2014 and FY2016 and for 9M2016 and 9M2017 is set out below.

(RMB'000)	FY2014 (Audited)	FY2015 (Audited)	FY2016 (Audited)	9M2016 (Unaudited)	9M2017 (Unaudited)
Revenue	2,213,971	3,577,293	4,780,461	1,335,072	1,455,865
Profit attributable to owners of the Company	9,648	37,663	116,740	(107,466)	(63,720)
Net profit margin ⁽¹⁾ (%)	0.4%	1.1%	2.4%	(8.0%)	(4.4%)

A summary of the financial position of the Group as at 31 December 2014, 31 December 2015, 31 December 2016 and 30 September 2017 is set out below.

(RMB'000)	31 December 2014 (Audited)	31 December 2015 (Audited)	31 December 2016 (Audited)	30 September 2017 (Unaudited)
Total assets	10,145,193	11,156,026	15,317,269	20,869,133
Cash and cash equivalents	1,131,274	1,203,532	2,027,412	2,945,785
Total borrowings	3,903,066	4,219,861	8,123,950	9,245,668
NAV	486,473	515,207	630,088	536,100
Net gearing (times) ⁽²⁾	5.7	5.9	9.7	11.8
Return on equity ("ROE") ⁽³⁾	2.5%	7.5%	20.4%	n.m.

Source: The Company's filings

Notes:

"n.m." – Not meaningful

(1) Net profit margin is calculated as profit attributable to the owners of the Company divided by the revenue for the relevant financial year / period.

(2) Net gearing is defined as total borrowings less cash and cash equivalents divided by Shareholders' equity.

(3) ROE is calculated as the profit attributable to the owners of the Company divided by the average NAV for the period.

We wish to highlight that based on the Company's accounting policy, revenue and profits from sales of properties are recognised when the control and risk and rewards of the properties have been transferred to the buyer., i.e. when the legal title passes to the buyer or when the equitable interest in the property vests in the buyer upon signing of the property handover notice by the buyer, whichever is the earlier. Payments received from buyers prior to this stage are recorded as advances from customers for sale of properties and are classified as current liabilities.

Under this method of revenue recognition, the Group's revenue and profits from property development are reported according to when development projects are completed, rather than on a progressive basis during the development period. As such, the Group's reported financial performance may fluctuate significantly depending on the completion dates of its development projects.

Revenue

The Group's revenue increased by approximately 61.6% from RMB2.2 billion in FY2014 to RMB3.6 billion in FY2015, and by approximately 33.6% to RMB4.8 billion in FY2016. This translates to an overall increase of approximately 115.9% between FY2014 and FY2016. Revenue growth between FY2014 and FY2016 was largely attributable to the increase in the average selling prices and gross floor area of properties sold.

Compared to 9M2016, the Group's revenue in 9M2017 increased by approximately 9.0% from RMB1.3 billion to RMB1.5 billion. The revenue growth was largely attributable to the increase in the number of property units handed over.

Profit attributable to the owners of the Company and net profit margin

Profit attributable to owners of the Company improved by approximately RMB28.0 million from RMB9.6 million in FY2014 to RMB37.7 million in FY2015, and further improved by approximately RMB79.1 million to RMB116.7 million in FY2016. The Group's net profit margin improved steadily from 0.4% in FY2014 to 2.4% in FY2016.

Compared to 9M2016, the Group's financial performance in 9M2017 improved by approximately RMB43.7 million from a loss of RMB107.5 million to a loss of RMB63.7 million. This translates to net loss margins of 8.0% and 4.4% for 9M2016 and 9M2017 respectively.

NAV

The Group's NAV increased by approximately 10.2% from RMB486.5 million as at 31 December 2014 to RMB536.1 million as at 30 September 2017.

Net gearing

The Group's net gearing increased from 5.7 times as at 31 December 2014 to 11.8 times as at 30 September 2017.

ROE

The Group's ROE improved gradually from 2.5% in FY2014 to 7.5% in FY2015 and subsequently to 20.4% in FY2016.

7.8.2 Performance Update

Based on the Performance Update, the Group's NAV was expected to range from approximately RMB767 million to RMB848 million as at 31 December 2017.

We wish to draw the attention of Shareholders to the Performance Update, as reproduced below:

*"The Company expects the unaudited consolidated net asset value ("**NAV**")¹ of the Group as at 31 December 2017 to be approximately RMB767 million to RMB848 million. This expected increase in net asset value reflects the increase in fair value of the Group's investment properties and profits generated from the Group's development properties, mainly in China.*

This Performance Update constitutes only a preliminary assessment of the expected net asset value of the Group as at 31 December 2017 based on currently available information, and is subject to a number of risks and uncertainties that could cause actual events and/or results to differ materially from those disclosed in this Performance Update.

For the avoidance of doubt, this Performance Update does not form part of the unaudited financial statements of the Group for the fourth quarter and 12 months ended 31 December 2017, which will be announced by the Company no later than 14 February 2018, in accordance with the listing manual of the Singapore Exchange Securities Trading Limited.

In the meantime, shareholders and investors of the Company are advised to exercise caution when dealing in the Shares."

We wish to highlight that the Company is expected to release the unaudited financial statements of the Group for the twelve months ended 31 December 2017 no later than 14 February 2018. Shareholders are advised to read the above carefully and take note of such Company's results announcement as well as any further announcement(s) relevant to their consideration of the Offer which may be released after the Latest Practicable Date.

7.9 Other relevant considerations which have a bearing on our assessment

7.9.1 Control of the Company

As at the Latest Practicable Date, the Offeror and its Concert Parties owned, controlled or have agreed to acquire approximately 87.2% of the total number of issued Shares (excluding treasury shares). Accordingly, the Offeror has already secured statutory control of the Company which entitles it to pass all resolutions on matters in which the Offeror and its Concert Parties do not have an interest, at general meetings of Shareholders including resolutions on dividend payments by the Company.

7.9.2 No alternative offer

As at the Latest Practicable Date, there is no publicly available evidence of any alternative offer for the Shares.

As the Offeror and its Concert Parties already owned, controlled or have agreed to acquire approximately 87.2% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date, it is highly unlikely that there will be any competing offer for the Shares.

7.9.3 Offeror's rationale for the Offer and intentions

The Offeror has stated its view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in utilising and deploying the available resources of the Company and facilitating the implementation of any strategic initiatives and operational changes of the Group to achieve greater efficiency and competitiveness.

As stated in the Offer Document, the Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced.

7.9.4 Impact of change of control

According to the Offer Document, the Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced. While the Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Group which may present themselves, the Offeror presently has no intention to introduce any major changes to the existing businesses of the Group. The Management has confirmed to us that to the best of their knowledge, the change in the shareholding structure of the Company as a result of the Offer is not expected to have an immediate material impact on the Group's operations and/or contractual arrangements (including financing arrangements, licenses, contracts, leases, titles, etc).

7.9.5 Investment in the US Promissory Note issued by US Hospitality

On 13 January 2018, the Company announced that its direct wholly-owned subsidiary, Chiwayland Group (Singapore) Pte. Ltd ("**Chiwayland**"), had subscribed for the US Promissory Note issued by US Hospitality at a principal amount of US\$25 million.

The US Promissory Note has a maturity date of 10 years from the date of issuance (subject to certain rights of prepayment or acceleration), and bears interest at a rate of 10% per annum. All interest not paid when due shall compound and be added to the principal amount of the US Promissory Note. The proceeds from the issuance of the US Promissory Note shall only be used by US Hospitality for the acquisition of certain designated hotel properties.

We note that the US Promissory Note may be prepaid as follows:

- (i) At the option of Chiwayland, Chiwayland may request the prepayment at any time on or after the first (1st) anniversary of the issuance date of the US Promissory Note upon at least thirty (30) days prior written notice.

In this case, US Hospitality shall pay to Chiwayland the entire principal amount of the US Promissory Note plus accrued interest through the date of prepayment.

- (ii) At the option of US Hospitality, US Hospitality may request the prepayment at any time upon at least thirty (30) days prior written notice.

In this case, US Hospitality shall pay to Chiwayland the entire principal amount of the US Promissory Note plus accrued interest through the date of prepayment plus all required interest payments that would have otherwise accrued on all or any portion of the principal amount of the US Promissory Note being prepaid or otherwise becoming

due from the date of such prepayment or other determination through and including the maturity date (the “Applicable Payment Premium”).

- (iii) In the event of the closing of any sale of all or substantially all of the assets of US Hospitality or any merger or consolidation in which US Hospitality is not the surviving entity or if the guarantor is not the manager of US Hospitality or there is a change-in-control of the guarantor, the US Promissory Note may be prepaid.

In this case, US Hospitality shall pay to Chiwayland the entire principal amount of the US Promissory Note plus accrued interest through the date of prepayment plus the Applicable Payment Premium.

We wish to highlight that in the event that Chiwayland is entitled to the Applicable Payment Premium and accordingly all interest payments through the maturity date of the US Promissory Note are accelerated, Chiwayland may be able to achieve significant return on its investment in the US Promissory Note depending on the time the prepayment occurs.

Purely for illustrative purposes only, assuming that US Hospitality exercises its option to prepay the US Promissory Note on the first (1st) anniversary of its issuance, Chiwayland will be entitled to the payment of: (i) the entire principal amount of US\$25 million; (ii) the accrued interest from issuance date through the date of prepayment of US\$2.5 million; and (iii) the Applicable Payment Premium of US\$22.5 million, such payments translating into a significant return on investment of 100%.

7.9.6 Commitment, contingent liabilities and other obligations

We wish to highlight, based on information provided by the Management, the following commitment, contingent liabilities and obligations of the Group:

- (i) As at 31 December 2017, the Group had the following estimated capital commitment:

	As at 31 December 2017 (RMB' billion)
Development expenditures contracted but not provided for	2.4
Acquisition of land contracted but not provided for ⁽¹⁾	1.1

Note:

- (1) This includes the outstanding purchase consideration in respect of the Group's acquisition of the land parcel located at Yuhang District, Hangzhou City, Zhejiang Province, the PRC which was announced by the Company on 15 January 2018. The Company had announced that the Group intended to enter into a joint venture with a third party to jointly develop and manage this land parcel.
- (ii) As at 31 December 2017, the Group had estimated contingent liabilities not provided for in its management accounts amounting to approximately RMB2.8 billion which relate to outstanding financial guarantees which the Group had granted in favour of financial institutions. The Group arranged for mortgage loan facilities for certain purchasers of property units and granted financial guarantees for these mortgage loan facilities granted to the purchasers.

7.9.7 Trust financing arrangements

We note from the circular issued by R H Energy Ltd dated 10 June 2014 in relation to the Company's reverse take-over (the "**RTO Circular**") and the Company's past annual reports and results announcements that trust financing arrangements in the PRC is a source of financing for the Group. Over time, trust financing arrangements have become more complex and the corresponding regulatory framework is evolving. In particular, we note from various media reports and statements by China Banking Regulatory Commission that the PRC government has been taking steps to increase risk management and supervision on trust financing. We understand from the Company and the RTO Circular that changes to the regulatory framework governing the trust financing industry may affect the Group's ability to continue to raise funds through such arrangements and this in turn may have an unfavourable impact on the Group's operations, prospects and financial performance.

7.9.8 No establishment of any REIT

On 2 November 2016, the Company announced that Shanghai Ruize had approximately RMB500 million of assets under management over 7 different funds invested with the Group's projects and that the Group intended to set up private REITs to hold properties in different real estate asset classes in markets where the Group had been mandated to operate in, with a view of listing the REITs when appropriate. The Company also announced that the Group was then planning to establish its first REIT to hold education-related assets with a track record of building education campuses and international schools in the PRC.

The Management has confirmed to us that the above plans are still preliminary as at the Latest Practicable Date and there has not been any further development in respect of the above and as at the Latest Practicable Date, the Group has not established any REIT as yet.

7.9.9 Offeror's intentions regarding compulsory acquisition and listing status

The full text of the Offeror's intentions regarding compulsory acquisition and listing status has been extracted from the Offer Document and is set out in italics below. Shareholders are advised to read the extract below carefully.

9.1 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**") at a price equal to the Offer Price (the "**Compulsory Acquisition**").

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations and their respective nominees, comprise 90% or more of the total number of issued Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

9.2 Listing Status. Pursuant to Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding Shares held in treasury) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted."

We would highlight that in the event that the trading of Shares on the SGX-ST is suspended or the Shares are delisted, Shareholders who do not accept the Offer will have limited options to sell their Shares due to the absence of a public market for the Shares. Shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies due to the lack of marketability. In addition, shareholders of unlisted companies do not benefit from the more stringent corporate governance standards required of publicly listed companies, an example of which is the presence of independent directors on the board whose duties include the safeguarding of minority shareholders' interests.

7.9.10 Restrictions following the Offer

As the Minimum Acceptance Condition has been satisfied, under Rule 33.2 of the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with the Offeror may, within 6 months of the close of the Offer, make a second offer to or acquire any Share from any Shareholder on terms better than those made available under the Offer.

8. SUMMARY OF OUR ANALYSIS

In arriving at our advice to the Independent Directors on the Offer, we have considered, *inter alia*, the following factors which should be read in the context of the full text of this letter:

- (i) Prior to the Last Trading Day, the Shares last closed above the Offer Price on 21 April 2015;
- (ii) Between the Last Trading Day and the Latest Practicable Date, the closing price of the Shares had generally trended upwards but has not closed above the Offer Price;
- (iii) The Offer Price is equivalent to the highest transacted price of the Shares in the 1-year period prior to the Offer Announcement;
- (iv) The Offer Price represents a premium of between 10.3% to 30.8% over the various VWAPs in the various historical periods prior to the Offer Announcement;
- (v) Over the last three years, the ADTV of the Shares have generally declined. The ADTV of the Shares was 1,188,479 shares in the 3-year period prior to the Offer Announcement and had decreased to 110,330 shares in the more recent 1-month period prior to the Offer Announcement, representing a decline from approximately 1.02% to 0.07% of the Company's free float;
- (vi) Over the 3-year period prior to the Offer Announcement, trading in the Shares occurred on approximately 87.5% of all market days in that period, while over the more recent 1-year period prior to the Offer Announcement, trading in the Shares occurred on approximately 86.1% of all market days in that period;
- (vii) After the Last Trading Day and up to the Latest Practicable Date, based on publicly available information, the Offeror had acquired a total of 3,077,400 Shares at S\$0.195 for each Share. This represented approximately 9.9% of the total trading volume of the Shares during that period.
- (viii) The Shares had generally underperformed the FSSTI over the last three years;
- (ix) The Share price after the Last Trading Day is likely to be supported by the Offer;

- (x) The Offer Price represents a discount of approximately 18.1% to 25.9% to the estimated NAV per Share of S\$0.238 to S\$0.263 as at 31 December 2017;
- (xi) The Offer Price represents a discount of approximately 56.2% to 58.5% to the RNAV per Share of S\$0.445 to S\$0.470 as at 31 December 2017;
- (xii) At 0.74x to 0.82x, the P/NAV multiple implied by the Offer Price is lower than the average historical P/NAV multiple of the Shares for the 1-year and 3-year periods up to the Last Trading Day;
- (xiii) The P/NAV multiple implied by the Offer Price is above the corresponding median and mean multiples of the Comparable Companies;
- (xiv) The P/RNAV multiple implied by the Offer Price is slightly below the corresponding median and mean multiples of the Comparable Companies;
- (xv) The P/E multiple implied by the Offer Price is below the range of P/E multiples of the Comparable Companies;
- (xvi) The P/NAV multiple implied by the Offer Price is below the corresponding median and mean multiples of the Precedent Transactions;
- (xvii) The P/RNAV multiple implied by the Offer Price is below the corresponding median and mean multiples of the Precedent Transactions;
- (xviii) The P/E multiple implied by the Offer Price is significantly below the corresponding median and mean multiples of the Precedent Transactions;
- (xix) The market price premium implied by the Offer Price, when compared against the closing Share price, is above the corresponding overall median and mean premia of the Precedent Takeovers;
- (xx) The market price premium implied by the Offer Price, when compared against the 1-month VWAP prior to announcement, is in-line with the corresponding overall median and mean premia of the Precedent Takeovers;
- (xxi) The market price premium implied by the Offer Price, when compared against 3-month VWAP prior to announcement, is below the corresponding overall median and mean premia of the Precedent Takeovers;
- (xxii) The Company's dividend yield as implied by the Offer Price is higher than almost all of the Comparable Companies and the FSSTI;
- (xxiii) The Offeror and its Concert Parties already owned, controlled or have agreed to acquire approximately 87.2% of the total number of issued Shares (excluding treasury shares) as at the Latest Practicable Date and have already secured statutory control of the Company which entitles it to pass all resolutions on matters in which the Offeror and its concert parties do not have an interest at general meetings of Shareholders including resolutions on dividend payments by the Company;
- (xxiv) There is no publicly available evidence of any alternative offer for the Shares and it is highly unlikely that there will be any competing offer for the Shares;

- (xxv) The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company and in the event that the trading of Shares on the SGX-ST is suspended, the Offeror has no intention to undertake or support any action for any such trading suspension to be lifted; and
- (xxvi) The Offeror intends to undertake a review of the business of the Group following the close of the Offer with a view to identifying areas in which the strategic direction and operations of the Group can be enhanced.

Based upon, and having considered, *inter alia*, the factors described above and the information that has been made available to us as at the Latest Practicable Date, we are of the opinion that as of the Latest Practicable Date, the Offer Price is NOT FAIR BUT REASONABLE under current prevailing market, economic, industry, monetary and other relevant conditions. Accordingly, we advise the Independent Directors to recommend that Shareholders ACCEPT THE OFFER or sell their Shares in the open market if they can receive a price higher than the Offer Price (after netting off the related transaction expenses).

In rendering the advice above, we have not had regard to the specific investment objective, financial situation, tax position or particular need and constraint of any individual Shareholder. As each Shareholder would have different investment objective and profile, we would advise that any individual Shareholder who may require specific advice in relation to his investment objective or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. Shareholders should note that the opinion and advice of CIMB should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Yours faithfully
For and on behalf of
CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

TAN CHER TING
DIRECTOR
INVESTMENT BANKING, SINGAPORE

ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Designation
Mr. Qian Jianrong	c/o 6 Eu Tong Sen Street #04-08 The Central Singapore 059817	Executive Chairman and Chief Executive Officer
Mr. Tian Honglei	c/o 6 Eu Tong Sen Street #04-08 The Central Singapore 059817	Executive Director
Mr. Chua Hwee Song	c/o 6 Eu Tong Sen Street #04-08 The Central Singapore 059817	Non-Independent Non-Executive Director
Mr. Thio Shen Yi	c/o 6 Eu Tong Sen Street #04-08 The Central Singapore 059817	Lead Independent Director
Mr. Kwok Wei Woon	c/o 6 Eu Tong Sen Street #04-08 The Central Singapore 059817	Independent Director
Mr. Lai Huen Poh	c/o 6 Eu Tong Sen Street #04-08 The Central Singapore 059817	Independent Director

2. DESCRIPTION OF THE COMPANY

The Company was incorporated in Singapore on 18 July 2006, and was listed on the Main Board of the SGX-ST in 2014 via a reverse takeover exercise.

The principal activity of the Company is investment holding. The key business of the Group is real estate investment and development, and fund and asset management in Singapore, Australia, the United States of America and the PRC.

3. SHARE CAPITAL

3.1 Issued Share Capital

The issued and paid-up share capital of the Company as at the Latest Practicable Date is S\$430,402,210.78, comprising 662,038,606 Shares (excluding 4,812,400 treasury shares).

3.2 Capital, Dividends and Voting Rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. An extract of the relevant provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting has been reproduced in Appendix X to this Circular. The Constitution is available for inspection at the registered address of the company secretary of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

3.3 Number of Shares Issued since the End of the Last Financial Year

As at the Latest Practicable Date, the Company has not issued any new Shares since the end of FY2016, being the last financial year of the Company.

3.4 Options and Convertible Instruments

As at the Latest Practicable Date, the Company has not issued any outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares and securities which carry voting rights affecting Shares.

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

As at the Latest Practicable Date, the Company does not have any direct or deemed interests in any Offeror Securities.

4.2 Dealings in Offeror Securities by the Company

As at the Latest Practicable Date, the Company has not dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3 Interests of the Directors in Offeror Securities

Save as disclosed below, none of the Directors has any direct or deemed interests in any Offeror Securities as at the Latest Practicable Date.

Name	Deemed Interest	
	No. of Offeror Shares	% ⁽¹⁾
Mr. Qian Jianrong	46,500	93% ⁽²⁾

Notes:

- (1) Based on the total number of issued Offeror Shares, being 50,000 Offeror Shares, as at the Offer Document LPD, as set out in the Offer Document.
- (2) Mr. Qian Jianrong owns 86% of the equity interest in Sinway, and is therefore deemed to be interested in the 46,500 Offeror Shares which are held by Sinway. Based on publicly available information, the other shareholders of Sinway are Mr. Mao En (7.5%), Mr. Gong Ming (4.3%), and Mr. Tian Honglei (2.2%).

4.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in any Offeror Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.5 Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any direct or deemed interest in any Company Securities as at the Latest Practicable Date:

Name	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Mr. Qian Jianrong	–	–	577,322,549 ⁽²⁾	87.20%
Mr. Chua Hwee Song	–	–	300,000 ⁽³⁾	0.045%

Notes:

- (1) Based on the total number of issued Shares, being 662,038,606 Shares (excluding 4,812,400 treasury shares), as at the Latest Practicable Date.
- (2) Based on the Offer Unconditional Announcement, the Offer was declared to be unconditional in all respects on the Offer Unconditional Date. On 26 January 2018, RHT Capital announced, for and on behalf of the Offeror, that as at 5.00 p.m. (Singapore time) on the Latest Practicable Date, the Offeror and its Concert Parties owned, controlled or have agreed to acquire (including by way of valid acceptances of the Offer) an aggregate of 577,322,549 Shares, representing approximately 87.20% of the total number of issued Shares (excluding treasury shares). Mr. Qian Jianrong owns 86% of the equity interest in Sinway, which owns 93% of the equity interest in the Offeror. Accordingly, Mr. Qian is deemed to be interested in the 577,322,549 Shares which are owned or controlled by the Offeror as at the Latest Practicable Date.
- (3) Mr. Chua Hwee Song is deemed interested in 150,000 Shares held by Philip Securities Pte. Ltd. as nominee and another 150,000 Shares held by CIMB Securities (Singapore) Pte Ltd as nominee.

4.6 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in any Company Securities during the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.7 Company Securities owned or controlled by CIMB

As at the Latest Practicable Date, save as disclosed below, none of CIMB or any funds whose investments are managed by CIMB on a discretionary basis owns or controls any Company Securities.

Name	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
CIMB Securities	80	n.m. ⁽²⁾	–	–

Notes:

- (1) Based on the total number of issued Shares, being 662,038,606 Shares (excluding 4,812,400 treasury shares), as at the Latest Practicable Date.
- (2) "n.m." means not meaningful.

4.8 Dealings in Company Securities by CIMB

During the period commencing three (3) months prior to the Offer Announcement Date and ending on the Latest Practicable Date, save as disclosed below, none of CIMB or any funds whose investments are managed by CIMB on a discretionary basis has dealt for value in the Company Securities.

Name	Date	No. of Shares Bought	No. of Shares Sold	Transaction Price Per Share (S\$)
CIMB Securities	28 September 2017	–	200	0.149
CIMB Securities	2 October 2017	–	1	0.136
CIMB Securities	5 October 2017	99	–	0.139 – 0.141
CIMB Securities	12 October 2017	99	–	0.141 – 0.145
CIMB Securities	13 October 2017	2	–	0.145
CIMB Securities	16 October 2017	66	–	0.149
CIMB Securities	24 October 2017	33	–	0.149
CIMB Securities	1 November 2017	–	200	0.156
CIMB Securities	2 November 2017	66	–	0.149
CIMB Securities	21 November 2017	33	–	0.145
CIMB Securities	27 November 2017	–	200	0.149
CIMB Securities	29 November 2017	66	–	0.140
CIMB Securities	1 December 2017	66	–	0.145
CIMB Securities	12 December 2017	33	–	0.145
CIMB Securities	15 December 2017	2	–	0.145
CIMB Securities	19 December 2017	69	–	0.140
CIMB Securities	21 December 2017	–	300	0.155
CIMB Securities	28 December 2017	66	–	0.145

4.9 Intentions of the Directors in respect of their Shares

As at the Latest Practicable Date, Mr. Chua Hwee Song has informed the Company that he intends to accept the Offer in respect of all the Shares held by him.

5. OTHER DISCLOSURES

5.1 Directors' Service Contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

5.2 Arrangements affecting Directors

Save as disclosed in Sections 5 and 6 of this Circular, as at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period beginning three (3) years before the Offer Announcement Date.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, save as disclosed in publicly available information on the Group, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Group, taken as a whole.

8. FINANCIAL INFORMATION

8.1 Consolidated Income Statements

Certain financial information extracted from the audited consolidated income statements of the Group for the last three (3) financial years (FY2016, FY2015 and FY2014) and the unaudited consolidated financial statements of the Group for 9M2017 are summarised below. The summary set out below should be read together with the annual reports, the audited consolidated income statements of the Group for the relevant financial periods, the 9M2017 Results and their respective accompanying notes.

	Unaudited 9M2017	Audited FY2016	Audited FY2015	Audited FY2014
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue	1,455,865	4,780,461	3,577,293	2,213,971
Cost of sales	(1,197,071)	(3,863,012)	(3,279,475)	(2,029,260)
Gross profit	258,794	917,449	297,818	184,711
Other income	21,847	5,992	94,990	221,880
Selling and distribution expenses	(117,633)	(134,422)	(76,320)	(64,545)
Administrative expenses	(133,857)	(140,676)	(98,252)	(83,446)
Other expenses	(1,941)	(22,085)	(12,299)	(108,267)
Results from operating activities	27,210	626,258	205,937	150,333
Net finance costs	(74,595)	(55,345)	(41,387)	(16,085)
Share of results of joint ventures and associates, net of tax	(4,110)	328	(1,348)	(9,570)
(Loss)/Profit before tax from continuing operations	(51,495)	571,241	163,202	124,678
Tax expense	(28,547)	(300,694)	(91,940)	(75,182)
(Loss)/Profit from continuing operations	(80,042)	270,547	71,262	49,496
Discontinued operations				
Loss from discontinued operations, net of tax	-	-	-	(1,681)
(Loss)/Profit for the period/year	(80,042)	270,547	71,262	47,815
(Loss)/Profit attributable to:				
Owners of the Company	(63,720)	116,740	37,663	9,648
Non-controlling interests	(16,322)	153,807	33,599	38,167
(Loss)/Profit for the period/year	(80,042)	270,547	71,262	47,815
Earnings per share				
Basic and diluted earnings per share (RMB cents)	(12.18)	14.23	3.53	1.06
(Loss)/Profit for the period/year	(80,042)	270,547	71,262	47,815
Other comprehensive income/(loss)				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation differences on foreign operations/Other comprehensive income/(loss) for the year, net of tax	8,595	11,723	(2,998)	(114,929)
Total comprehensive (loss)/income for the period/year	(71,447)	282,270	68,264	(67,114)
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(55,181)	128,464	34,665	(105,281)
Non-controlling interests	(16,266)	153,806	33,599	38,167
Total comprehensive (loss)/income for the period/year	(71,447)	282,270	68,264	(67,114)

A summary of the net dividend per Share declared in respect of each of 9M2017, FY2016, FY2015 and FY2014 is set out below.

	9M2017	FY2016	FY2015	FY2014
Net dividend (\$\$)	–	0.01	–	–

8.2 Consolidated Statements of Financial Position

The audited consolidated statement of financial position of the Group as at 31 December 2016 and the unaudited consolidated statement of financial position of the Group as at 31 December 2017 are summarised below. The summary set out below should be read together with the annual report of the Group for FY2016, the 9M2017 Results and their respective accompanying notes.

	Unaudited as at 9M2017	Audited as at FY2016
	RMB'000	RMB'000
Assets		
Non-current Assets		
Property, plant and equipment	5,523	4,822
Investment properties	1,309,116	1,190,200
Subsidiaries	–	–
Joint ventures	296,898	98,813
Associates	5,524	4,438
Deferred tax assets	143,613	121,358
Other receivables	167,980	176,928
Total Non-current assets	1,928,654	1,596,559
Current assets		
Development properties	12,896,090	7,698,063
Contract work-in-progress	339,431	397,888
Financial assets	59,010	55,000
Trade receivables, other receivables and advance payments	2,640,163	3,542,347
Cash and cash equivalents	2,945,785	2,027,412
Total current assets	18,940,479	13,720,710
Total assets	20,869,133	15,317,269
Equity		
Equity attributable to owners of the Company		
Share capital	298,577	298,577
Reserves	237,523	331,511
	536,100	630,088
Other equity instruments	214,695	214,695
Non-controlling interests	451,236	642,623
Total equity	1,202,031	1,487,406
Liabilities		
Non-current liabilities		
Loans and borrowings	4,807,531	5,622,556
Deferred tax liabilities	117,620	115,873
Total non-current liabilities	4,925,151	5,738,429
Current liabilities		
Loans and borrowings	4,438,137	2,501,394
Trade payables, other payables and advance receipts	9,811,057	4,902,055
Advance receipts from government	442,499	439,853
Tax payable	50,258	248,132
Total current liabilities	14,741,951	8,091,434
Total liabilities	19,667,102	13,829,863
Total equity and liabilities	20,869,133	15,317,269

8.3 Performance Update of the Group

On 26 January 2018, the Company announced a performance update relating to the expected unaudited consolidated net asset value of the Group as at 31 December 2017 (the "**Performance Update**"). The Performance Update is set out in Appendix III of this Circular.

The KPMG Performance Update Report is set out in Appendix IV of this Circular, and the CIMB Performance Update Letter is set out in Appendix V of this Circular.

8.4 Significant Accounting Policies

A summary of the significant accounting policies of the Group is set out in the notes to the audited consolidated financial statements of the Group for FY2016. A copy of the above is available for inspection at the registered address of the company secretary of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807, during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed in this Circular and in publicly available information on the Group, there are no significant accounting policies or any matters from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group.

8.5 Changes in Accounting Policies

Save as disclosed in this Circular and in publicly available information on the Group, as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

Copies of the annual reports of the Company for FY2016, FY2015 and FY2014 and the 9M2017 Results are available on the SGX-ST website at www.sgx.com or for inspection at the registered address of the company secretary of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807 during normal business hours for the period during which the Offer remains open for acceptance.

8.6 Material Changes in Financial Position

Save as disclosed in publicly available information on the Group (including but not limited to the Company's announcements on the 9M2017 Results and the Performance Update), as at the Latest Practicable Date, there has been no known material change in the financial position of the Group since 31 December 2016, being the date of the Company's last published audited consolidated financial statements.

8.7 Material Change in Information

Save as disclosed in this Circular and save for the information relating to the Group and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

8.8 Statements of Prospects

The following statements set out in italics below (collectively, the “**Statements of Prospects**”) have been extracted from the unaudited financial statements of the Company for the second quarter and half year ended 30 June 2017 (“**2Q2017 Results**”), as released by the Company on 7 August 2017, and the press release dated 7 August 2017 in respect of the 2Q2017 Results, respectively:

- *“Barring unforeseen circumstances, the Group expects to be profitable for FY2017.”*
- *“Looking ahead, we remain positive about our financial performance for the year and expects to be profitable for FY2017, barring unforeseen circumstances.”*

Shareholders should note that the bases and assumptions for the Statements of Prospects are set out in Appendix VI to this Circular. KPMG has issued its report and CIMB has issued its letter in relation to the Statements of Prospects, as set out in Appendices VII and VIII to this Circular, respectively. Shareholders are urged to read Appendices VI, VII and VIII to this Circular carefully.

8.9 Valuation of the Properties

The Company has commissioned independent valuations of the Properties. A copy of the Valuation Certificate and extracts of the Valuation Reports (which include the basis of the valuation) are set out in Appendix IX to this Circular. The Valuation Certificate and Valuation Reports are available for inspection at the registered address of the company secretary of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the Properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation. Based on the Valuation Certificate and the Valuation Reports, as well as information provided by the management of the Company, the potential tax liabilities that may be incurred by the Company on the hypothetical disposal of the Properties on an “as is” basis are estimated to be approximately S\$200.5 million. However, certain taxes payable in respect of the Properties located in the PRC (such as the land appreciation tax) are difficult to assess accurately due to their complexity, and may vary depending on the regulations imposed by the relevant local tax authorities. Accordingly, the exact amount of tax payable upon the disposal of such Properties will be subject to formal tax advice issued by the relevant tax authorities at the time of disposal.

The Company expects the aforesaid tax liabilities to crystallise as and when the Group disposes of its interests in the Properties, or when the Properties are developed and sold.

9. GENERAL

9.1 Costs and Expenses

All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.

9.2 Consent of CIMB

CIMB has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its advice to the Independent Directors set out in Section 10.3 of this Circular, the IFA Letter set out in Appendix I to this Circular, the CIMB Performance Update Letter set out in Appendix V to this Circular, the CIMB Statements of Prospects Letter set out in Appendix VIII to this Circular and all references thereto, in the form and context in which they appear in this Circular.

9.3 Consent of KPMG

KPMG has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the KPMG Performance Update Report set out in Appendix IV to this Circular, the KPMG Statements of Prospects Report set out in Appendix VII to this Circular and all references thereto, in the form and context in which they appear in this Circular.

9.4 Consent of the Valuers

Colliers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the extracts of its Valuation Report set out in Appendix IX to this Circular and all references thereto, in the form and context in which they appear in this Circular.

Savills has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the extracts of its Valuation Reports set out in Appendix IX to this Circular and all references thereto, in the form and context in which they appear in this Circular.

Urbis has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, its Valuation Certificate set out in Appendix IX to this Circular and all references thereto, in the form and context in which they appear in this Circular.

Property Sciences has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the extracts of its Valuation Report set out in Appendix IX to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered address of the company secretary of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2016, FY2015 and FY2014;
- (c) the 9M2017 Results;
- (d) the Performance Update, the KPMG Performance Update Report and the CIMB Performance Update Letter;
- (e) the Statements of Prospects, the KPMG Statements of Prospects Report and the CIMB Statements of Prospects Letter;
- (f) the IFA Letter;
- (g) the Valuation Certificate and the Valuation Reports; and
- (h) the letters of consent referred to in paragraphs 9.2, 9.3 and 9.4 of Appendix II to this Circular.

PERFORMANCE UPDATE

CWG INTERNATIONAL LTD.
 (formerly known as Chiwayland International Limited)
 (Incorporated in the Republic of Singapore)
 Company Registration No. 200610437K

PERFORMANCE UPDATE OF CWG INTERNATIONAL LTD. AND ITS SUBSIDIARIES

1. INTRODUCTION

The board of directors (the "**Board**") of CWG International Ltd. (the "**Company**") refers to the announcements released on 18 January 2018 and 28 December 2017 by RHT Capital Pte. Ltd., for and on behalf of Elidom Investment Co., Ltd (the "**Offeror**"), in connection with the voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares (the "**Shares**") in the capital of the Company, other than those already held by the Company as treasury shares and those already held by the Offeror as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**").

The Board wishes to issue this performance update (the "**Performance Update**") of the Company and its subsidiaries (collectively, the "**Group**") in connection with the Offer.

2. PERFORMANCE UPDATE

The Company expects the unaudited consolidated net asset value ("**NAV**")¹ of the Group as at 31 December 2017 to be approximately RMB 767 million to RMB 848 million. This expected increase in net asset value reflects the increase in fair value of the Group's investment properties and profits generated from the Group's development properties, mainly in China.

This Performance Update constitutes only a preliminary assessment of the expected net asset value of the Group as at 31 December 2017 based on currently available information, and is subject to a number of risks and uncertainties that could cause actual events and/or results to differ materially from those disclosed in this Performance Update.

For the avoidance of doubt, this Performance Update does not form part of the unaudited financial statements of the Group for the fourth quarter and 12 months ended 31 December 2017, which will be announced by the Company no later than 14 February 2018, in accordance with the listing manual of the Singapore Exchange Securities Trading Limited.

In the meantime, shareholders and investors of the Company are advised to exercise caution when dealing in the Shares.

3. SINGAPORE CODE ON TAKE-OVERS AND MERGERS

This Performance Update has been reported on in accordance with the Code. The independent auditor's report dated 26 January 2018 (the "**KPMG Performance Update Report**") issued by KPMG LLP (the auditors of the Company) ("**KPMG**") in relation to this Performance Update and the letter dated 26 January 2018 (the "**CIMB Performance Update Letter**") issued by CIMB Bank Berhad, Singapore Branch (the independent financial adviser appointed by the directors

¹ NAV represents equity attributable to owners of the Company and excludes "other equity instruments", which comprises perpetual capital securities issued by the Company which have been redeemed and redeemable perpetual preference shares issued by a wholly-owned subsidiary of the Company.

of the Company who are considered independent for the purposes of the Offer) ("**CIMB**") in relation to this Performance Update are attached to this Announcement.

KPMG has given and has not withdrawn its consent to the release of this Announcement with the inclusion of its name and the KPMG Performance Update Report in this Announcement.

CIMB has given and has not withdrawn its consent to the release of this Announcement with the inclusion of its name and the CIMB Performance Update Letter in this Announcement.

4. RESPONSIBILITY STATEMENT

The directors of the Company (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Offeror, the sole responsibility of the directors of the Company has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

The directors of the Company jointly and severally accept full responsibility accordingly.

**BY THE ORDER OF THE BOARD OF
CWG INTERNATIONAL LTD.**

Thio Shen Yi
Lead Independent Director
26 January 2018

REPORT FROM KPMG ON THE PERFORMANCE UPDATE



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Independent assurance report

Board of Directors
CWG International Ltd.

We were engaged by the Board of Directors of CWG International Ltd. (the “Company”) to report on the performance update of CWG International Ltd. and its subsidiaries (collectively the “Group”) issued by the Directors of the Company (the “Performance Update Statement”) on the Singapore Exchange Securities Trading Limited on 26 January 2018, about whether the Company has prepared the Performance Update Statement in accordance with the bases and assumptions as set out in the Performance Update Statement (the “bases and assumptions”) and that the basis of accounting used is consistent with the accounting policies of the Group as described in the notes to the financial statements of the Group for the year ended 31 December 2016 (the “accounting policies”).

The Performance Update Statement is prepared in connection with the voluntary conditional cash offer by Elidom Investment Co., Ltd (the “Offeror”) for all the issued and paid-up ordinary shares in the capital of the Company other than those already held by the Company as treasury shares and those already held by the Offeror as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers as announced on 28 December 2017.

Management's responsibilities

Management is responsible for the preparation of the Performance Update Statement in accordance with the bases and assumptions and the use of a basis of accounting that is consistent with the accounting policies. In preparing the Performance Update Statement, management is responsible for ensuring the accuracy and appropriateness of unaudited financial information used in the preparation of the Performance Update Statement, and the appropriateness of the bases, assumptions and accounting policies used in the preparation and presentation of the Performance Update Statement.

Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.



Auditors' responsibility

Our responsibility is to examine the Performance Update Statement and to report thereon in the form of an independent assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with Singapore Standard on Assurance Engagements 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Company has prepared the Performance Update Statement in accordance with the bases and assumptions and the accounting policies, in all material respects, as the basis for our assurance conclusion.

Our work includes carrying out inquiries with officers primarily responsible for financial reporting and accounting matters. Our work also includes tracing the amounts on the schedule prepared by the officers primarily responsible for financial reporting and accounting matters of the Group to the underlying accounting records. In this connection, we have also considered the system of internal control in relation to the preparation of the Performance Update Statement and reliance has been placed on such internal controls, where appropriate.

We have not performed any procedures regarding the bases and assumptions and accordingly do not report on the reasonableness of the bases and assumptions or on the possibility of achievement of the Performance Update Statement.

Actual results are likely to be different from the Performance Update Statement since anticipated events frequently do not occur as expected and the variation may be material. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our work as described in this report and evidence obtained, nothing has come to our attention that causes us to believe that, the Performance Update Statement is not prepared, in all material respects, in accordance with the bases and assumptions and that the basis of accounting used is not consistent with the accounting policies.



Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on those matters in the first paragraph of this report and for no other purpose. Our report is included in the Company's circular to shareholders in relation to the voluntary conditional cash offer. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions in this report.

KPMG LLP

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
26 January 2018

LETTER FROM CIMB ON THE PERFORMANCE UPDATE



26 January 2018

The Board of Directors

CWG International Ltd.

6 Eu Tong Sen Street
#04-08 The Central
Singapore 059817

Dear Sirs

VOLUNTARY CONDITIONAL CASH OFFER FOR CWG INTERNATIONAL LTD

1. On 28 December 2017, RHT Capital Pte. Ltd. ("**RHT Capital**") announced, for and on behalf of Elidom Investment Co., Ltd. (the "**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares in the capital of CWG International Ltd (the "**Company**") and together with its subsidiaries, the "**Group**") other than those already held by the Company as treasury shares and those already held by the Offeror as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**").

On 22 January 2018, RHT Capital announced, for and on behalf of the Offeror, that the Offer had become and was declared unconditional in all respects.

On 26 January 2018, the Company announced a performance update relating to the expected unaudited consolidated net asset value of the Group as at 31 December 2017 (the "**Performance Update**"). The Performance Update is solely the responsibility of the directors of the Company (the "**Directors**").

2. We have reviewed and held discussions with the Directors and the management of the Company on the Performance Update.
3. We have also considered the letter issued by KPMG LLP dated 26 January 2018 and addressed to the Directors relating to their examination of the Performance Update and the accounting policies, bases and assumptions upon which the Performance Update was prepared.
4. Based on the above, we are of the opinion that the Performance Update (for which the Directors of the Company are solely responsible) has been made by the Directors after due and careful enquiry.
5. For the purpose of rendering our opinion in this letter, we have relied upon and assumed the accuracy and completeness of all financial and other information provided to, or discussed with us. Save as provided in this letter, we do not express any other opinion on the Performance Update.
6. This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Code and not for any other purpose. We do not accept any responsibility to any person (other than the Directors of the Company) in respect of, arising out of, or in connection with this letter.

Yours faithfully

For and on behalf of

CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

TAN CHER TING
DIRECTOR
INVESTMENT BANKING, SINGAPORE

CIMB Bank Berhad (13491-F)

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CIMB-U4001/11

STATEMENTS OF PROSPECTS

1. STATEMENTS OF PROSPECTS

The following Statements of Prospects set out in italics below have been extracted from the 2Q2017 Results released by the Company on 7 August 2017, and the press release dated 7 August 2017 in respect of the 2Q2017 Results, respectively:

- *“Barring unforeseen circumstances, the Group expects to be profitable for FY2017.”*
- *“Looking ahead, we remain positive about our financial performance for the year and expects to be profitable for FY2017, barring unforeseen circumstances.”*

The Statements of Prospects were not made in connection with the Offer.

The Directors have not issued a profit forecast for the Group for the financial period ended 31 December 2017 in connection with the Offer. Accordingly, the Statements of Prospects should not be regarded as a forecast of the Group.

2. ASSUMPTIONS

The Statements of Prospects referred to above, for which the Directors are solely responsible, were arrived at on bases consistent with the accounting policies adopted by the Group as set out in the audited consolidated financial statements of the Group for FY2016, and were made based on the following assumptions:

- (a) there will be no material changes in existing political, economic, legal or regulatory conditions affecting the activities of the Group, the industry, and the countries in which the Group operates;
- (b) there will be no material changes in the principal activities, management and organisational structure of the Group;
- (c) there will be no material changes in the accounting policies of the Group;
- (d) there will be no material changes in applicable accounting standards, which may adversely affect the results of the Group;
- (e) there will be no material changes to the then prevailing occupancy and rental rates of the Group’s investment properties, and there will be no payment defaults and/or no premature termination of existing tenancy agreements;
- (f) there will be no material adverse changes to the fair values of the Group’s investment properties;
- (g) there will be no material acquisitions or disposals of assets by the Group, save for those carried out in the ordinary course of business;
- (h) there will be no material changes in the relationships the Group has with its major clients, customers and suppliers which may affect the Group’s development activities;

- (i) there will be no material adverse changes in the costs of suppliers and sub-contractors, labour costs and other construction related costs from those then prevailing. It is assumed that there will be no material adverse impact to the Group's construction projects arising from changes in the construction cost structure and/or construction schedules;
- (j) there will be no material changes to the tax legislation, bases or rates of taxation, provident fund contributions, government levies and interest rate from those then prevailing;
- (k) there will be no material impairment to the carrying values of the Group's assets including property, plant and equipment;
- (l) there will be no material changes in the competitive environment in which the Group operates;
- (m) there will be no material changes in the existing employment benefits of the Group;
- (n) there will be no material exceptional item or exceptional expense item;
- (o) there will be no exceptional circumstances that would require material provisions to be made by the Group in respect of any contingent liability or arbitration threatened or otherwise, abnormal bad debts or unexpected termination of contracts;
- (p) there will be no material changes in inflation rates;
- (q) there will be no material changes in the prevailing foreign currency exchange rates that will adversely impact the Group; and
- (r) there will be no material unexpected delays affecting the progress of existing projects.

REPORT FROM KPMG ON THE STATEMENTS OF PROSPECTS



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Independent assurance report

Board of Directors
CWG International Ltd.

On 7 August 2017, CWG International (the Company) and its subsidiaries (collectively the "Group") announced the unaudited financial information for the quarter ended 30 June 2017 ("Q2 2017 results") on the Singapore Exchange Securities Trading Limited. Management had included the following statements in the Q2 2017 results and the related press release dated 7 August 2017 ("Statements of Prospects"):

"Barring unforeseen circumstances, the Group expects to be profitable for FY2017.

Looking ahead, we remain positive about our financial performance for the year and expects to be profitable for FY2017, barring unforeseen circumstances."

The Statements of Prospects will be included in the Company's circular to shareholders (Circular) in relation to the voluntary conditional cash offer by Elidom Investment Co., Ltd (the Offeror) for all the issued and paid-up ordinary shares in the capital of the Company, other than those already held by the Company as treasury shares and those already held by the Offeror as at the date of the Offer, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the Code).

We were engaged by the Board of Directors of CWG International Ltd. (the Company) as required by Rule 25 of the Code to report on the Statements of Prospects about whether the Company has prepared the Statements of Prospects in accordance with the bases and assumptions as set out in Appendix VI of the Circular (bases and assumptions), and that the basis of accounting used is consistent with the accounting policies of the Group (the accounting policies).

Management's responsibilities

Management is responsible for the preparation of the Statements of Prospects in accordance with the bases and assumptions as determined by them and the use of a basis of accounting that is consistent with the accounting policies. In preparing the Statements of Prospects, management is responsible for ensuring the accuracy and appropriateness of unaudited financial information used in the preparation of the Statements of Prospects, and the appropriateness of the bases, assumptions and accounting policies used in the preparation and presentation of the Statements of Prospects.



Auditors' independence and quality control

We have complied with the independence and other ethical requirements of the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Singapore Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to examine the Statements of Prospects and to report thereon in the form of an independent assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with Singapore Standard on Assurance Engagements 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our procedures to obtain a meaningful level of assurance about whether the Company has prepared the Statements of Prospects in accordance with the bases and assumptions and the accounting policies, in all material respects, as the basis for our assurance conclusion.

Our work includes carrying out inquiries with officers primarily responsible for financial reporting and accounting matters. Our work also includes tracing the amounts on the schedule prepared by the officers primarily responsible for financial reporting and accounting matters of the Group to the underlying accounting records. In this connection, we have also considered the system of internal control in relation to the preparation of the Statements of Prospects and reliance has been placed on such internal controls, where appropriate.

We have not performed any procedures regarding the bases and assumptions and accordingly do not report on the reasonableness of the bases and assumptions or on the possibility of achievement of the Statements of Prospects.

Actual results are likely to be different from the Statements of Prospects since anticipated events frequently do not occur as expected and the variation may be material. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our work as described in this report and evidence obtained, nothing has come to our attention that causes us to believe that, the Statements of Prospects is not prepared, in all material respects, in accordance with the bases and assumptions and that the basis of accounting used is not consistent with the accounting policies.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on those matters in the first paragraph of this report and for no other purpose. Our report is included in the Company's circular to shareholders in relation to the voluntary conditional cash offer. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions in this report.

A handwritten signature in black ink that reads 'KPMG LLP'.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
26 January 2018

LETTER FROM CIMB ON THE STATEMENTS OF PROSPECTS



1 February 2018

The Board of Directors

CWG International Ltd.
6 Eu Tong Sen Street
#04-08 The Central
Singapore 059817

Dear Sirs

VOLUNTARY CONDITIONAL CASH OFFER FOR CWG INTERNATIONAL LTD

1. On 28 December 2017, RHT Capital Pte. Ltd. ("**RHT Capital**") announced, for and on behalf of Elidom Investment Co., Ltd. (the "**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued and paid-up ordinary shares in the capital of CWG International Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") other than those already held by the Company as treasury shares and those already held by the Offeror as at the date of the Offer in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers (the "**Code**").

On 22 January 2018, RHT Capital announced, for and on behalf of the Offeror, that the Offer had become and was declared unconditional in all respects.

2. This letter has been prepared for inclusion in the circular ("**Circular**") dated 1 February 2018 issued by the Company to its shareholders in relation to the Offer.
3. The following statements set out in italics below (the "**Statements of Prospects**") have been extracted from the Group's unaudited consolidated financial statements for the second quarter and half year ended 30 June 2017 (the "**2Q2017 Results**") released by the Company on 7 August 2017, and the press release dated 7 August 2017 in respect of the 2Q2017 Results, respectively:

"Barring unforeseen circumstances, the Group expects to be profitable for FY2017."

"Looking ahead, we remain positive about our financial performance for the year and expects to be profitable for FY2017, barring unforeseen circumstances."

The Statements of Prospects are reproduced in Appendix VI to the Circular.

4. It is stated in the Circular that the Statements of Prospects were not made in connection with the Offer and that the Directors have not issued a profit forecast for the Group for the financial period ended 31 December 2017 in connection with the Offer and accordingly, the Statements of Prospects should not be regarded as a forecast of the Group.
5. We have reviewed and held discussions with the directors of the Company (the "**Directors**") and the management of the Company on the Statements of Prospects as well as the underlying bases and assumptions for the Statements of Prospects prepared by the Company.
6. We have also considered the letter issued by KPMG LLP dated 26 January 2018 and addressed to the Directors (a copy which is reproduced in Appendix VII to the Circular)



relating to their examination of the Statements of Prospects and the accounting policies, bases and assumptions upon which the Statements of Prospects were prepared.

7. Based on the above, we are of the opinion that the Statements of Prospects (for which the Directors are solely responsible) have been made by the Directors after due and careful enquiry.
8. For the purpose of rendering our opinion in this letter, we have relied upon and assumed the accuracy and completeness of all financial and other information provided to, or discussed with us. Save as provided in this letter, we do not express any other opinion on the Statements of Prospects.
9. This letter is provided to the Directors solely for the purpose of complying with Rule 25 of the Code and not for any other purpose. We do not accept any responsibility to any person (other than the Directors) in respect of, arising out of, or in connection with this letter.

Yours faithfully
For and on behalf of
CIMB BANK BERHAD, SINGAPORE BRANCH

JASON CHIAN SIET HENG
MANAGING DIRECTOR
INVESTMENT BANKING, SINGAPORE

TAN CHER TING
DIRECTOR
INVESTMENT BANKING, SINGAPORE

VALUATION CERTIFICATE AND EXTRACTS FROM VALUATION REPORTS

This Appendix IX sets out the Valuation Certificate and extracts of the Valuation Reports in respect of the Properties as set out in the list below. The Valuation Certificate and Valuation Reports in respect of the respective Properties are available for inspection at the registered address of the company secretary of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807, during normal business hours for the period during which the Offer remains open for acceptance.

List of Properties

	Properties	Valuer
1.	Suzhou Industrial Park Royal Mansion (蘇州尚城•星公元), located north of Zhongxin Avenue and west of Zhongnan Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	Colliers
2.	Suzhou Royal Palace (蘇州尚城花園), located north of Suzhan Road and East of Jiangqian Road, Gusu District, Suzhou, Jiangsu Province, PRC	Colliers
3.	Suzhou Chiway Star Hub (蘇州星尚星匯生活廣場), located south of Shenhu West Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	Colliers
4.	Suzhou Chiway Prime Palace (蘇州華元•瑯石名築), located north of Jiyuan Road and west of Chenghe Road, Xiangcheng District, Suzhou, Jiangsu Province, PRC	Colliers
5.	Suzhou Chiway Royal Paradise Bay (蘇州尚宏•星奕灣), located east of Songtao Street and north of Linyi Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	Colliers
6.	Suzhou Bliss Harbour (蘇州橫塘星悅灣), located east of Binhe Road, Huqiu District, Suzhou, Jiangsu Province, PRC	Colliers
7.	Zhangjiagang Chiway Royal Paradise Bay (張家港•星奕灣), located east of Yong'an Road and north of Siyang Road, Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC	Colliers
8.	Xuzhou Royal Palace (徐州中銳•星尚城), located south of Lishui Road and west of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, PRC	Colliers
9.	International School and Science and Technology Industrial Park (國際學校及科技產業園項目), located south of Lishui Road and east of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, PRC	Colliers
10.	Xuancheng Chiway Top Town (宣城中銳第一城), located south of South Shuiyang River Road and east of Xiangyang Road, Xuancheng District, Xuancheng, Anhui Province, PRC	Colliers
11.	Xuancheng Xinkaiyuan Project (宣城尚城印象), located north of Meixi Road, Xuancheng District, Xuancheng, Anhui Province, PRC	Colliers
12.	Shanghai Royal Palace (悅立方), located east of Haifu Road and north of Longxiang Road, Jinshan District, Shanghai, PRC	Colliers

	Properties	Valuer
13.	Wuxi Chiway Prime Palace (無錫瑯石名築), located west of Xincheng Road and north of Shanxi River, Binhu District, Wuxi, Jiangsu Province, PRC	Colliers
14.	Wuxi Industrial Park Royal Mansion (無錫星元), located east of Gonghu Avenue and south of Tangtieqiao Road, Binhu District, Wuxi, Jiangsu Province, PRC	Colliers
15.	Royal Lake Mansion (星湖名邸), located east of Mupu Street and south of Tianyuan Road, Jiangning Development Zone, Nanjing, Jiangsu Province, PRC	Colliers
16.	Wuhan Chiway Lakeside Palace (武漢中銳濱湖尚城), located at the intersection of Tengxun Avenue and Jinlong Street, Jiangxia District, Wuhan, Hubei Province, PRC	Colliers
17.	Suzhou Fortune Innovation Centre Phase I-III (匯金科創中心1-3期) and Suzhou Fortune Innovation Centre Phase IV (匯金科創中心4期) located at No. 1099 Baodai West Road, Huqiu District, and Retail portion of Suzhou Hemei Garden (和美家園商鋪) located west of Huchi Road and north of Jinzhu Street, Jinchang District, Suzhou, Jiangsu Province, PRC	Colliers
18.	Four Properties in Wuxi Chiway Regent Town (瑞城國際社區), located south of Taishan Road and west of Xixing Road, Xinwu District, Wuxi, Jiangsu Province, PRC	Colliers
19.	Suzhou Overseas Chinese Academy (海歸子女學校), located north of Zhaojiaxiang and east of Zhongnan Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	Colliers
20.	Wuhan Chiway MOMA Royal Palace (武漢當代•中銳萬國MOMA), located at the intersection of Zhenxing Road and Changqing Road, Jiangnan District, Wuhan, Hubei Province, PRC	Colliers
21.	Suzhou Xinglun project (摩天輪項目), located south of Zhongyuan Road and east of Jinrong Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	Colliers
22.	Zhangjiagang Ruicheng Project (張家港塘橋B28地塊), located north of Fumin Road, Tangqiao Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC	Colliers
23.	Changshu Bicheng Project (常熟必成項目), located west of Youzhou Road and north of Taoshejing Road, Haiyu Town, Changshu, Suzhou, Jiangsu Province, PRC	Colliers
24.	Changshu Bixin Project (常熟必信項目), located west of Renmin Road and north of Fuqian Road, Haiyu Town, Changshu, Suzhou, Jiangsu Province, PRC	Colliers
25.	Zhangjiagang Zhonghe project (張家港天璽項目), located east of Baiqiao Road, Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC	Colliers
26.	Jiangyin Hecheng Project (江陰新橋項目), located east of Xinyang Road and south of Jinxiu South Road, Jiangyin, Wuxi, Jiangsu Province, PRC	Colliers

	Properties	Valuer
27.	Changshu Ruiyi Project (常熟銳翊項目), located west of Zhangqinglian Road and north of Guqiu Road, Zhitang Town, Changshu, Suzhou, Jiangsu Province, PRC	Colliers
28.	Zhangjiagang Quantang Project (張家港全塘B11地塊), located south of Fumin Road, Zhangjiagang, Suzhou, Jiangsu Province, PRC	Colliers
29.	Hangzhou Jingcheng Project (璟程杭州37號地塊), located east of Hengxi Road, south of Zhiluxi, west of Kangtai Road, and north of Zhongtai Road, Hangzhou, Jiangsu Province, PRC	Colliers
30.	771-775 Victoria Road, Ryde NSW 2112, Australia	Savills
31.	17-25 Epping Road, Epping NSW 2121, Australia	Savills
32.	48-52 Jephson Street, Toowong NSW 4066, Australia	Savills
33.	46A & 46-66 O'Connell Street, Caddens, NSW, Australia	Urbis
34.	3751 W. 6Th Street, Los Angeles, CA 90020, United States of America	Property Sciences



Colliers International (Hong Kong) Limited
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OUR REF: 17-12253

January 2018

CWG International Ltd.

For the attention of:

Dear Sir or Madam

Re: Valuation of Chiway Property Portfolio in Shanghai, Suzhou, Wuxi, Xuzhou, Xuancheng, Nanjing, Hangzhou and Wuhan, PRC (the “Properties”)

INSTRUCTIONS

Terms of engagement have been agreed with Suzhou Chiway Investment Group Co., Ltd. (the “Client”) to provide market values of the Properties detailed on the attached Valuation Summaries as at 31 December 2017 (the “Date of Valuation”) to CWG International Ltd. (the “Company”) for Voluntary Conditional Cash Offer Purposes. This valuation report is provided on the basis that both “the Client” and “the Company” are subject to the same terms and conditions as set out in the said terms of engagement as if they have both been parties thereto.

This document is for the sole use of persons directly provided with it by Colliers International (Hong Kong) Limited (“Colliers International” or “Colliers”). Use by, or reliance upon this document by any third party is not authorised by Colliers and Colliers is not liable for any loss arising from such unauthorised use or reliance.

Neither the whole nor any part of this valuation report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way whatsoever, without prior written approval of Colliers International as to the form and context in which it may appear.

BASIS OF VALUATIONS

Our valuation is provided on the basis of Market Value, which we would define as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.





VALUATION STANDARDS

These valuations have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC).

Colliers International is regulated by the RICS, which may monitor the firm under its Conduct and disciplinary regulations for compliance purposes. Colliers International has a complaint handling procedure, a copy of which is available on request.

QUALIFICATIONS OF THE VALUER

These valuations have been prepared by Zhirong He (Flora He) (RICS Registration No.:1259301), who is a Fellow of the Royal Institution of Chartered Surveyors. Flora is head of China Valuation Services team at Colliers International (Hong Kong) Limited ("Colliers International"). She is suitably qualified to carry out the valuations and has over 15 years' experience in the valuation of properties of this magnitude and nature in China.

The valuation report is countersigned by David Faulkner (RICS Registration No.: 58391), who is a Fellow of the Royal Institution of Chartered Surveyors, a Fellow of the Hong Kong Institute of Surveyors and a Registered Professional Surveyor under the Surveyors Registration Ordinance (Cap. 417).

Neither the valuers nor Colliers International are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property. They have accepted instructions to value the Properties for the Company only.

VALUATION APPROACHES

We have valued the Properties using the Market Approach, Income Approach and Residual Method.

Market Approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. By analysing such sales, which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject asset. This approach is commonly used to value assets where reliable sales evidence of assets of a similar nature is available.

Income Approach is an approach to valuation that provides an indication of value by converting future cash flows to a single current capital value. We have used the following method, under this approach: -

Term and Reversion Method / Income Capitalisation Method estimates the value of properties or assets on a market basis by capitalizing net rental income on a fully leased basis. This method is used when a property or asset is leased out for a specific term(s). This technique considers both the current passing rental income from existing tenancies and the potential future reversionary income at market level, by capitalising both at appropriate rates. In calculating the net rental income for this purpose, deduction is made for outgoings such as property management fees, capital expenditure, vacancy loss, and other necessary expenses.



Residual Method is a means of valuing assets, land, or properties by reference to their development potential. The value is the residue of the Gross Development Value of the proposed development scheme upon completion, deferred by the development period up to the time when all the asset or property has been disposed of in the open market, after deducting the development costs including demolition costs, construction costs, professional fees and allowance for risk and profit.

SOURCES OF INFORMATION

Although we have made independent enquires and obtained market evidence for valuation purposes as much as possible, we have relied to a very considerable extent on the information provided by the Client and have accepted such information given to us as being true and correct for valuation purposes. This has included such matters as particulars of occupancy, ownership title, lettings, site and floor areas, statutory notices, easements, tenure, joint venture agreements, the identification of the property interests and all other relevant matters. Dimensions, measurements and areas included in the Valuation Summaries are based on information provided to us by the Client, that we assume to be true and correct for valuation purposes.

TITLE DOCUMENTS

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

CONFLICT OF INTERESTS

We have checked with the departments of Colliers International China and the Hong Kong office, and confirm that there is no anticipated, current or recent fee earning involvement in conjunction with the Properties and / or the borrower.

In accordance with our instructions, we confirm that we do not have a pecuniary interest that would conflict with a proper valuation of the Properties and we are suitably qualified to carry out such valuations and accept instructions only from the Client.





VALUATION ASSUMPTIONS AND CAVEATS

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

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

We have conducted the valuations assuming:

- The information about the Properties provided by the Client is true and correct;
- The Properties are free from contamination and the ground conditions are satisfactory;
- The full and proper ownership title of the Properties have been obtained, and all payable land premium or land-use rights fees have been fully settled;
- All required approvals and certificates necessary for the development and occupation and use of the Properties have been duly obtained and are in full force and effect;
- The Properties can be freely sold, transferred, mortgaged, sublet or otherwise disposed of in the market;
- In valuing the Properties held by the Company under development in the PRC, we have valued such properties on the basis that they will be developed and completed in accordance with the latest development proposals provided to us. We have further assumed that all consents, approvals and licenses from relevant government authorities for such development proposals have been or will be obtained without onerous conditions or delays.
- The tenanted properties will continue to be occupied and maintained in good order; and
- We have valued the portfolio assuming no reduction in value to reflect any possible diminution in value resulting from a placing of the portfolio on the market together as one at the same time for sale.
- We are not aware of any easements or rights - of - way adversely affecting the properties and our valuations assume that none exists.
- We have assumed that all Information, estimates and opinions furnished to us and contained in this report, including all information provided by the client, are fit for valuation purposes, and have been obtained from sources considered reliable and believed to be true and correct. We can assume no responsibility for accuracy.
- Where applicable no structural survey or testing of the services within or connected to the properties has been carried out. We have assumed the properties are structurally sound, maintained in a condition fit for purpose, with all provided services in working order

This valuation report is subject to our standard Caveats and Assumptions attached at the appendix.





SITE MEASUREMENT

We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the Properties but have assumed that the site area information provided to us is true and correct in all respects, for valuation purposes. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

SITE INSPECTION AND INVESTIGATIONS

We have inspected the Properties upon the instruction from the Client and we have not carried out investigations to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation has been prepared on the assumption that these aspects are satisfactory. Please note no structural or environmental hazard survey of the properties was carried out. No testing of services or facilities in the properties was carried out.

Site inspection of the Properties have been made by Flora He, Yue Wang, Tony Hong, Leo Cui, Will Lin and Henry Zhou from 11 January 2018 to 19 January 2018, and investigations carried out as necessary for the carrying out of these valuations.

Our valuation summary and valuations are attached hereto.

Yours faithfully,
For and on behalf of
Colliers International (Hong Kong) Limited

Zhirong He (Flora He)
FRICS MCOMFIN
Executive Director
Valuation and Advisory Services I China

David Faulkner
BSc (Hons) FRICS FHKIS RPS(GP) MAE
Managing Director
Valuation and Advisory Services I Asia



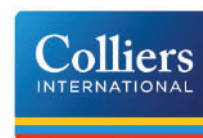


SUMMARY OF VALUES CONTAINED IN VALUATIONS

PROPERTY NO.	PROPERTY INTERESTS HELD BY THE COMPANY FOR INVESTMENT IN THE PRC	PROPERTY OWNER	INTEREST PERCENT	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2017
1.	Suzhou Industrial Park Royal Mansion (苏州尚城·星公元), located north of Zhongxin Avenue and west of Zhongnan Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	苏州中锐尚城置业有限公司	60.0%	RMB163,900,000
2.	Suzhou Royal Palace (苏州尚城花园), located north of Suzhan Road and east of Jiangqian Road, Gusu District, Suzhou, Jiangsu Province, PRC	苏州中锐金汇置业有限公司	75.0%	RMB173,800,000
3.	Suzhou Chiway Star Hub (苏州星尚 星汇生活广场), located south of Shenhu West Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	苏州星尚天地置业有限公司	55.0%	RMB599,600,000
4.	Suzhou Chiway Prime Palace (苏州华元·琅石名筑), located north of Jiyuan Road and west of Chenghe Road, Xiangcheng District, Suzhou, Jiangsu Province, PRC	苏州中锐华元置业有限公司	75.0%	RMB1,034,300,000
5.	Suzhou Chiway Royal Paradise Bay (苏州尚宏·星奕湾), located east of Songtao Street and north of Linyi Road, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	苏州中锐尚宏置业有限公司	60.0%	RMB537,600,000
6.	Suzhou Bliss Harbour (苏州横塘 星悦湾), located east of Binhe Road, Huqiu District, Suzhou, Jiangsu Province, PRC	苏州中锐横塘置业有限公司	57.0%	RMB673,100,000
7.	Zhangjiagang Chiway Royal Paradise Bay (张家港·星奕湾), located east of Yong'an Road and north of Siyang Road, Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC	张家港中锐万红置业有限公司	57.0%	RMB508,400,000
8.	Xuzhou Royal Palace (徐州中锐·星尚城), located south of Lishui Road and west of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, PRC	徐州中锐建设有限公司	80.0%	RMB714,500,000
9.	International School and Science and Technology Industrial Park (国际学校及科技产业园项目), located south of Lishui Road and east of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, PRC	徐州华锐科教发展有限公司	100.0%	RMB634,500,000
10.	Xuancheng Chiway Top Town (宣城中锐第一城), located south of South Shuiyang River Road and east of Xiangyang Road, Xuancheng District, Xuancheng, Anhui Province, PRC	宣城中锐房地产开发有限公司	100.0%	RMB589,500,000
11.	Xuancheng Xinkaiyuan Project (宣城尚城印象), located north of Meixi Road, Xuancheng District, Xuancheng, Anhui Province, PRC	宣城市新开元房地产开发有限公司	100.0%	RMB145,000,000



PROPERTY No.	PROPERTY INTERESTS HELD BY THE COMPANY FOR INVESTMENT IN THE PRC	PROPERTY OWNER	INTEREST PERCENT	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2017
12.	Shanghai Royal Palace (悦立方), located east of Haifu Road and north of Longxiang Road, Jinshan District, Shanghai, PRC	上海中锐置业有限公司	100.0%	RMB206,900,000
13.	Wuxi Chiway Prime Palace (无锡琅石名筑), located west of Xincheng Road and north of Shanxi River, Binhu District, Wuxi, Jiangsu Province, PRC	无锡太湖新城 中锐置业有限公司	57.0%	RMB132,200,000
14.	Wuxi Industrial Park Royal Mansion (无锡星元), located east of Gonghu Avenue and south of Tangtieqiao Road, Binhu District, Wuxi, Jiangsu Province, PRC	无锡中锐华科 置业有限公司	60.0%	RMB2,167,200,000
15.	Royal Lake Mansion (星湖名邸), located east of Mupu Street and south of Tianyuan Road, Jiangning Development Zone, Nanjing, Jiangsu Province, PRC	南京中锐宏润 置业有限公司	60.0%	RMB593,400,000
16.	Wuhan Chiway Lakeside Palace (武汉中锐滨湖尚城), located at the intersection of Tengxun Avenue and Jinlong Street, Jiangxia District, Wuhan, Hubei Province, PRC.	武汉中锐置 业有限公司	60.0%	RMB940,800,000
17.	Suzhou Fortune Innovation Centre Phase I-III (汇金科创中心 1-3 期) and Suzhou Fortune Innovation Centre Phase IV(汇金科创中心 4 期) located at No. 1099 Baodai West Road, Huqiu District, and Retail portion of Suzhou Hemei Garden (和美家园商铺) located west of Huchi Road and north of Jinzhu Street, Jinchang District, Suzhou, Jiangsu Province, PRC	苏州高新中锐 科教发展有 限公司	70.0%	RMB241,600,000
18.	Four Properties in Wuxi Chiway Regent Town (瑞城国际社区), located south of Taishan Road and west of Xixing Road, Xinwu District, Wuxi, Jiangsu Province, PRC	无锡中锐房 地产有限公 司	100.0%	RMB145,700,000
19.	Suzhou Overseas Chinese Academy (海归子女学校), located north of Zhaojiaxiang and east of Zhongnan Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	苏州锐新投 资有限公 司	65.0%	RMB124,200,000
20.	Wuhan Chiway MOMA Royal Palace (武汉当代·中锐万国 MOMA), located at the intersection of Zhenxing Road and Changqing Road, Jiangnan District, Wuhan, Hubei Province, PRC	武汉当代尚 城万国府置 业有限公 司	44.1%	RMB355,000,000
21.	Suzhou Xinglun project (摩天轮项目), located south of Zhongyuan Road and east of Jinrong Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC	苏州星轮旅 游产业有 限公司	60.0%	RMB670,800,000
22.	Zhangjiagang Ruicheng Project (张家港塘桥 B28 地块), located north of Fumin Road, Tangqiao Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC	张家港锐 诚置 业有限公 司	28.5%	RMB114,000,000



PROPERTY No.	PROPERTY INTERESTS HELD BY THE COMPANY FOR INVESTMENT IN THE PRC	PROPERTY OWNER	INTEREST PERCENT	MARKET VALUE IN EXISTING STATE AS AT 31 DECEMBER 2017
23.	Changshu Bicheng Project (常熟必成项目), located west of Youzhou Road and north of Taoshejing Road, Haiyu Town, Changshu, Suzhou, Jiangsu Province, PRC	常熟必成房地产开发有限公司	19.8%	RMB30,700,000
24.	Changshu Bixin Project (常熟必信项目), located west of Renmin Road and north of Fuqian Road, Haiyu Town, Changshu, Suzhou, Jiangsu Province, PRC	常熟必信房地产开发有限公司	19.8%	RMB42,600,000
25.	Zhangjiagang Zhonghe project (张家港天玺项目), located east of Baiqiao Road, Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC	张家港众合房地产有限公司	16.6%	RMB297,500,000
26.	Jiangyin Hecheng Project (江阴新桥项目), located east of Xinyang Road and south of Jinxiu South Road, Jiangyin, Wuxi, Jiangsu Province, PRC	江阴市合诚房地产开发有限公司	15.0%	RMB78,300,000
27.	Changshu Ruiyi Project (常熟锐翊项目), located west of Zhangqinglian Road and north of Guqiu Road, Zhitang Town, Changshu, Suzhou, Jiangsu Province, PRC	常熟锐翊置业有限公司	30.0%	RMB141,000,000
28.	Zhangjiagang Quantang Project (张家港全塘 B11 地块), located south of Fumin Road, Zhangjiagang, Suzhou, Jiangsu Province, PRC	张家港全塘置业有限公司	34.0%	RMB91,800,000
29.	Hangzhou Jingcheng Project (璟程杭州 37 号地块), located east of Hengxi Road, south of Zhiluxi, west of Kangtai Road, and north of Zhongtai Road, Hangzhou, Jiangsu Province, PRC	苏州中锐璟城置业有限公司	100.0%	RMB1,180,000,000
Total:				<u>RMB13,327,900,000</u>





VALUATION SUMMARY - PROPERTY 1

Property Name	:	Suzhou Industrial Park Royal Mansion (苏州尚城·星公元)
Property Address	:	North of Zhongxin Avenue and west of Zhongnan Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC
Brief Description	:	<p>Suzhou Industrial Park Royal Mansion (苏州尚城·星公元) presents a large-scale residential property comprising high-rise, mid-rise and multi-rise residential towers, complemented with car parks and other ancillary facilities (the "Development").</p> <p>The Property consists of the unsold portion of the Development, including the unsold high-rise and multi-rise residences and storage space with a total gross floor area (GFA) of 4,705.74 sq m and 25 parking lots, and the presold portion but not yet handed over at the time of valuation, has a GFA of 5,055.00 sq m.</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a total GFA of 5,055.00 sq m have been sold but not yet handed over, with a total sales amount of RMB172,220,000. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	97,098.84 sq m (for the Development)
Total GFA	:	9,760.74 sq m (excl. 25 car spaces) (Unsold)
Permitted Use	:	Residential
Registered Owner	:	苏州中锐尚城置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the State-owned Land-use Rights Certificates provided, the land-use rights of the Property with a total site area of 97,098.84 sq m have been granted to 苏州中锐尚城置业有限公司 for residential use for a term expiring on 21 May 2084.
Condition	:	At the time of inspection, the Property was completed.
Interest Valued	:	60.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is":

RMB163,900,000
RENMINBI ONE HUNDRED SIXTY THREE MILLION
AND NINE HUNDRED THOUSAND ONLY





VALUATION SUMMARY - PROPERTY 2

Property Name	:	Suzhou Royal Palace (苏州尚城花园)
Property Address	:	North of Suzhan Road and East of Jiangqian Road, Gusu District, Suzhou, Jiangsu Province, PRC
Brief Description	:	<p>Suzhou Royal Palace (苏州尚城花园) presents a large-scale residential property comprising high-rise residential towers and retail, complemented with car parks and other ancillary facilities (the "Development").</p> <p>The Property consists of the remaining portion of the Development, including: (1) retail shops located at the plot 3, phase 2 of the Development (苏州尚城花园二期商铺), which comprises 28 retail units with a total gross floor area (GFA) of 5,532.01 sq m (the "Property 1"); (2) unsold portion of Suzhou Royal Palace (excl. the Property 1), which comprises 1,785.87 sq m of retail spaces, 484.74 sq m of storage rooms and 65 car parks and the presold but not yet handed over portion of totally 1,955.00 sq m (the "Property 2").</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property 2 with a total GFA of 1,955.00 sq m have been pre-sold with a total pre-sales amount of RMB11,400,000. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	73,440.70 sq m (for the Development)
Total GFA	:	Property 1: 5,532.01 sq m Property 2: 4,225.61 sq m (excl. car parks)
Permitted Use	:	Residential and Retail
Registered Owner	:	苏州中锐金汇置业有限公司 (the "Developer")
Legal Description	:	Pursuant to four State-owned Land-use Rights Certificates provided, the land-use rights of the Property with a total site area of 73,440.70 sq m have been granted to 苏州中锐金汇置业有限公司 for residential and retail uses for terms expiring on 5 June 2083 and 5 June 2053 for residential and retail uses, respectively.
Condition	:	<p>At the time of inspection, Property 1 and 2 were both completed.</p> <p>According to the tenancy schedule provided the Client, Property 1 was subject to 14 tenancies, yielding a total monthly rental income of approximately RMB182,827 exclusive of management fee; As at the valuation date, the occupancy rates of Property 1 is approximately 38%.</p>
Interest Valued	:	75.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach and Income Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is":
		Total: RMB173,800,000 RENMINBI ONE HUNDRED SEVENTY THREE MILLION AND EIGHT HUNDRED THOUSAND ONLY
		PROPERTY 1: RMB129,000,000 PROPERTY 2: RMB44,800,000



VALUATION SUMMARY - PROPERTY 3

Property Name	:	Suzhou Chiway Star Hub (苏州星尚 星汇生活广场)
Property Address	:	South of West Shenhu Road and West of Hezhong Street, Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC
Brief Description	:	<p>The Property, known as Suzhou Chiway Star Hub, presents a large-scale mixed-use property comprising serviced apartment towers, SOHO towers and a 3-storey retail building, complemented with car parks and other ancillary facilities.</p> <p>The Property consists of two portions, including: (1) a 3-storey retail building with a single-storey basement for retail use, which has a total gross floor area (GFA) of 27,616.00 sq m (the "Property 1"); (2) 127 serviced apartment units with a total GFA of 15,000.18 sq m, 129 SOHO units with a total GFA of 6,263.63 sq m and 117 parking lots (the "Property 2").</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property 2 with a total GFA of 18,781.51 sq m has been pre-sold with a total pre-sales amount of RMB649,689,547. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	19,110.45 sq m
Total GFA	:	Property 1: 27,616.00 sq m Property 2: 21,263.81 sq m (excl. car park)
Permitted Use	:	Residential and Commercial
Registered Owner	:	苏州星尚天地置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the State-owned Land-use Rights Certificate provided, the land-use rights of the Property with a total site area of 19,110.45 sq m have been granted to 苏州星尚天地置业有限公司 for residential and commercial uses for terms expiring on 1 June 2085 and 1 June 2055 for residential and commercial uses, respectively.
Condition	:	<p>At the time of inspection, Property 1 and 2 were still under construction and were scheduled to be completed in early 2018.</p> <p>According to the pre-lease tenancy schedule provided by the Client, Property 1 was preleased with 44 tenancies, yielding a total monthly rental income of approximately RMB1,340,500 exclusive of management fee.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for Property 1 and 2 is approximately RMB62,500,000 as at the date of valuation.</p>
Interest Valued	:	55.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete":
		Total: RMB719,400,000 RENMINBI SEVEN HUNDRED NINETEEN MILLION AND FOUR HUNDRED THOUSAND ONLY
		PROPERTY 1: RMB299,200,000
		PROPERTY 2: RMB420,200,000



MARKET VALUE - "as is":

Total:	RMB599,600,000
	RENMINBI FIVE HUNDRED NINETY NINE MILLION AND SIX HUNDRED THOUSAND ONLY
PROPERTY 1:	RMB238,200,000
PROPERTY 2:	RMB361,400,000





VALUATION SUMMARY - PROPERTY 4

Property Name	:	Suzhou Chiway Prime Palace (苏州华元·琅石名筑)								
Property Address	:	North of Ji Yuan Road (纪元路) and west of Chenghe (澄和路) Road, Xiangcheng District, Suzhou, Jiangsu Province, PRC								
Brief Description	:	<p>The Property, known as Suzhou Chiway Prime Palace (苏州华元·琅石名筑), presents a large-scale residential property comprising duplex residential, complemented with car parks and other ancillary facilities.</p> <p>According to the development plan provided, the Property has a total proposed gross floor area (GFA) of 73,819.35 sq m and 530 parking lots.</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a total GFA of 57,901.31 sq m has been pre-sold with a total pre-sales amount of RMB1,171,370,500. As instructed by the Client, we have taken it into account in our valuation.</p>								
Site Area:	:	46,814.00 sq m								
Total Proposed GFA	:	73,819.35 sq m (excl. 530 car spaces)								
Permitted Use	:	Residential								
Registered Owner	:	苏州中锐华元置业有限公司 (the "Developer")								
Legal Description	:	Pursuant to the State-owned Land-use Rights Certificate provided, the land-use rights of the Property with a total site area of 46,814.00 sq m have been granted to 苏州中锐华元置业有限公司 for residential use for a term expiring on 20 October 2085.								
Condition	:	<p>At the time of inspection, the Property was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB80,800,000 as at the date of valuation.</p>								
Interest Valued	:	75.0% Leasehold Interest of the Property								
Purpose of Report	:	Voluntary Conditional Cash Offer								
Valuation Approach	:	Residual Method								
Date of Valuation	:	31 December 2017								
Market Basis	:	<table><tr><td>MARKET VALUE - "as if complete":</td><td>RMB1,204,500,000</td></tr><tr><td></td><td>RENMINBI ONE BILLION TWO HUNDRED AND FOUR MILLION FIVE HUNDRED THOUSAND ONLY</td></tr><tr><td>MARKET VALUE - "as is":</td><td>RMB1,034,300,000</td></tr><tr><td></td><td>RENMINBI ONE BILLION AND THIRTY FOUR MILLION THREE HUNDRED THOUSAND ONLY</td></tr></table>	MARKET VALUE - "as if complete":	RMB1,204,500,000		RENMINBI ONE BILLION TWO HUNDRED AND FOUR MILLION FIVE HUNDRED THOUSAND ONLY	MARKET VALUE - "as is":	RMB1,034,300,000		RENMINBI ONE BILLION AND THIRTY FOUR MILLION THREE HUNDRED THOUSAND ONLY
MARKET VALUE - "as if complete":	RMB1,204,500,000									
	RENMINBI ONE BILLION TWO HUNDRED AND FOUR MILLION FIVE HUNDRED THOUSAND ONLY									
MARKET VALUE - "as is":	RMB1,034,300,000									
	RENMINBI ONE BILLION AND THIRTY FOUR MILLION THREE HUNDRED THOUSAND ONLY									





VALUATION SUMMARY - PROPERTY 5

Property Name	:	Suzhou Chiway Royal Paradise Bay (苏州尚宏·星奕湾)
Property Address	:	East of Songtao Street(松涛街) and north of Linyi Road(蒯谊路), Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC
Brief Description	:	<p>The Property, known as Suzhou Chiway Royal Paradise Bay (苏州尚宏·星奕湾), presents a large-scale of residential development comprising high-rise residential towers, garden houses, complemented with car parks and other ancillary facilities.</p> <p>According to the development plan provided, the Property has a total gross floor area (GFA) of 42,313.59 sq m and 185 parking lots.</p> <p>Per information by the Client and the Developer, as at the valuation date, 21,112.27 sq m of residential units had been pre-sold but yet to be handed over with a total pre-sale amount of RMB531,430,000. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	24,198.56 sq m
Total GFA	:	42,313.59 sq m (excl. 185 car spaces)
Permitted Use	:	Residential
Registered Owner	:	苏州中锐尚宏置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 24,198.56 sq m have been granted to 苏州中锐尚宏置业有限公司 for residential use for a term expiring on 20 October 2085.
Condition	:	<p>At the time of inspection, the Property was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB74,300,000 as at the date of valuation.</p>
Interest Valued	:	60.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete": RMB652,900,000 RENMINBI SIX HUNDRED FIFTY TWO MILLION AND NINE HUNDRED THOUSAND ONLY
		MARKET VALUE - "as is": RMB537,600,000 RENMINBI FIVE HUNDRED THIRTY SEVEN MILLION AND SIX HUNDRED THOUSAND ONLY



VALUATION SUMMARY - PROPERTY 6

Property Name	:	Suzhou Bliss Harbour (苏州星悦湾)
Property Address	:	No. 8 Binhe Road, Huqiu District, Suzhou, Jiangsu Province, PRC
Brief Description	:	<p>The Property, known as Suzhou Bliss Harbour, presents a large-scale mixed use property comprising high-rise residential towers, LOFT apartments, service apartments, a hotel and retail, complemented other ancillary facilities.</p> <p>The Property consists of three portions, including: (1) retail portion of the Building No. 10 and 11 and the serviced apartment portion of the Building No. 10, of which, the retail portion has a total gross floor area (GFA) of 5,734.43 sq m and the serviced apartment portion has a total GFA of 8,918.99 sq m (the "Property 1"); (2) the hotel portion of the Building No. 10, which is a mid- to high-end hotel with a total GFA of 7,120.93 sq m (the "Property 2"); (3) 476 residential units with a total GFA of 55,814.34 sq m and 250 LOFT apartment units with a total GFA of 16,351.75 sq m (the "Property 3").</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property 3 with a total GFA of 25,936.09 sq m have been pre-sold with a total pre-sales amount of RMB620,169,672. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	32,275.60 sq m
Total GFA	:	Property 1: 14,653.42 sq m Property 2: 7,120.93 sq m Property 3: 72,166.09 sq m
Permitted Use	:	Residential, Commercial and Financial
Registered Owner	:	苏州中锐横塘置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 32,275.60 sq m have been granted to 苏州中锐横塘置业有限公司 for residential, commercial and financial uses for terms expiring on 10 January 2086 for residential use and 10 January 2056 for commercial and financial uses.
Condition	:	<p>At the time of inspection, Property 1, 2 and 3 were under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction costs for Property 1, 2 and 3 are approximately RMB53,200,000, RMB25,400,000 and RMB261,500,000, respectively, as at the date of valuation.</p>
Interest Valued	:	57.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete":
		Total: RMB1,195,900,000 RENMINBI ONE BILLION ONE HUNDRED NINETY FIVE MILLION AND NINE HUNDRED THOUSAND ONLY
		PROPERTY 1: RMB145,400,000 PROPERTY 2: RMB69,000,000 PROPERTY 3: RMB981,500,000



MARKET VALUE - "as is":

Total:	RMB673,100,000
	RENMINBI SIX HUNDRED SEVENTY THREE MILLION
	AND ONE HUNDRED THOUSAND ONLY
PROPERTY 1:	RMB86,600,000
PROPERTY 2:	RMB41,000,000
PROPERTY 3:	RMB545,500,000





VALUATION SUMMARY - PROPERTY 7

Property Name	:	Zhangjiagang Chiway Royal Paradise Bay (张家港·星奕湾)								
Property Address	:	East of Yong'an Road and north of Siyang Road, Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC								
Brief Description	:	<p>The Property, known as Zhangjiagang Chiway Royal Paradise Bay (张家港·星奕湾), presents a large-scale residential property comprising high-rise and low-rise residential towers, complemented with street shops, car park and other ancillary facilities.</p> <p>According to the development plan provided, the Property has a total proposed gross floor area (GFA) of 76.897.02 sq m and 506 parking lots.</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a total GFA of 72,904.12 sq m plus 461 parking lots has been pre-sold with a total pre-sales amount of RMB1,194,940,956. As instructed by the Client, we have taken it into account in our valuation.</p>								
Site Area:	:	34,183.08 sq m								
Total GFA	:	76.897.02 sq m (excl. 506 car spaces)								
Permitted Use	:	Residential								
Registered Owner	:	张家港中锐万红置业有限公司 (the "Developer")								
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 34,183.08 sq m have been granted to 张家港中锐万红置业有限公司 for residential use for a term expiring on 8 January 2087.								
Condition	:	<p>At the time of inspection, the Property was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB225,500,000 as at the date of valuation.</p>								
Interest Valued	:	57.0% Leasehold Interest of the Property								
Purpose of Report	:	Voluntary Conditional Cash Offer								
Valuation Approach	:	Residual Method								
Date of Valuation	:	31 December 2017								
Market Basis	:	<table><tr><td>MARKET VALUE - "as if complete":</td><td>RMB705,800,000</td></tr><tr><td></td><td>RENMINBI SEVEN HUNDRED AND FIVE MILLION EIGHT HUNDRED THOUSAND ONLY</td></tr><tr><td>MARKET VALUE - "as is":</td><td>RMB508,400,000</td></tr><tr><td></td><td>RENMINBI FIVE HUNDRED AND EIGHT MILLION FOUR HUNDRED THOUSAND ONLY</td></tr></table>	MARKET VALUE - "as if complete":	RMB705,800,000		RENMINBI SEVEN HUNDRED AND FIVE MILLION EIGHT HUNDRED THOUSAND ONLY	MARKET VALUE - "as is":	RMB508,400,000		RENMINBI FIVE HUNDRED AND EIGHT MILLION FOUR HUNDRED THOUSAND ONLY
MARKET VALUE - "as if complete":	RMB705,800,000									
	RENMINBI SEVEN HUNDRED AND FIVE MILLION EIGHT HUNDRED THOUSAND ONLY									
MARKET VALUE - "as is":	RMB508,400,000									
	RENMINBI FIVE HUNDRED AND EIGHT MILLION FOUR HUNDRED THOUSAND ONLY									





VALUATION SUMMARY - PROPERTY 8

Property Name	:	Xuzhou Royal Palace (徐州中锐·星尚城)
Property Address	:	South of Lishui Road and west of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, PRC
Brief Description	:	<p>Xuzhou Royal Palace presents a large-scale of residential development comprising high-rise and multi-rise residential towers, complemented with car parks, storage rooms and other ancillary facilities (the "Development").</p> <p>The Development consists of two portions, including:</p> <p>(1) the Phases I and II of the Development, including the high-rise and multi-rise residences and storage spaces with a total gross floor area (GFA) of 6,125.01 sq m together with 860 parking lots (the "Property 1").</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, the Property 1 had 103.00 sqm of residential units and 327 car spaces been sold but not yet handed over with a sales amount of RMB12,570,000. As instructed by the Client, we have taken it into account in our valuation;</p> <p>(2) The Phases III and IV of the Development, including high-rise and multi-rise residences and storage space with a total GFA of 169,624.99 sq m and 1,657 car spaces (the "Property 2").</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, the Property 2 had been pre-sold but not yet handed over with a GFA of 148,185.06 sq m with a pre-sales amount of RMB1,062,580,000. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	184,119.00 sq m (for the Development)
Total GFA	:	Property 1: 6,125.01 sq m (excl. car parks) Property 2: 169,624.99 sq m (excl. car parks)
Permitted Use	:	Residential
Registered Owner	:	徐州中锐建设有限公司 (the "Developer")
Legal Description	:	Pursuant to the Construction Land Planning Permit provided, the land-use rights of the Property with a total site area of 184,119.00 sq m have been granted to 徐州中锐建设有限公司 for residential use.
Condition	:	<p>At the time of inspection, the Property 1 (Phases I and II) was completed while the Property 2 (Phases III and IV) was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property 2 is approximately RMB478,200,000 as at the date of valuation.</p>
Interest Valued	:	80% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach and Residual Method
Date of Valuation	:	31 December 2017



Market Basis	:	MARKET VALUE - "as if complete":	
		PROPERTY 2:	RMB1,151,200,000
		RENMINBI ONE BILLION ONE HUNDRED FIFTY ONE MILLION AND TWO HUNDRED THOUSAND ONLY	
		MARKET VALUE - "as is":	RMB714,500,000
		RENMINBI SEVEN HUNDRED AND FOURTEEN MILLION FIVE HUNDRED THOUSAND ONLY	
		PROPERTY 1:	RMB108,900,000
		PROPERTY 2:	RMB605,600,000





VALUATION SUMMARY - PROPERTY 9

Property Name	:	Xuzhou International School and Science and Technology Industrial Park (徐州国际学校及科技产业园项目)
Property Address	:	South of Lishui Road and east of Qingfeng Road, Yunlong District, Xuzhou, Jiangsu Province, PRC
Brief Description	:	<p>Xuzhou International School and Science and Technology Industrial Park presents a large-scale mixed-use property comprising commercial, retail and education facilities, complemented with car parks and other ancillary facilities.</p> <p>The Property, known as Xuzhou International School and Science and Technology Industrial Park, includes: (1) Phase I of Xuzhou Starmall Plaza (徐州星尚广场一期), which is a mixed-use property with a total gross floor area (GFA) of 24,638.11 sq m (the "Property 1"); (2) Phase II, III and IV of Xuzhou Starmall Plaza (徐州星尚广场二至四期), which is a proposed mixed-use property with a total proposed gross floor area (GFA) of 125,961.13 sq m (the "Property 2"); (3) Phase I of Kindergarten and bilingual school (幼儿园&双语学校一期), which comprises of a school, a kindergarten with a total GFA of 36,893.62 sq m (the "Property 3"); (4) Phase II of bilingual school, office buildings and underground car park (双语学校二期, 办公楼及地下车库), with a GFA of 68,682.84 sq m (the "Property 4").</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a total GFA of 13,743.38 sq m has been pre-sold with a total pre-sales amount of RMB122,529,394. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	61,425.00 sq m (For Property 1 and 2) 60,710.00 sq m (For Property 3 and 4)
Total Proposed GFA	:	24,638.11 sq m (For Property 1) 125,961.13 sq m (For Property 2) 36,893.62 sq m (For Property 3) 68,682.84 sq m (For Property 4) (incl. car parks)
Permitted Use	:	Retail and Office; Science and Education
Registered Owner	:	徐州华锐科教发展有限公司 (the "Developer")
Legal Description	:	Pursuant to the State-owned Land-use Rights Certificate provided, the land-use rights of the Property with a total site area of 122,135.00 sq m have been granted to 徐州华锐科教发展有限公司 for Science and Education and Retail use.
Condition	:	<p>At the time of inspection, Property 3 were completed and in operation.</p> <p>According to the tenancy schedule provided the Client, Property 3 was subject to two tenancies, yielding a total monthly rental income of approximately RMB 246,000 exclusive of management fee. As at the valuation date, the occupancy rate of Property 3 was approximately 100%.</p> <p>At the time of inspection, Property 1 and 4 was under construction and is scheduled to complete in 2018. Property 2 is vacant land.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for Property 1, 2 and 4 were approximately RMB 58,900,000, RMB453,500,000 and RMB153,000,000, respectively, as at the date of valuation.</p>
Interest Valued	:	100% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer



Valuation Approach : Market Approach, Income Approach and Residual Method

Date of Valuation : 31 December 2017

Market Basis : **MARKET VALUE - "as if complete":**

TOTAL - PROPERTY 1,2 &4:	RMB1,607,300,000
	RENMINBI ONE BILLION SIX HUNDRED AND SEVEN MILLION THREE HUNDRED THOUSAND ONLY

PROPERTY 1	RMB202,500,000
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PROPERTY 2	RMB1,135,600,000
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PROPERTY 4	RMB269,200,000
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MARKET VALUE - "as is":

TOTAL:	RMB634,500,000
	RENMINBI SIX HUNDRED THIRTY FOUR MILLION AND FIVE HUNDRED THOUSAND ONLY

PROPERTY 1	RMB119,000,000
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PROPERTY 2	RMB313,000,000
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PROPERTY 3	RMB143,500,000
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PROPERTY 4	RMB59,000,000
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VALUATION SUMMARY - PROPERTY 10

Property Name	:	Xuancheng Chiway Top Town (宣城中锐第一城)
Property Address	:	South of Shuiyang River South Road and east of Xiangyang Road, Xuancheng, Anhui Province, PRC
Brief Description	:	<p>Xuancheng Chiway Top Town presents a large-scale residential property comprising residential and retail facilities, complemented with car parks and other ancillary facilities (the "Development").</p> <p>The Property consists of the remaining portion of the Development, including: (1) Phase III of Xuancheng Chiway Top Town (宣城中锐第一城三期), which comprises residential and retail units with a total gross floor area (GFA) of 149,462.23 sq m as well as 1,082 car park spaces and 92 storage rooms (the "Property 1"); (2) unsold portion of Phase IV of Xuancheng Chiway Top Town (宣城中锐第一城四期), which comprises residential and retail units with a GFA of 5,524.00 sq m as well as 605 car parks and 205 storage rooms (the "Property 2"); (3) Building SY1# of Xuancheng Chiway Top Town (宣城 SY1#楼), which is three-storey retail building, including one-storey basement. The total GFA is approximately 5,338.26 sq m. (the "Property 3").</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property 1 with a total GFA of 138,091.23 sq m has been pre-sold with a total pre-sales amount of RMB724,490,000. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	240,851.60 sq m (For the Development)
Total GFA	:	Property 1: 149,462.23 sq m (excl. car parks and storage room) Property 2: 5,524.00 sq m (excl. car parks and storage room) Property 3: 5,338.26 sq m
Permitted Use	:	Residential and Retail
Registered Owner	:	宣城中锐房地产开发有限公司 (the "Developer")
Legal Description	:	Pursuant to the State-owned Land-use Rights Certificate provided, the land-use rights of the Property with a total site area of 240,851.60 sq m have been granted to 宣城中锐房地产开发有限公司 for residential and retail use.
Condition	:	<p>At the time of inspection, Property 2 and 3 were completed. As at the date of valuation, Property 3 was self-occupied by the Developer.</p> <p>At the time of inspection, Property 1 was under construction and is scheduled to complete in 2018.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for Property 1 was approximately RMB258,000,000, as at the date of valuation.</p>
Interest Valued	:	100.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach, Income Approach and Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete":

PROPERTY 1:

RMB857,700,000

RENMINBI EIGHT HUNDRED FIFTY SEVEN MILLION
AND SEVEN HUNDRED THOUSAND ONLY



MARKET VALUE - "as is":

TOTAL:	RMB589,500,000
	RENMINBI FIVE HUNDRED EIGHTY NINE MILLION AND FIVE HUNDRED THOUSAND ONLY
PROPERTY 1	RMB499,000,000
PROPERTY 2	RMB58,800,000
PROPERTY 3	RMB31,700,000





VALUATION SUMMARY - PROPERTY 11

Property Name	:	Xuancheng Xinkaiyuan Project (宣城尚城印象)
Property Address	:	North of Baocheng Road (宝城路) and west of Xinglong (兴隆路) Road, Xuancheng Economic and Technological Development Zone, Xuancheng, Anhui Province, PRC
Brief Description	:	<p>The Property, known as Xuancheng Xinkaiyuan Project, presents a proposed large-scale residential property comprising residential and retail facilities, complemented with car parks and other ancillary facilities.</p> <p>According to the development plan provided, the Property has a total proposed gross floor area (GFA) of 91,455.32 sq m as well as 681 car park spaces.</p>
Site Area:	:	61,718.00 sq m
Total Proposed GFA	:	91,455.32 sq m (excl. car parks)
Permitted Use	:	Residential
Registered Owner	:	宣城市新开元房地产开发有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 61,718.00 sq m have been granted to 宣城市新开元房地产开发有限公司 for residential use for a term expiring on 19 May 2087.
Condition	:	<p>At the time of inspection, the Property was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property was approximately RMB316,400,000, as at the date of valuation.</p>
Interest Valued	:	100% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete": RMB645,200,000 RENMINBI SIX HUNDRED FORTY FIVE MILLION AND TWO HUNDRED THOUSAND ONLY
		MARKET VALUE - "as is": RMB145,000,000 RENMINBI ONE HUNDRED FORTY FIVE MILLION ONLY



VALUATION SUMMARY - PROPERTY 12

Property Name	:	Shanghai Royal Palace (悦立方)
Property Address	:	East of Haifu Road and north of Longxiang Road, Jinshan District, Shanghai, PRC
Brief Description	:	<p>Shanghai Royal Palace (悦立方) presents a large-scale residential property comprising high-rise and multi-rise residential towers, villa, LOFT and SOHO apartments, retail, complemented with car parks and other ancillary facilities (the "Development").</p> <p>The Property consists of the unsold portion of the Development, including the unsold 2-storey retail space with a total gross floor area (GFA) of 7,415.08 sq m and 249 parking lots. The Property also included the presold portion but not yet handed over at the time of valuation, which has a GFA of 3,725.00 sq m.</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a total GFA of 3,725.00 sq m has been pre-sold with a total pre-sales amount of RMB67,160,000. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	24,390.10 sq m (for the Development)
Total GFA	:	11,140.08 sq m (excl. 249 car spaces)
Permitted Use	:	Residential and Retail
Registered Owner	:	上海中锐置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 24,390.10 sq m have been granted to 上海中锐置业有限公司 for residential and retail uses for terms expiring on 25 November 2077 and 25 November 2047, respectively.
Condition	:	At the time of inspection, the Property was completed.
Interest Valued	:	100.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is":
		RMB206,900,000
		RENMINBI TWO HUNDRED AND SIX MILLION
		NINE HUNDRED THOUSAND ONLY





VALUATION SUMMARY - PROPERTY 13

Property Name	:	Wuxi Chiway Prime Palace (无锡琅石名筑)								
Property Address	:	West of Xincheng Road and north of Shanxi River, Binhu District, Wuxi, Jiangsu Province, PRC								
Brief Description	:	<p>The Property, known as Wuxi Chiway Prime Palace, is a residential development comprising 4 triplex residential towers, complemented with car parks and other ancillary facilities.</p> <p>The Property has a total gross floor area (GFA) of 14,754.71 sq m and 76 parking lots.</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a total GFA of 9,740.04 sq m has been pre-sold with a total pre-sales amount of RMB200,860,900. As instructed by the Client, we have taken it into account in our valuation.</p>								
Site Area:	:	11,782.10 sq m								
Total GFA	:	14,754.71 sq m (excl. 76 parking lots)								
Permitted Use	:	Residential & Retail								
Registered Owner	:	无锡太湖新城中锐置业有限公司 (the "Developer")								
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 11,782.10 sq m have been granted to 无锡太湖新城中锐置业有限公司 for a term expiring on 24 October 2056 for retail use and a term expiring on 24 October 2086 for residential use.								
Condition	:	<p>At the time of inspection, the Property was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB46,000,000 as at the date of valuation.</p>								
Interest Valued	:	57.0% Leasehold Interest of the Property								
Purpose of Report	:	Voluntary Conditional Cash Offer								
Valuation Approach	:	Residual Method								
Date of Valuation	:	31 December 2017								
Market Basis	:	<table border="0"> <tr> <td>MARKET VALUE - "as if complete":</td> <td>RMB182,400,000</td> </tr> <tr> <td></td> <td>RENMINBI ONE HUNDRED EIGHTY TWO MILLION AND FOUR HUNDRED THOUSAND ONLY</td> </tr> <tr> <td>MARKET VALUE - "as is":</td> <td>RMB132,200,000</td> </tr> <tr> <td></td> <td>RENMINBI ONE HUNDRED THIRTY TWO MILLION AND TWO HUNDRED THOUSAND ONLY</td> </tr> </table>	MARKET VALUE - "as if complete":	RMB182,400,000		RENMINBI ONE HUNDRED EIGHTY TWO MILLION AND FOUR HUNDRED THOUSAND ONLY	MARKET VALUE - "as is":	RMB132,200,000		RENMINBI ONE HUNDRED THIRTY TWO MILLION AND TWO HUNDRED THOUSAND ONLY
MARKET VALUE - "as if complete":	RMB182,400,000									
	RENMINBI ONE HUNDRED EIGHTY TWO MILLION AND FOUR HUNDRED THOUSAND ONLY									
MARKET VALUE - "as is":	RMB132,200,000									
	RENMINBI ONE HUNDRED THIRTY TWO MILLION AND TWO HUNDRED THOUSAND ONLY									





VALUATION SUMMARY - PROPERTY 14

Property Name	:	Wuxi Industrial Park Royal Mansion (无锡星元)								
Property Address	:	East of Gonghu Avenue and south of Tangtieqiao Road, Binhu District, Wuxi, Jiangsu Province, PRC								
Brief Description	:	<p>The Property, known as Wuxi Industrial Park Royal Mansion, is a large-scale of residential development comprising duplex, garden houses, low-rise and high-rise residential towers, complemented with car parks and other ancillary facilities.</p> <p>The Property has a total gross floor area (GFA) of 177,515.20 sq m with 1,432 parking lots.</p>								
Site Area:	:	73,350.60 sq m								
Total GFA	:	177,515.20 sq m (excl. 1,432 parking lots)								
Permitted Use	:	Residential, retail								
Registered Owner	:	无锡中锐华科置业有限公司 (the "Developer")								
Legal Description	:	Pursuant to two Real Estate Ownership Certificates provided, the land-use rights of the Property with a total site area of 73,350.60 sq m have been granted to 无锡中锐华科置业有限公司 for a term expiring on 1 November 2056 for retail use and a term expiring on 1 November 2086 for residential use.								
Condition	:	<p>At the time of inspection, the Property was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB1,194,000,000 as at the date of valuation.</p>								
Interest Valued	:	60.0% Leasehold Interest of the Property								
Purpose of Report	:	Voluntary Conditional Cash Offer								
Valuation Approach	:	Residual Method								
Date of Valuation	:	31 December 2017								
Market Basis	:	<table><tr><td>MARKET VALUE - "as if complete":</td><td>RMB3,562,200,000</td></tr><tr><td></td><td>RENMINBI THREE BILLION FIVE HUNDRED SIXTY TWO MILLION AND TWO HUNDRED THOUSAND ONLY</td></tr><tr><td>MARKET VALUE - "as is":</td><td>RMB2,167,200,000</td></tr><tr><td></td><td>RENMINBI TWO BILLION ONE HUNDRED SIXTY SEVEN MILLION AND TWO HUNDRED THOUSAND ONLY</td></tr></table>	MARKET VALUE - "as if complete":	RMB3,562,200,000		RENMINBI THREE BILLION FIVE HUNDRED SIXTY TWO MILLION AND TWO HUNDRED THOUSAND ONLY	MARKET VALUE - "as is":	RMB2,167,200,000		RENMINBI TWO BILLION ONE HUNDRED SIXTY SEVEN MILLION AND TWO HUNDRED THOUSAND ONLY
MARKET VALUE - "as if complete":	RMB3,562,200,000									
	RENMINBI THREE BILLION FIVE HUNDRED SIXTY TWO MILLION AND TWO HUNDRED THOUSAND ONLY									
MARKET VALUE - "as is":	RMB2,167,200,000									
	RENMINBI TWO BILLION ONE HUNDRED SIXTY SEVEN MILLION AND TWO HUNDRED THOUSAND ONLY									





VALUATION SUMMARY - PROPERTY 15

Property Name	:	Royal Lake Mansion (星湖名邸)
Property Address	:	East of Mupu Street and South of Tianyuan Road, Jiangning Development Zone, Nanjing, Jiangsu Province, PRC
Brief Description	:	<p>The Property, known as Royal Lake Mansion (星湖名邸), presents a residential development comprising three high-rise residential towers and a freestanding double storey retail building, complemented with car parks and other ancillary facilities.</p> <p>The Property consists of the residential space and retail space with a total gross floor area (GFA) of 41,884.31 sq m and 352 car parks. At the time of inspection, the Property was still under construction.</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a total GFA of 40,561.92 sq m has been pre-sold with a total pre-sales amount of RMB1,191,139,162. As instructed by the Client, we have taken it into account in our valuation.</p>
Site Area:	:	14,185.34 sq m
Total GFA	:	41,884.31 sq m (excl. 352 car parks)
Permitted Use	:	Commercial, office and residential (site A); Residential (site B)
Registered Owner	:	南京中锐宏润置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the State-owned Land-use Rights Certificates provided, the land-use rights of the Property with a total site area of 14,185.34 sq m have been granted to 南京中锐宏润置业有限公司 for residential and retail uses for land-use terms expiring on 15 February 2086 and 15 February 2056 respectively.
Condition	:	<p>At the time of inspection, the Property was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB163,000,000 as at the date of valuation.</p>
Interest Valued	:	60.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete": RMB784,200,000 RENMINBI SEVEN HUNDRED EIGHTY TWO MILLION AND TWO HUNDRED THOUSAND ONLY
		MARKET VALUE - "as is": RMB593,400,000 RENMINBI FIVE HUNDRED NINETY THREE MILLION AND FOUR HUNDRED THOUSAND ONLY



VALUATION SUMMARY - PROPERTY 16

Property Name	:	Wuhan Chiway Lakeside Palace (武汉中锐滨湖尚城)
Property Address	:	Intersection of Tengxun Avenue (腾讯大道) and Jinlong Street (金龙大街), Jiangxia District, Wuhan, Hubei Province, PRC.
Brief Description	:	The Property, known as, Wuhan Chiway Lakeside Palace (武汉滨湖尚城) presents a large-scale of residential development comprising high-rise residential towers and triplex residential units, retail and underground car parking with a total gross floor area (GFA) of 170,387.92 sq m and 1,535 parking lots.
Site Area:	:	83,467.59 sq m
Total GFA	:	170,387.92 sq m (excl. 1,535 car parks)
Permitted Use	:	Residential
Registered Owner	:	武汉中锐置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 83,467.59 sq m have been granted to 武汉中锐置业有限公司 for residential use for a term expiring on 30 November 2086.
Condition	:	At the time of inspection, the Property was under construction. As advised by the Client, the Property will be completed in 2019. According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB734,000,000 as at the date of valuation.
Interest Valued	:	60% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach, Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete": RENMINBI ONE BILLION SIX HUNDRED FIFTY MILLION ONLY MARKET VALUE - "as is": RENMINBI NINE HUNDRED FORTY MILLION AND EIGHT HUNDRED THOUSAND ONLY





VALUATION SUMMARY - PROPERTY 17

Property Name	:	Suzhou Fortune Innovation Centre Phase I-III (汇金科创中心 1-3 期) (the "Property 1"), Suzhou Fortune Innovation Centre Phase IV (汇金科创中心 4 期) (the "Property 2"), and part of the Retail portion of Suzhou Hemei Garden (和美家园商铺) (the "Property 3")
Property Address	:	No. 1099 Baodai West Road, Huqiu Distirct, Suzhou, Jiangsu Province, PRC (the "Property 1") East of Kerui Road and North of Baodai West Road, Huqiu Distirct, Suzhou, Jiangsu Province, PRC (the "Property 2") West of Huchi Road and north of Jinzhu Street, Jinchang District, Suzhou, Jiangsu Province, PRC (the "Property 3")
Brief Description	:	The Property 1 consists of 3 blocks of office buildings with a total gross floor area (GFA) of 33,882.11 sq m. The Property 2 consists of 3 blocks of office buildings with a proposed gross floor area (GFA) of 49,885.86 sq m. At the time of inspection, the Property 2 was under construction. Suzhou Hemei Garden (和美家园) presents a large-scale of affordable housing property comprising high-rise, retail and education facilities, complemented with car parks and other ancillary facilities (the "Development"). The Property 3 is part of the retail portion of the Development, consists of seven 3-storey retail units with a total gross floor area (GFA) of 2,649.66 sq m.
Site Area:	:	Property 1: 27,931.70 sq m Property 2: 18,947.30 sq m Property 3: 92,517.60 sq m (for the Development)
Total GFA	:	Property 1: 33,882.11 sq m (incl. car spaces) Property 2: 49,885.86 sq m (incl. car spaces) Property 3: 2,649.66 sq m (retail portion only)
Permitted Use	:	Property 1 & 2: Science and Education Land Property 3: Residential
Registered Owner	:	苏州高新中锐科教发展有限公司 (the "Developer")
Legal Description	:	Pursuant to two Real Estate Ownership Certificates provided, the land-use rights of the Property with a total site area of 46,879.00 sq m have been granted to 苏州高新中锐科教发展有限公司 for science and education use for a term expiring on 25 February 2058. Pursuant to the State-owned Land-use Rights Certificate provided, the land-use rights of the Property with a total site area of 92,517.60 sq m have been granted to 苏州高新中锐科教发展有限公司 for residential use for a term expiring on 29 April 2082.
Condition	:	At the time of inspection, the Property 1 was completed and in operation. According to the tenancy schedule provided the Client, the Property 1 was subject to 217 tenancies, yielding a total monthly rental income of approximately RMB880,000 exclusive of management fee. As at the valuation date, the occupancy rate was approximately 78.8%. At the time of inspection, the Property 2 was under construction. According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB174,700,000 as at the date of valuation. At the time of inspection, the Property 3 was completed and vacant.



Interest Valued : 70% Leasehold Interest of the Property
Purpose of Report : Voluntary Conditional Cash Offer
Valuation Approach : Market Approach, Income Approach, Residual Approach
Date of Valuation : 31 December 2017
Market Basis : MARKET VALUE - "as if complete":

PROPERTY 2: RMB236,600,000

RENMINBI TWO HUNDRED THIRTY SIX MILLION
AND SIX HUNDRED THOUSAND ONLY

MARKET VALUE - "as is":

Total: RMB241,600,000

RENMINBI TWO HUNDRED FORTY ONE MILLION
AND SIX HUNDRED THOUSAND ONLY

PROPERTY 1: RMB173,400,000

PROPERTY 2: RMB49,600,000

PROPERTY 3: RMB18,600,000





VALUATION SUMMARY - PROPERTY 18

Property Name	:	Four Properties in Wuxi Chiway Regent Town (瑞城国际社区)
Property Address	:	South of Taishan Road and west of Xixing Road, Xinwu District, Wuxi, Jiangsu Province, PRC
Brief Description	:	<p>Wuxi Chiway Regent Town (瑞城国际社区) presents a large-scale residential property comprising high-rise and mid-rise residential towers, LOFT apartments, retail and education facilities, complemented with car parks and other ancillary facilities (the "Development").</p> <p>The Property consists of the remaining portion of the Development, including: (1) Wuxi Chiway Regent Town Community Centre (综合楼邻里商业中心), which is a 4-storey aboveground and 1-storey underground retail building with a total gross floor area (GFA) of 7,397.37 sq m (the "Property 1"); (2) 12 retail units of Wuxi Chiway Regent Town (瑞城一期 12 套商铺), which is a 2-storey retail facility with a total GFA of 2,156.27 sq m (the "Property 2"); (3) Wuxi Eton House International School, with a GFA of 7,269.33 sq m (the "Property 3"); (4) Wuxi Overseas Chinese Academy, with a proposed GFA of 25,024.00 sq m (the "Property 4").</p>
Site Area:	:	40,000.00 sq m
Total GFA	:	Property 1: 7,397.37 sq m Property 2: 2,156.27 sq m Property 3: 7,269.33 sq m Property 4: 25,024.00 sq m
Permitted Use	:	Residential and Retail
Registered Owner	:	无锡中锐房地产有限公司 (the "Developer")
Legal Description	:	Pursuant to the State-owned Land-use Rights Certificate provided, the land-use rights of the Property with a total site area of 40,000.00 sq m have been granted to 无锡中锐房地产有限公司 for residential and retail uses for terms expiring on 29 October 2076, 29 October 2046 and 29 October 2056 for residential, retail and others, respectively.
Condition	:	<p>At the time of inspection, Property 1, 2 and 3 were completed and in operation.</p> <p>According to the tenancy schedule provided the Client, Property 1 was subject to one tenancy, yielding a total monthly rental income of approximately RMB18,375 exclusive of management fee; Property 2 was subject to one tenancy, yielding a total monthly rental income of approximately RMB68,906 exclusive of management fee; Property 3 was subject to one tenancy, yielding a total monthly rental income of approximately RMB138,463 exclusive of management fee. As at the valuation date, the occupancy rates of Property 1, 2 and 3 were approximately 100%, 89% and 100%, respectively.</p> <p>At the time of inspection, Property 4 was under construction and is scheduled to complete in 2018.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for Property 4 is approximately RMB102,500,000 as at the date of valuation.</p>
Interest Valued	:	100.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach, Income Approach and Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete":



PROPERTY 4: RMB174,400,000
RENMINBI ONE HUNDRED SEVENTY FOUR MILLION
AND FOUR HUNDRED THOUSAND ONLY

MARKET VALUE - "as is":

Total: RMB145,700,000
RENMINBI ONE HUNDRED FORTY FIVE MILLION
AND SEVEN HUNDRED THOUSAND ONLY

PROPERTY 1: RMB39,100,000
PROPERTY 2: RMB20,900,000
PROPERTY 3: RMB39,700,000
PROPERTY 4: RMB46,000,000





VALUATION SUMMARY - PROPERTY 19

Property Name	:	Suzhou Overseas Chinese Academy (海归子女学校)
Property Address	:	North of Zhaojia Alley (兆佳巷) and east of Zhongnan Street (钟南街), Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC
Brief Description	:	The Property is an international school including primary school, middle school, high school and other ancillary facilities with a total gross floor area (GFA) of 52,460.98 sq m.
Site Area:	:	44,954.59 sq m
Total GFA	:	52,460.98 sq m
Permitted Use	:	Science and Education
Registered Owner	:	苏州锐新投资有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 44,954.59 sq m have been granted to 苏州锐新投资有限公司 for Science and Education use for a term expiring on 27 October 2054.
Condition	:	At the time of inspection, the Property was under construction. According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB103,800,000 as at the date of valuation.
Interest Valued	:	65.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach, Income Approach, Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete": RENMINBI TWO HUNDRED SEVENTEEN MILLION AND ONE HUNDRED THOUSAND ONLY MARKET VALUE - "as is": RENMINBI ONE HUNDRED TWENTY FOUR MILLION AND TWO HUNDRED THOUSAND ONLY





VALUATION SUMMARY - PROPERTY 20

Property Name	:	Wuhan Chiway MOMA Royal Palace (武汉当代·中锐万国 MOMA)								
Property Address	:	Intersection of Zhenxing Road and Changqing Road, Jiangnan District, Wuhan, Hubei Province, PRC								
Brief Description	:	<p>The Property, known as Wuhan Chiway MOMA Royal Palace (武汉当代·中锐万国 MOMA), consists of residential and retail units with a total gross floor area (GFA) of 37,978.19 sq m, together with 282 car spaces.</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a GFA of 16,042.57 sq m has been pre-sold with a total pre-sales amount of RMB502,090,000. As instructed by the Client, we have taken it into account in our valuation.</p>								
Site Area:	:	13,285.21 sq m								
Total GFA	:	37,978.19 sq m (excl. 282 car spaces)								
Permitted Use	:	Residential								
Registered Owner	:	武汉当代尚城万国府置业有限公司 (the "Developer")								
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 13,285.21 sq m have been granted to 武汉当代尚城万国府置业有限公司 for residential uses for terms expiring on 18 April 2087.								
Condition	:	<p>At the time of inspection, the Property was under construction. As advised by the Client, the Property will be completed in 2018.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB224,000,000 as at the date of valuation.</p>								
Interest Valued	:	44.1% Leasehold Interest of the Property								
Purpose of Report	:	Voluntary Conditional Cash Offer								
Valuation Approach	:	Residual Method								
Date of Valuation	:	31 December 2017								
Market Basis	:	<table><tr><td>MARKET VALUE - "as if complete":</td><td>RMB553,900,000</td></tr><tr><td></td><td>RENMINBI FIVE HUNDRED FIFTY THREE MILLION AND NINE HUNDRED THOUSAND ONLY</td></tr><tr><td>MARKET VALUE - "as is":</td><td>RMB355,000,000</td></tr><tr><td></td><td>RENMINBI THREE HUNDRED FIFTY FIVE MILLION ONLY</td></tr></table>	MARKET VALUE - "as if complete":	RMB553,900,000		RENMINBI FIVE HUNDRED FIFTY THREE MILLION AND NINE HUNDRED THOUSAND ONLY	MARKET VALUE - "as is":	RMB355,000,000		RENMINBI THREE HUNDRED FIFTY FIVE MILLION ONLY
MARKET VALUE - "as if complete":	RMB553,900,000									
	RENMINBI FIVE HUNDRED FIFTY THREE MILLION AND NINE HUNDRED THOUSAND ONLY									
MARKET VALUE - "as is":	RMB355,000,000									
	RENMINBI THREE HUNDRED FIFTY FIVE MILLION ONLY									





VALUATION SUMMARY - PROPERTY 21

Property Name	:	Suzhou Xinglun project (摩天轮项目)
Property Address	:	South of Zhongyuan Road (钟园路) and east of Jinrong Street (锦融街), Suzhou Industrial Park, Suzhou, Jiangsu Province, PRC
Brief Description	:	The Property, known as Suzhou Xinglun project (摩天轮项目), consists of two parcels of land with a total site area of approximately 93,042.94 sq m. Besides, there are a sky wheel and 5,312.55 sq m existing building on it.
Site Area:	:	93,042.94 sq m
Permitted Use	:	Residential and Retail
Registered Owner	:	苏州星轮旅游产业有限公司(the "Developer")
Legal Description	:	Pursuant to two Real Estate Ownership Certificates provided, the land-use rights of the Property with a total site area of 93,042.94 sq m have been granted to 苏州星轮旅游产业有限公司 for residential and retail use for terms expiring on 25 August 2086 and 25 August 2056, respectively.
Condition	:	At the time of inspection, the Property was land with existing building on it.
Interest Valued	:	60% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Cost Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is":

RMB670,800,000

**RENMINBI SIX HUNDRED SEVENTY MILLION
AND EIGHT HUNDRED THOUSAND ONLY**





VALUATION SUMMARY - PROPERTY 22

Property Name	:	Zhangjiagang Ruicheng Project (张家港塘桥 B28 地块)
Property Address	:	North of Fumin Road, Tangqiao Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC
Brief Description	:	The Property, known as Zhangjiagang Ruicheng project (张家港塘桥 B28 地块), is a developing property proposed for residential and retail facilities, with a total site area of 36,829.18 sq m.
Site Area:	:	36,829.18 sq m
Permitted Use	:	Residential
Registered Owner	:	张家港锐诚置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 36,829.18 sq m have been granted to 张家港锐诚置业有限公司 for residential use for a term expiring on 14 November 2087.
Condition	:	At the time of inspection, the Property was under construction.
Interest Valued	:	28.5% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Cost Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is": RMB114,000,000

RENMINBI ONE HUNDRED FOURTEEN MILLION ONLY





VALUATION SUMMARY - PROPERTY 23

Property Name	:	Changshu Bicheng Project (常熟必成项目)
Property Address	:	West of Youzhou Road and north of Taoshejing Road, Haiyu Town, Changshu, Suzhou, Jiangsu Province, PRC
Brief Description	:	<p>The Property, known as Changshu Bicheng Project (常熟必成项目), presents a residential property comprising low-rise residential towers, complemented with car parks and other ancillary facilities.</p> <p>The Property is currently a vacant land of the Development, with a total site area of 19,510.00 sq m and it has a proposed gross sellable area of 26,283.00 sq m. It is planned to commence construction in March 2018 and be completed in June 2019.</p>
Site Area:	:	19,510.00 sq m
Permitted Use	:	Residential
Registered Owner	:	常熟必成房地产开发有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 19,510.00 sq m have been granted to 常熟必成房地产开发有限公司 for residential uses for terms expiring on 26 September 2087.
Condition	:	At the time of inspection, the Property was a vacant land.
Interest Valued	:	19.8% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is":

RMB30,700,000

RENMINBI THIRTY MILLION AND SEVEN HUNDRED THOUSAND ONLY





VALUATION SUMMARY - PROPERTY 24

Property Name	:	Changshu Bixin Project (常熟必信项目)
Property Address	:	West of Renmin Road and north of Fuqian Road, Haiyu Town, Changshu, Suzhou, Jiangsu Province, PRC
Brief Description	:	<p>The Property, known as Changshu Bixin Project (常熟必信项目), presents a residential property comprising multi-rise residential towers, complemented with car parks and other ancillary facilities.</p> <p>The Property is currently a piece of vacant land with a total site area of 21,817.00 sq m and it has a proposed gross sellable area of 30,899.84 sq m. It is planned to commence construction in January 2018 and be completed in June 2019.</p>
Site Area:	:	21,817.00 sq m
Proposed Sellable Area	:	30,899.84 sq m
Permitted Use	:	Residential
Registered Owner	:	常熟必信房地产开发有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 21,817.00 sq m have been granted to 常熟必信房地产开发有限公司 for residential uses for terms expiring on 26 September 2087.
Condition	:	At the time of inspection, the Property was a vacant land.
Interest Valued	:	19.8% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is":

RMB42,600,000

RENMINBI FORTY TWO MILLION AND SIX HUNDRED THOUSAND ONLY



VALUATION SUMMARY - PROPERTY 25

Property Name	:	Zhangjiagang Zhonghe project (张家港天玺项目)								
Property Address	:	East of Baiqiao Road, Yangshe Town, Zhangjiagang, Suzhou, Jiangsu Province, PRC								
Brief Description	:	<p>The Property, known as Zhangjiagang Zhonghe project (张家港天玺项目), presents a large-scale residential property comprising garden house residential, retail, complemented with car parks and other ancillary facilities.</p> <p>According to the development plan provided, the Property has a total proposed gross floor area (GFA) of 203,243.28 sq m and 1,011 parking lots.</p> <p>According to the information provided by the Client and the Developer, as at the valuation date, a portion of the Property with a total GFA of 84,540.74sq m has been pre-sold with a total pre-sales amount of RMB1,254,189,130. As instructed by the Client, we have taken it into account in our valuation.</p>								
Site Area:	:	91,107.04 sq m								
Total GFA	:	203,243.28 sq m (excl. 1,011 car spaces)								
Permitted Use	:	Residential								
Registered Owner	:	张家港众合房地产有限公司 (the "Developer")								
Legal Description	:	Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Property with a total site area of 91,107.04 sq m have been granted to 张家港众合房地产有限公司 for residential use for a term expiring on 11 April 2087 and 4 June 2087, respectively.								
Condition	:	<p>At the time of inspection, the Property was under construction.</p> <p>According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB709,800,000 as at the date of valuation.</p>								
Interest Valued	:	16.6% Leasehold Interest of the Property								
Purpose of Report	:	Voluntary Conditional Cash Offer								
Valuation Approach	:	Residual Method								
Date of Valuation	:	31 December 2017								
Market Basis	:	<table><tr><td>MARKET VALUE - "as if complete":</td><td>RMB539,300,000</td></tr><tr><td></td><td>RENMINBI FIVE HUNDRED THIRTY NINE MILLION AND THREE HUNDRED THOUSAND ONLY</td></tr><tr><td>MARKET VALUE - "as is":</td><td>RMB297,500,000</td></tr><tr><td></td><td>RENMINBI TWO HUNDRED NINETY SEVEN MILLION AND FIVE HUNDRED THOUSAND ONLY</td></tr></table>	MARKET VALUE - "as if complete":	RMB539,300,000		RENMINBI FIVE HUNDRED THIRTY NINE MILLION AND THREE HUNDRED THOUSAND ONLY	MARKET VALUE - "as is":	RMB297,500,000		RENMINBI TWO HUNDRED NINETY SEVEN MILLION AND FIVE HUNDRED THOUSAND ONLY
MARKET VALUE - "as if complete":	RMB539,300,000									
	RENMINBI FIVE HUNDRED THIRTY NINE MILLION AND THREE HUNDRED THOUSAND ONLY									
MARKET VALUE - "as is":	RMB297,500,000									
	RENMINBI TWO HUNDRED NINETY SEVEN MILLION AND FIVE HUNDRED THOUSAND ONLY									





VALUATION SUMMARY - PROPERTY 26

Property Name	:	Jiangyin Hecheng Project (江阴新桥项目)
Property Address	:	East of Xinyang Road and south of Jinxiu South Road, Jiangyin, Wuxi, Jiangsu Province, PRC
Brief Description	:	The Property, known as Jiangyin Hecheng Project (江阴新桥项目), is a developing property proposed for residential uses. It has a total site area of 203,609.00 sq m and a total proposed GFA of 325,757.00 sq m.
Site Area:	:	203,609.00 sq m
Total GFA	:	325,757.00 sq m
Permitted Use	:	Residential, Retail
Registered Owner	:	江阴市合诚房地产开发有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 203,609.00 sq m have been granted to 江阴市合诚房地产开发有限公司 for residential use and retail use for a term expiring on 12 July 2087 and 12 July 2057, respectively.
Condition	:	At the time of inspection, the Property was under construction. According to the cost information provided by the Client, the outstanding construction cost for the Property is approximately RMB1,620,000,000 as at the date of valuation.
Interest Valued	:	15.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Residual Method
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as if complete": RMB403,200,000 RENMINBI FOUR HUNDRED AND THREE MILLION TWO HUNDRED THOUSAND ONLY
		MARKET VALUE - "as is": RMB78,300,000 RENMINBI SEVENTY EIGHT MILLION AND THREE HUNDRED THOUSAND ONLY





VALUATION SUMMARY - PROPERTY 27

Property Name	:	Changshu Ruiyi Project (常熟锐翊项目)
Property Address	:	West of Zhangqinglian Road and north of Guqiu Road, Zitang Town, Changshu, Suzhou, Jiangsu Province, PRC
Brief Description	:	<p>The Property, known as Changshu Ruiyi Project (常熟锐翊项目), presents a large-scale residential property comprising high-rise residential towers, complemented with car parks and other ancillary facilities.</p> <p>The Property is currently a parcel of vacant land with a total site area of 40,612.00 sq m and a proposed gross sellable area of 85,510.00 sq m. It is planned to commence construction in January 2018 and be completed in January 2020.</p>
Site Area:	:	40,612.00 sq m
Proposed Sellable Area	:	85,510.00 sq m
Permitted Use	:	Residential
Registered Owner	:	常熟锐翊置业有限公司 (the "Developer")
Legal Description	:	Pursuant to the Real Estate Ownership Certificate provided, the land-use rights of the Property with a total site area of 40,612.00 sq m have been granted to 常熟锐翊置业有限公司 for residential uses for terms expiring on 26 September 2087.
Condition	:	At the time of inspection, the Property was a parcel of vacant land.
Interest Valued	:	30.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is":

RMB141,000,000

RENMINBI ONE HUNDRED FORTY ONE MILLION ONLY





VALUATION SUMMARY - PROPERTY 28

Property Name	:	Zhangjiagang Quantang Project (张家港全塘 B11 地块)
Property Address	:	South of Fumin Road, Zhangjiagang, Suzhou, Jiangsu Province, PRC
Brief Description	:	The Property, known as Zhangjiagang Quantang project (张家港全塘 B11 地块), is a piece of vacant land with a site area of 27,484.40 sq m.
Site Area:	:	27,484.40 sq m
Permitted Use	:	Residential
Registered Owner	:	苏州中锐嘉总置业有限公司* (the "Developer")
Legal Description	:	Pursuant to the State-owned Land-use Rights Grant Contract provided, the land-use rights of the Property with a total site area of 27,484.40 sq m have been granted to 苏州中锐嘉总置业有限公司 for residential use for a term of 70 years.
Condition	:	At the time of inspection, the Property was a piece of vacant land.
Interest Valued	:	34.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is":
		RMB91,800,000
		RENMINBI NINETY ONE MILLION AND EIGHT HUNDRED THOUSAND ONLY

* As advised by the Client, the project company will be changed to 张家港全塘置业有限公司.





VALUATION SUMMARY - PROPERTY 29

Property Name	:	Hangzhou Jingcheng Project (璟程杭州 37 号地块)
Property Address	:	East of Hengxi Road, south of Zhiluxi, west of Kangtai Road and north of Zhongtai Road, Hangzhou, Zhejiang Province, PRC
Brief Description	:	The Property, known as Hangzhou Jingcheng Project (璟程杭州 37 号地块), is a piece of vacant land with a site area of 47,683.00 sq m.
Site Area:	:	47,683.00 sq m
Permitted Use	:	Residential
Registered Owner	:	苏州中锐璟程置业有限公司 (the "Developer")
Legal Description	:	Pursuant to State-owned Land-use Rights Grant Contract, the land-use rights of the Property with a total site area of 47,683.00 sq m have been granted to 苏州中锐璟程置业有限公司 for residential use for a term of 70 years.
Condition	:	At the time of inspection, the Property was a piece of vacant land.
Interest Valued	:	100.0% Leasehold Interest of the Property
Purpose of Report	:	Voluntary Conditional Cash Offer
Valuation Approach	:	Market Approach
Date of Valuation	:	31 December 2017
Market Basis	:	MARKET VALUE - "as is": RMB1,180,000,000

RENMINBI ONE BILLION ONE HUNDRED EIGHTY MILLION ONLY



CAVEATS AND ASSUMPTIONS

1. DEFINITIONS

In these Caveats and Assumptions the following words or phrases shall have the meaning or meanings set out below:

'Confidential Information' means information that:

- (a) Is by its nature confidential.
- (b) Is designated by Us as confidential.
- (c) You know or ought to know is confidential.
- (d) Includes, without limitation: information comprised in or relating to any of Our intellectual property in the Services or any reports or certificates provided as part of the Services.
- (e) You or Your affiliates provide to Us for the purposes of the Services.

'Currency Date' means, in relation to any valuation report, the date as at which our professional opinion is stated to be current.

'Fee' means the amount agreed to be paid for the Services as set out in the Quotation.

'Parties' means You or Us as the context dictates.

'Quotation' means the written quote provided by Us in relation to the Services.

'Services' means the valuation services provided pursuant to these terms and conditions and the Quotation, and includes any documents, reports or certificates provided by Us in connection with the Services.

'The Property' means the assets which are subject of our appointment as your advisor. This may include land, buildings, plant & equipment and other assets as described in the appointment agreement.

'We', 'Us', 'Our', 'Colliers' means Colliers International.

'You', 'Your', 'Client' means the person, company, firm or other legal entity by or on whose behalf instructions are given, and any person, firm, company or legal entity who actually gave the instructions to us even though such instructions were given as agent for another.

'Professional Property Practice Standards' refers to RICS Valuation - Professional Standards, or appropriate standards.

2. PERFORMANCE OF SERVICES

- 2.1 We have provided the Services in accordance with:
 - (a) The terms and conditions contained herein; or
 - (b) As specifically instructed by You for the purpose of the Services; and
 - (c) Within the current provisions set by the prevailing Professional Property Practice Standards.

3. CONDITION OF THE PROPERTY

- 3.1 No allowance has been made in our report for any charges, mortgages or amounts owing on any of the properties valued nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from and clear of any and all charges, liens and encumbrances of an onerous nature likely to affect value, whether existing or otherwise, unless otherwise stated. We assume no responsibility for matters legal in nature nor do we render any opinion as to the title which is assumed to be good and marketable. We are not aware of any easements or rights of way affecting the property and our valuation assumes that none exists.
- 3.2 We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all ordinances, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, any and all required licences, permits, certificates, and authorisations have been obtained, except only where otherwise stated.
- 3.3 We have assumed that any development sites are in a condition suitable for development; this has not been checked by us.
- 3.4 We have not carried out detailed site measurements to verify the correctness of the site areas in respect of the properties but have assumed that the site areas shown on the documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.
- 3.5 We have assumed that there is no timber infestation, asbestos or any other defect (unless advised otherwise) and that the property is compliant with all relevant environmental laws. It is Your

- responsibility to provide reports to Us that are relevant to these issues.
- 3.6 An internal inspection has been made, unless otherwise stated, no detailed on-site measurements have been taken.
 - 3.7 While due care is exercised in the course of our inspection to note any serious defects, no structural survey of the Property will or has been undertaken, and We will not (and are not qualified to) carry out a structural, geotechnical or environmental survey. We will not inspect those parts of the property that are unexposed or inaccessible.
 - 3.8 None of the services have been tested by Us and we are unable therefore to report on their present condition, but will presume them to be in good working order.
 - 3.9 We recommend that You engage appropriately qualified persons to undertake investigations excluded from our Services.
 - 3.10 No responsibility will be accepted either to You or to any third party for loss or damage that may result directly or indirectly from the condition of the property.

4. ENVIRONMENT AND PLANNING

- 4.1 We have obtained only verbal town planning information. It is your responsibility to check the accuracy of this information by obtaining a certificate under the appropriate legislation.
- 4.2 We do not hold ourselves to be experts in environmental contamination. Unless otherwise stated, our inspection of the site did not reveal any contamination or pollution affectation, and our valuation has been prepared on the assumption that the land is not contaminated and has not been affected by pollutants of any kind. We would recommend that this matter be checked by a suitably qualified environmental consultant. Should subsequent investigation show the site is contaminated, our valuation may require revision.

5. BUILDING AREAS

- 5.1 Where a survey is provided to Us for consideration, We will assume that information contained in the survey is accurate and has been prepared in accordance with the prevailing Professional Property Practice Standards.
- 5.2 If you do not provide Us with a survey, We will estimate building areas based only upon available secondary information (including but not limited to building plans, deposited plans, and our own measurements). Such estimates do not provide the same degree of accuracy or certainty as would be provided by a survey prepared by an appropriately qualified professional in accordance with the prevailing Professional Property Practice Standards.
- 5.3 Where such a survey is subsequently produced which differs from the areas estimated then You will refer the valuation back to Us for comment or, where appropriate, amendment.

6. OTHER ASSUMPTIONS

- 6.1 Unless otherwise notified by You, We will assume:
 - (a) There are no easements, mortgages, leases, encumbrances, covenants, caveats, rights of way or encroachments except those shown on the title.
 - (b) All licences and permits can be renewed and We have not made any enquiries in this regard.
- 6.2 Where third party expert or specialist information or reports are provided to Us or obtained by Us in connection with Services (including but not limited to surveys, quantity surveyors reports, environmental audits, structural / dilapidation reports), we will rely upon the apparent expertise of such experts / specialists. We will not verify the accuracy of this information or reports, and assume no responsibility for their accuracy.
- 6.3 Our services are provided on the basis that the Client has provided us, to the best of its knowledge, with a full and frank disclosure of all information and other facts which may affect the service, including all secrecy clauses and side agreements. We accept no responsibility or liability whatsoever for the valuation unless such a full disclosure has been made.
- 6.4 Any plans, sketches or maps included in this report are for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 6.5 The study of possible alternative development options and the related economics are not within the scope of this report, unless otherwise stated.
- 6.6 Our opinion about the market value of the property is free from any influence and/ or point of views of any other parties.

7. ESTIMATED SELLING PRICE

- 7.1 Where you instruct Us to provide an estimated selling price, You agree that the Services:
- (a) Are limited to the provision of an opinion based on Our knowledge of the market and informal enquiries.
 - (b) We are not required to carry out a full inspection of the property; any inspection of comparable properties; a search of title(s) or other enquiries as to encumbrances, restrictions or impediments on title(s); or other investigations which would be required for a formal valuation.
 - (c) Provide an indicative figure only which is not suitable for use for any purpose other than as general information or guide as to sale expectations. It is not suitable to be relied upon for the purpose of entry into any transaction.
- 7.2 No responsibility will be accepted either to You or to any third party for loss or damage that may result from the issue of such an estimated selling price.

8. CURRENCY OF VALUATION

- 8.1 Due to possible changes in market forces and circumstances in relation to the property the Services can only be regarded as relevant as at the Currency Date.
- 8.2 Where You rely upon Our valuation report after the Currency Date, You accept the risks associated with market movements between the Currency Date and the date of such reliance.
- 8.3 Without limiting the generality of 8.2, You should not rely upon Our valuation:
- (a) After the expiry of 3 months from the Currency Date;
 - (b) Where circumstances have occurred during that period which may have a material effect on the value of the property or the assumptions or methodology used in the valuation report.

9. MARKET PROJECTIONS

- 9.1 Any market projections incorporated within our Services including, but not limited to, income, expenditure, associated growth rates, interest rates, incentives, yields and costs are projections only and may prove to be inaccurate. Accordingly, such market projections should be interpreted as an indicative assessment of potentialities only, as opposed to certainties.
- 9.2 Where Our Services include market projections such projections require the dependence upon a host of variables that are highly sensitive to varying conditions. Accordingly, variation in any of these conditions may significantly affect these market projections.
- 9.3 Where market projections form part of Our Services, We draw your attention to the fact that there will be a number of variables within acceptable market parameters that could be pertinent to Our Services and the projections adopted are representative of only one of these acceptable parameters.
- 9.4 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to us by you.

10. YOUR OBLIGATIONS

- 10.1 You warrant that the instructions and subsequent information supplied by You, to the best of your knowledge, contain a full and frank disclosure of all information that is relevant to Our provision of the Services.
- 10.2 You warrant that all third party expert or specialist reports provided to Us by You for the purpose of Us providing the Services are provided with the authority of the authors of those reports.
- 10.3 You authorise and license Us to incorporate Your intellectual property within Our report(s).
- 10.4 You will not release any part of Our valuation report or its substance to any third party without Our written consent. When we consent for You to release Our report or any part of Our report to any third party, we do so on the basis that these terms and conditions will apply to the new addressee(s) as if it / they had been a party to the original letter of instruction between us. Where we consent to such reliance, You agree to furnish the addressee with a copy of any reliance letter issued by Us and/or a copy of these terms and conditions.
- 10.5 We reserve the right to reconsider or amend the valuation advice, or the Fee set out in Our Quotation to You, if;
- (a) Certificates, surveys, leases, side agreements or related documentation that were not provided to Us prior to the provision of the Services are subsequently provided, and contain matters that



- may affect the value of the advice; or
 - (b) Where subsequent site inspections made in relation to any of the matters raised in Clause 3 materially affect or may alter the value of the property, the subject of the Services.
 - (c) The information provided to Us by You prior to the provision of services is in any way incomplete, misleading or wrong.
- 10.6 If You release any part of the valuation advice or its substance without written consent, You agree to defend and indemnify Us against claims by a third party who has reviewed the report if We have not, at or subsequent to the time of engagement, provided our specific written consent to such party reviewing and relying on the report. We have no responsibility to any other person even if that person suffers damage as a result of You providing this valuation without Our prior consent.
- 10.7 You agree that the only remedy for losses or damages relating to the breach of this Agreement shall be limited to three times Our contracted fee for the assignment and no claim shall be made for any consequential or punitive damages.
- 10.8 You agree not to bring any claim for any losses against any director, consultant or any employee of Ours. You hereby agree that Our director, consultant or any employee does not have a personal duty of care to You and any claim for losses must be brought against Colliers International.
- 10.9 Where any loss is suffered by You for which We and any other person are jointly and severally liable to You the loss recoverable by You from Us shall be limited so as to be in proportion to our relative contribution to the overall fault.

11. CONFIDENTIALITY

- 11.1 This report and each part of it is prepared and intended for the exclusive use of the Client for the sole purpose outlined in Our agreement for internal reference purposes, and/or the purposes as specified in the agreement, and in accepting this report, the Client expressly agrees not to use or rely upon this report or any part of it for any other purpose. No person other than the Client shall use or rely upon this report or any part of it for any purpose unless we have given Our express written consent. Similarly neither the whole nor any part of this report nor any reference thereto may be included in any document, circular or statement nor published in any way without our written approval of the form and context in which it may appear.
- 11.2 If consent to disclose the Confidential Information is provided by Us, You agree to abide by any additional terms and conditions that We may apply to that disclosure.
- 11.3 You agree that You will indemnify, hold harmless and defend Us from and against any and all loss, liability, costs or expenses (including but not limited to professional or executive time) We may suffer or reasonably incur, directly or indirectly, as a result of a breach of this clause.
- 11.4 Unless otherwise directed in writing by Client, Colliers International retains the right to include references to the Services in its promotional material. Such references shall not contain confidential material.

12. PRIVACY

- 12.1 We may obtain personal information about You in the course of performing Our Services. We respect your privacy and advise You that we will only obtain information that is necessary to assist us in the course of performing Our Services. If it is necessary for Us to engage third parties, we will inform these parties that they are not to disclose any personal information about You to any person or organisation other than Us.

13. SUBCONTRACTING

- 13.1 We may sub-contract or otherwise arrange for another person to perform any part of the Services or to discharge any of Our obligations under any part of these terms and conditions, with Your consent.

14. LIMITATION OF COLLIERS LIABILITY

- 14.1 To the extent permissible under applicable laws, in no event shall Colliers International be liable to Client or anyone claiming by, through or under Client, including insurers, for any lost, delayed, or diminished profits, revenues, production, business, use or opportunities, or any incidental, special, indirect, or economic losses, wasted costs, diminution of value or consequential damages, of any kind or nature whatsoever, however caused.
- 14.2 We shall be released from Our obligations to the extent that performance thereof is delayed, hindered

or prevented by any circumstances beyond Our reasonable control (examples being a strike, act of God or act of terrorism). All the costs and benefits forecasted will, ultimately, be determined by future market conditions. Forecasts of these elements are based on assumptions of certain variable factors, which, in turn, are extremely sensitive to changes in the market and economic contexts. For this reason, the figures mentioned in this report were not computed under any known or guaranteed conditions. Rather, these are forecasts drawn from reliable sources of data and information and made in the best judgment and professional integrity of Colliers International. Notwithstanding this, Colliers International reiterates that it will not accept any responsibilities in the face of damage claims that might result from any error, omission or recommendations, viewpoints, judgments and information provided in this report.

- 14.3 Neither Colliers nor any employee of Ours shall be required to give testimony or to appear in court or any other tribunal or at any government agency by reason of this valuation report or with reference to the property in question, except by court summons / judicial notification, and unless prior arrangements have been made and we are properly reimbursed for reasonable time and expenses incurred. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes valuation report) and all meetings related to court testimony.
- 14.4 We are free from any possible legal and/ or non-legal issue which may attach to the Property's title documents.
- 14.5 All statements of fact in the valuation report which are used as the basis of our analyses, opinions, and conclusions will be true and correct to the best of our knowledge and belief. We do not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to Us by You.
- 14.6 Our liability for loss and damage attributable to Our negligence, breach of contract, misrepresentation or otherwise (but not in respect of fraud, fraudulent misrepresentation, death or personal injury) shall be limited to a maximum of three times Our contracted fee for the assignment per property for any single case. A single case of damages is defined as the total sum of all damage claims of all persons entitled to claim, which arise from one and the same professional error / offence. In the case of damages suffered from several offences brought about by the same technical error within the scope of several coherent services of a similar nature, we are only to be held liable for an amount of three times Our contracted fee for the assignment per property.
- 14.7 Where the agreement is addressed to more than one Client, the above limit of liability applies to the aggregate of all claims by all such Clients and not separately to each Client.
- 14.8 No third party will be entitled to rely on any part of Our valuation report or its substance or advice except with our written consent. Should any third party rely on Our report without obtaining Our written consent, We are not bound by any liability which arises from the use of or reliance upon Our valuation report by such unauthorised party.
- 14.9 We will not be liable for any services outside the scope of the services agreed to be performed by Us, and in respect of any consequential losses or loss of profits.
- 14.10 Responsibility for Our valuation extends only to the party(ies) to whom it is addressed. However in the event of Us being asked by You to re-address Our report to another party or other parties or permit reliance upon it by another party or other parties, We will give consideration to doing so, to named parties, and We reserve the right to charge additional fee for doing so although We will agree such fee with You before commencing the work.

15. ENTIRE AGREEMENT

- 15.1 No further agreement, amendment or modification of these terms and conditions shall be valid or binding unless made in writing and executed on behalf of the Parties by their duly authorised officers.
- 15.2 If there is inconsistency between these terms and conditions and the Quotation, any letter of instruction from You, or other specific request or information shall prevail to the extent of the inconsistency.
- 15.3 Copyright in any reports, documents or other material provided to You by Us shall remain Our property at all times unless otherwise stated.

16. ANTI BRIBERY AND CORRUPTION MEASURES

- 16.1 We represent, in connection with any services to be provided to You, that neither We nor Our contractors, employees or agents (collectively, "Consultant") has made or will make, either directly or



indirectly, any payments (i) to or for the use or benefit of any Government Official (ii) to any other person either for an advance or reimbursement, if Consultant knows or has reason to know that any part of such payment has been or will be given to any Government official or (iii) to any person or entity, the payment of which would violate laws and regulations in Australia, the United States, the United Kingdom or any other government entity having jurisdiction over the activities carried out by Consultant. The term "Government Official" in this paragraph means any officer or employee of a government or any governmental department or agency, or any person acting in an official capacity for or on behalf of any such government or governmental department or agency, including employees of state-owned or controlled entities and candidates for political office.

- 16.2 We represent that, in connection with any services to be provided to You, We will conduct operations at all times in compliance with applicable financial recordkeeping and reporting requirements, including all applicable money laundering-related laws of any jurisdictions where We conduct business or own assets.





23 January 2018
 Our Ref: GW10012188

Savills Valuations Pty Ltd
 ABN 73 151 048 056
 E: khaack@savills.com.au

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 CWG International Ltd
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 Sydney NSW 2000

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 Sydney NSW 2000
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 savills.com.au

To whom it may concern,

Re: Valuation of the Properties of CWG International Ltd

This letter has been prepared for inclusion in The Circular to the shareholders of CWG International Ltd in connection with the voluntary conditional cash offer by RHT Capital Pte. Ltd, for and on behalf of Elidom Investment Co., Ltd.

We confirm that we have inspected the properties, conducted relevant inquires and investigations, made relevant searches and have obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the properties as at 31st December 2017.

We confirm that the basis of the valuation is to asses the Market Value of the below properties. Market Value as defined and adopted by the Australian Property Institute is as follows:

“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 parties had each acted knowledgeably, prudently and without compulsion.”

Our valuations as at 31st December 2017, free from encumbrances are summarised as follows:

Property	Market Value “As Is” as at 31 st December 2017	Gross Realisations “As If Complete”(Incl. GST)	Gross Realisations “As If Complete”(Excl. GST)
771-775 Victoria Road, Ryde NSW 2112	*\$14,750,000	*\$77,842,000	*\$72,275,350
17-25 Epping Road, Epping NSW 2121	**\$49,600,000	\$78,994,300	\$74,022,091
48-53 Jephson Street, Toowong NSW 4066	**85,000,000	\$129,681,060	\$118,096,418

*Assuming Development Approval of the Scheme Provided

** Including Value of Works Completed to date

The details of each property is enclosed in the attached summary valuation certificate.

Savills Valuations Pty Ltd (Savills) has prepared a full and comprehensive valuation report for the abovementioned properties in accordance with instructions provided by CWG International Pty Ltd. This Circular should be read in conjunction with Savills' full valuation report (dated 31st December 2017) as we note the above summary does not include all essential information and the critical assumptions which are detailed in the full valuation report. The valuation report provides a detailed description of each property; sales evidence and assumptions impacting value and local market characteristics. Any reliance upon the above valuation figures by individual investors should therefore be based upon the actual possession or sighting of an original valuation report duly signed by Savills. Savills consents to the valuation reports being made available for inspection at the registered address of the company secretary of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807. Savills Valuations Pty Ltd liability is limited by a scheme approved under Professional Standards Legislation.

Kind Regards

A handwritten signature in black ink, appearing to read 'Katie Haack', with a long horizontal flourish extending to the right.

Katie Haack
Certified Practising Valuer

Summary Valuation Certificate

Property	“Stellar” 771-775 Victoria Road, Ryde NSW 2112	
Legal Description	Lot 200 in Deposited Plan 1006373	
Site Area	2,983m ²	
Tenure	100% Freehold	
Registered Proprietor	Ryde 88 Pty Limited	
Zoning	B4 Mixed Use – Under the Ryde Local Environmental Plan 2014	
LGA	Ryde City Council	
Planning Details	<ul style="list-style-type: none"> ■ Type of Development: Residential Development Site (DA Lodged) ■ Permissible FSR: 2.5:1 ■ Proposed Gross Floor Area: 7,440m² ■ Proposed Number of Units – 96 residential units & 2 commercial/retail units 	
Brief Description	<p>The subject site is located in the suburb of Ryde, approximately 11.5 kilometres north west of the Sydney CBD. The subject is located on the corner of Victoria Road and Devlin Street and has additional access from Belmore Lane.</p> <p>The proposed development, to be known as “Stellar” is a mixed use development comprising 2 buildings of up to 5 & 9 storeys. The development will contain 96 residential apartments, 2 commercial/retail suites and 3 levels of basement parking.</p> <p>According to Ryde Council records the subject site has not yet been approved for the above development. However, a separate development application has been approved for the demolition of existing buildings which has commenced.</p> <p>According to the Developers schedule, there has been 35 exchanged contracts.</p>	
Valuation Approach	Direct Comparison and Hypothetical Feasibility	
Date of Inspection	16 th January 2018	
Date of Valuation	31 st December 2017	
“As Is” Market Value as at 31st December 2017 (Excl. GST)	\$14,750,000 - Assuming Development Approval of the Scheme Provided	
“As If Complete” GRs	Excluding GST	Including GST
Assuming DA on Scheme Provided	\$72,275,350	\$77,842,000
Project Cost Estimate	\$34,677,572 (Assessed Land Value + Construction Costs Provided)	
	<p>We note that we have adopted the construction costs provided by the developer to arrive at the above figure. We highlight that we are not Quantity Surveyors. We recommend the engagement of an independent Quantity Surveyor to confirm the same. Should the cost estimate differ to that adopted within, then this report should be referred back to the Valuer for comment and accordingly we reserve the right to amend the assessment within.</p>	
Prepared By	Katie Haack AAPI Certified Practising Valuer Savills Valuations Pty Ltd	

Summary Valuation Certificate

Property	“Elan” 17-25 Epping Road, Epping NSW 2121	
Legal Description	<ul style="list-style-type: none"> ■ Lots 28-32 in Deposited Plan 10385 	
Site Area	4,358.5m ²	
Tenure	100% Freehold	
Registered Proprietor	Epping Hillview Pty Ltd	
Zoning	R4 High Density Residential – Under the Hornsby Local Environmental Plan 2013	
LGA	Parramatta City Council (Formerly Hornsby City Council)	
Planning Details	<ul style="list-style-type: none"> ■ Type of Development: Residential Development Site (78% Complete) ■ Proposed Gross Floor Area: 12,757 m² ■ Proposed Number of Units: 90 residential units 	
Brief Description	<p>The subject site is located in the suburb of Epping, approximately 19 kilometres north west of the Sydney CBD and approximately 400 metres east of Epping Train Station. The subject is located on the corner of Epping Road and Smith Street.</p> <p>The proposed development, to be known as “Elan” is a residential development comprising 2 buildings of up to 5 storeys. The development will contain 90 residential apartments and 2 levels of basement parking. We have been advised that the construction is 78% complete.</p> <p>According to Hornsby City Council records the subject has been approved (DA/1509/2014) for the above development.</p> <p>According to the Developers schedule, there has been 78 exchanged contracts.</p>	
Valuation Approach	Direct Comparison and Hypothetical Feasibility	
Date of Inspection	16 th January 2018	
Date of Valuation	31 st December 2017	
“As Is” Market Value as at 31st December 2017 (Excl. GST)	\$49,600,000 – Including Value of Works Completed to Date	
“As If Complete” GRs	Excluding GST	Including GST
	\$74,022,091	\$78,994,300
Project Cost Estimate	\$55,711,767 (Assessed Land Value + Construction Costs to Complete)	
	We note that we have relied on the Quantity Surveyors report provided to arrive at the above figure for the cost to complete.	
Prepared By	Katie Haack AAPI Certified Practising Valuer Savills Valuations Pty Ltd	

Summary Valuation Certificate

Property	"Illumina" 48-53 Jephson Street, Toowong QLD 4066	
Legal Description	<ul style="list-style-type: none"> ■ Lot 1 in Registered Plan 189754 ■ Lot 4 in Registered Plan 45009 	
Site Area	2,077m ²	
Tenure	100% Freehold	
Registered Proprietor	CS Toowong Pty Ltd	
Zoning	MC – Major Centre under the Toowong-Auchenflower Neighbourhood Plan I Toowong Centre B – Sub precinct	
Planning Scheme	Brisbane City Plan 2014	
Planning Details	<ul style="list-style-type: none"> ■ Type of Development - Residential Development Site (92% Complete) ■ Proposed Gross Floor Area – 17,152m² ■ Proposed Number of Units – 221 residential units & 3 ground floor retail tenancies. 	
Brief Description	<p>The subject site is located in the inner city suburb of Toowong, approximately 5 kilometres south west of Brisbane CBD. The subject is located on the corner of Jephson and Lissner Street.</p> <p>The proposed development, to be known as "Illumina" is a residential development comprising 221 residential apartments, ground level retail equating to 335m² of GLAR and basement car parking. We have been advised that the construction is 92% complete.</p> <p>Development Approval was granted by Brisbane City Council on 20 March 2015 for the above works.</p> <p>According to the developers schedule, there has been 210 unconditional presales.</p>	
Valuation Approach	Direct Comparison and Hypothetical Feasibility	
Date of Inspection	16 th January 2018	
Date of Valuation	31 st December 2017	
"As Is" Market Value as at 31st December 2017 (Excl. GST)	\$85,000,000	
"As If Complete" – GRs	Excluding GST	Including GST
	\$118,096,418	\$129,681,060
Project Cost Estimate	\$89,965,786 (Assessed Land Value + Construction Costs to Complete)	
	We note that we have relied on the Quantity Surveyors report provided to arrive at the above figure for the cost to complete.	
Prepared By	David Long AAPI AAPI Member: 65569, QRVB: 2996 Certified Practising Valuer Savills Valuations Pty Ltd	

Critical Assumptions

771-775 Victoria Road, Ryde NSW 2112

Market Movement	<ul style="list-style-type: none"> ■ This valuation is current as at the date of valuation and may change as a result of either external or specific factors affecting the property. We do not accept liability for losses arising from such subsequent changes in value. We will not accept liability where this valuation is relied upon after the expiration of three months from the date of valuation, or earlier if there are significant alterations to conditions affecting the value of the property. ■ This valuation is conditional upon development being undertaken in the immediate future and that the site will not be "landbanked". The "As Is" value is current as at the date of valuation only. It is not suitable for long term passive lending. If the site needs to be retained "As Is" for an extended period of time, it is likely that a lower site value may apply or it may result after accounting for holding costs and changes in market environment in addition to any variation to construction costs.
Physical	<ul style="list-style-type: none"> ■ Following the Grenfell Tower fire in London, an Australian Senate inquiry's interim report on 6th September 2017 recommended at 3.65 that the federal government implement "a <i>total ban on the importation, sale and use of polyethylene core aluminium composite panels as a matter of urgency</i>". This has been backed by the Property Council of Australia. Accordingly, it is a condition of this supply of this report that our client / the reliant party(ies) investigate the nature of the existing/new/future/currently proposed building components and satisfy itself as to the potential risks and costs which could be required should the existing/new/future/currently proposed building components have to be replaced or adapted.
Construction Costs	<ul style="list-style-type: none"> ■ We have been provided with construction costs by the developer of \$31,643,572 + Contingency of \$1,584,000. This equates to a rate per unit of \$329,621 and a rate per GFA of \$4,253. We consider this to be appropriate and have adopted these costs within our feasibility. ■ We are not Quantity Surveyors nor are we Consulting Engineers. We have relied upon cost estimates provided and on the basis that the cost provided and adopted are accurate. We recommend the engagement of an independent Quantity Surveyor to confirm same. Should the cost estimate differ to that adopted within, then this report should be referred back to the Valuer for comment and accordingly we reserve the right to amend the assessment within
Land Value	<ul style="list-style-type: none"> ■ The assessed land value via the Residual Cash Flow analysis reflects a number of factors, including the status of approvals, civil construction costs, associated development costs, interest (borrowing) rate, assessed value of the completed units, adopted pre-sales prior to construction, sale rate for completed stock, and acceptable performance margins. The assessed land value by this approach could be impacted by a change in any of the above circumstances.
GST	<ul style="list-style-type: none"> ■ We have been provided with written confirmation of the eligibility of using the Margin Scheme by Crowe Horwath dated 24 November 2016. The Margin Value to be applied is \$14,535,000.
CGT	<ul style="list-style-type: none"> ■ That all appropriate measures to mitigate the risks associated with the foreign resident capital gains tax withholding scheme changes under the Federal Budget 2017, under which: Australian resident vendors of real property of \$750,000 or more must provide a Clearance Certificate issued by the ATO to a purchaser on settlement of the sale, to avoid the purchaser withholding 12.5% of the purchase price and remitting it as withholding tax to the ATO; and Foreign resident vendors will see 12.5% of the purchase price being withheld and remitted to the ATO, unless the ATO approves a Variation.

Continued overleaf.

Critical Assumptions (cont.)

771-775 Victoria Road, Ryde NSW 2112

Construction Timeframe	<ul style="list-style-type: none"> We have adopted a construction period for the project of 18 months based on our experience with similar developments. We have assumed this to be an accurate forecast and have adopted this within our Residual Cash Flow analysis.
“As If Complete” Assessment	<ul style="list-style-type: none"> The “As If Complete” assessment is the estimated market value of the proposed development as detailed in this report on the assumption that all construction has been satisfactorily completed in all respects at the date of this report. Because of time lag and unknown future market conditions the valuation reflects the valuer’s view of the market conditions existing at the date of valuation and does not purport to predict future market conditions and the value at the actual completion date.
Construction Quality & Compliance	<ul style="list-style-type: none"> The “As If Complete” assessment is provided on the basis that the proposed improvements will be constructed in a tradesman like manner using new, quality materials and having regard to modern building techniques. Our valuation assumes that: <ul style="list-style-type: none"> A detailed report of the structure and service installations of the building once completed would not reveal any defects requiring significant expenditure. The building will comply with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations, and will be built in accordance with the provisions of the Building Code of Australia.
EPBC Act	<ul style="list-style-type: none"> That the subject property is not impacted in any way by matters covered by the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), including, but not limited to, listed threatened species and ecological communities or migratory species protected under international agreements.
Development Approvals (Including Plans & Specifications)	<ul style="list-style-type: none"> The site does not hold any formal Development Approval, however we have been provided with concept plans and drawings which have been relied upon when undertaking our Hypothetical Development exercise. Should there be any subsequent changes to the concept plans or onerous condition implied by the subsequent Development Approval, this valuation must not be relied upon before first consulting Savills to reassess any effect on the valuation.
Contamination	<ul style="list-style-type: none"> We assume that the subject property is free from elevated levels of contaminants and have therefore made no allowance in our valuation for site remediation.
Encumbrances, Restrictions, Caveats etc.	<ul style="list-style-type: none"> Our valuation is on the basis that the property is free of encumbrances, restrictions, caveats, or other impediments of an onerous nature which could affect value. Our valuation has been undertaken on the basis the property is free of mortgages, charges and other financial liens.
Pre-sales	<ul style="list-style-type: none"> We have been advised that there are a number of exchanged contracts that have an option to rescind due to changes in floor plans and sizes. For the purpose of this valuation we have assumed that these units are available.

Should any of the assumptions in this report be incorrect or inaccurate, then we reserve the right to amend the valuation and the report.

Critical Assumptions

17-25 Epping Road, Epping NSW 2121

Market Movement	<ul style="list-style-type: none"> This valuation is current as at the date of valuation and may change as a result of either external or specific factors affecting the property. We do not accept liability for losses arising from such subsequent changes in value. We will not accept liability where this valuation is relied upon after the expiration of three months from the date of valuation, or earlier if there are significant alterations to conditions affecting the value of the property.
Physical	<ul style="list-style-type: none"> Following the Grenfell Tower fire in London, an Australian Senate inquiry's interim report on 6th September 2017 recommended at 3.65 that the federal government implement "a <i>total ban on the importation, sale and use of polyethylene core aluminium composite panels as a matter of urgency</i>". This has been backed by the Property Council of Australia. Accordingly, it is a condition of this supply of this report that our client / the reliant party(ies) investigate the nature of the existing/new/future/currently proposed building components and satisfy itself as to the potential risks and costs which could be required should the existing/new/future/currently proposed building components have to be replaced or adapted.
Construction Costs	<ul style="list-style-type: none"> We have been provided with a copy of the Progress Payment Report No.6 by Altus Group dated 13 December 2017. The report states that the construction costs to complete is \$6,111,767 + contingency of \$710,349. Additionally, the report states that there is \$51,582.45 remaining in Authority Fees and \$314,772 remaining in Consultant & Project Management Fees. For the purposes of our valuation we have assumed that remaining construction of the development as per the assumptions made within our valuation can be undertaken for the above amount. We are not Quantity Surveyors nor are we Consulting Engineers. We have relied upon cost estimates provided and on the basis that the cost provided and adopted are accurate. We recommend the engagement of an independent Quantity Surveyor to confirm same. Should the cost estimate differ to that adopted within, then this report should be referred back to the Valuer for comment and accordingly we reserve the right to amend the assessment within
Land Value	<ul style="list-style-type: none"> The assessed land value via the Residual Cash Flow analysis reflects a number of factors, including the status of approvals, civil construction costs, associated development costs, interest (borrowing) rate, assessed value of the completed units, adopted pre-sales prior to construction, sale rate for completed stock, and acceptable performance margins. The assessed land value by this approach could be impacted by a change in any of the above circumstances.
GST	<ul style="list-style-type: none"> We have been provided with written confirmation of the eligibility of using the Margin Scheme by Crowe Horwath dated 3 July 2017. The Margin Value to be applied is \$24,300,000.
CGT	<ul style="list-style-type: none"> That all appropriate measures to mitigate the risks associated with the foreign resident capital gains tax withholding scheme changes under the Federal Budget 2017, under which: Australian resident vendors of real property of \$750,000 or more must provide a Clearance Certificate issued by the ATO to a purchaser on settlement of the sale, to avoid the purchaser withholding 12.5% of the purchase price and remitting it as withholding tax to the ATO; and Foreign resident vendors will see 12.5% of the purchase price being withheld and remitted to the ATO, unless the ATO approves a Variation.
Construction Timeframe	<ul style="list-style-type: none"> We have adopted a remaining construction period for the project of 6 months based on the QS report provided and on our experience with similar developments. We have assumed this to be an accurate forecast and have adopted this within our Residual Cash Flow analysis.

Continued overleaf.

Critical Assumptions (cont.)

17-25 Epping Road, Epping NSW 2121

“As If Complete” Assessment	<ul style="list-style-type: none"> ■ The “As If Complete” assessment is the estimated market value of the proposed development as detailed in this report on the assumption that all construction has been satisfactorily completed in all respects at the date of this report. Because of time lag and unknown future market conditions the valuation reflects the valuer’s view of the market conditions existing at the date of valuation and does not purport to predict future market conditions and the value at the actual completion date.
Construction Quality & Compliance	<ul style="list-style-type: none"> ■ The “As If Complete” assessment is provided on the basis that the proposed improvements will be constructed in a tradesman like manner using new, quality materials and having regard to modern building techniques. Our valuation assumes that: <ul style="list-style-type: none"> – A detailed report of the structure and service installations of the building once completed would not reveal any defects requiring significant expenditure. – The building will comply with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations, and will be built in accordance with the provisions of the Building Code of Australia.
EPBC Act	<ul style="list-style-type: none"> ■ That the subject property is not impacted in any way by matters covered by the Environment Protection and Biodiversity Conservation Act 1999 (EPBC Act), including, but not limited to, listed threatened species and ecological communities or migratory species protected under international agreements.
Development Approvals (Including Plans & Specifications)	<ul style="list-style-type: none"> ■ We have been provided with a copy of the Development Approval for the subject development including approved plans. We assume that the development will be completed in full accordance with the noted Development Approval and any conditions contained within the approval. Should there be any subsequent changes to the Development Approval or the Approved development plans, this valuation must not be relied upon before first consulting Savills to reassess any effect on the valuation.
Contamination	<ul style="list-style-type: none"> ■ We assume that the subject property is free from elevated levels of contaminants and have therefore made no allowance in our valuation for site remediation.
Encumbrances, Restrictions, Caveats etc.	<ul style="list-style-type: none"> ■ Our valuation is on the basis that the property is free of encumbrances, restrictions, caveats, or other impediments of an onerous nature which could affect value. Our valuation has been undertaken on the basis the property is free of mortgages, charges and other financial liens.

Should any of the assumptions in this report be incorrect or inaccurate, then we reserve the right to amend the valuation and the report.

Critical Assumptions

48-52 Jephson Street, Toowong, QLD 4066

Market Movement	<ul style="list-style-type: none"> This valuation is current as at the date of valuation and may change as a result of either external or specific factors affecting the property. We do not accept liability for losses arising from such subsequent changes in value. We will not accept liability where this valuation is relied upon after the expiration of three months from the date of valuation, or earlier if there are significant alterations to conditions affecting the value of the property.
Physical	<ul style="list-style-type: none"> Following the Grenfell Tower fire in London, an Australian Senate inquiry's interim report on 6th September 2017 recommended at 3.65 that the federal government implement "a <i>total ban on the importation, sale and use of polyethylene core aluminium composite panels as a matter of urgency</i>". This has been backed by the Property Council of Australia. Accordingly, it is a condition of this supply of this report that our client / the reliant party(ies) investigate the nature of the existing/new/future/currently proposed building components and satisfy itself as to the potential risks and costs which could be required should the existing/new/future/currently proposed building components have to be replaced or adapted.
Construction Costs	<ul style="list-style-type: none"> We have been provided with a copy of the Progress Payment Report No.22 by Mitchell Brandtman Quantity Surveyors. The report states that the construction costs to complete is \$4,965,786 + contingency of \$1,507,236. Additionally, the report states that there is \$185,827 remaining in Authority Fees and \$111,384 remaining in Consultant & Project Management fees. We have also been provided with a feasibility from Property Solutions (the applicant's Joint venture partner outlining other outstanding costs which we have relied upon). For the purposes of our valuation we have assumed that remaining construction of the development as per the assumptions made within our valuation can be undertaken for the above amount.
Land Value	<ul style="list-style-type: none"> The assessed land value via the Residual Cash Flow analysis reflects a number of factors, including the status of approvals, civil construction costs, associated development costs, interest (borrowing) rate, assessed value of the completed units, adopted pre-sales prior to construction completion, sale rate for completed stock, and acceptable performance margins. The assessed land value by this approach could be impacted by a change in any of the above circumstances.
GST	<ul style="list-style-type: none"> We have been provided with written confirmation of the eligibility of using the Margin Scheme by Michael H. Rogers Chartered Accountants dated 15th January 2018. The Margin Value to be applied is \$5,050,000. We have adopted this advice within our feasibility and assume it to be accurate.
CGT	<ul style="list-style-type: none"> That all appropriate measures to mitigate the risks associated with the foreign resident capital gains tax withholding scheme changes under the Federal Budget 2017, under which: Australian resident vendors of real property of \$750,000 or more must provide a Clearance Certificate issued by the ATO to a purchaser on settlement of the sale, to avoid the purchaser withholding 12.5% of the purchase price and remitting it as withholding tax to the ATO; and Foreign resident vendors will see 12.5% of the purchase price being withheld and remitted to the ATO, unless the ATO approves a Variation.
Construction Timeframe	<ul style="list-style-type: none"> We have adopted a remaining construction period for the project of 3 months based on information provided. We have assumed this to be an accurate forecast and have adopted this within our Residual Cash Flow analysis.
"As If Complete" Assessment	<ul style="list-style-type: none"> The "As If Complete" assessment is the estimated market value of the proposed development as detailed in this report on the assumption that all construction has been satisfactorily completed in all respects at the date of this report. Because of time lag and unknown future market conditions the valuation reflects the valuer's view of the market conditions existing at the date of valuation and does not purport to predict future market conditions and the value at the actual completion date.

Construction Quality & Compliance	<ul style="list-style-type: none"> ■ The “As If Complete” assessment is provided on the basis that the proposed improvements will be constructed in a tradesman like manner using new, quality materials and having regard to modern building techniques. Our valuation assumes that: <ul style="list-style-type: none"> – A detailed report of the structure and service installations of the building once completed would not reveal any defects requiring significant expenditure. – The building will comply with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations, and will be built in accordance with the provisions of the Building Code of Australia.
Development Approvals (Including Plans & Specifications)	<ul style="list-style-type: none"> ■ We have been provided with a copy of the Development Approval for the subject development including approved plans. We assume that the development will be completed in full accordance with the noted Development Approval and any conditions contained within the approval. Should there be any subsequent changes to the Development Approval or the Approved development plans, this valuation must not be relied upon before first consulting Savills to reassess any effect on the valuation.
Pre-sales	<ul style="list-style-type: none"> ■ We have been provided with a pre-sale schedule by the developer outlining the current status of the pre-sales. We have reviewed the schedule and assume that the information contained is accurate. ■ It is assumed that all details of the advised pre-sale contracts are accurate, that all deposit money has been received, there are no rebates/incentives other than what has been disclosed, and that all contracts of sale are binding and enforceable, and are able to be novated to an incoming purchaser acting as developer if required. ■ The assessment assumes all adopted pre-sales will settle within one month post construction completion. ■ Should any assumptions in this regard be incorrect, then we have the right to amend and reviews the valuation.
Contamination	<ul style="list-style-type: none"> ■ We assume that the subject property is free from elevated levels of contaminants and have therefore made no allowance in our valuation for site remediation.
Encumbrances, Restrictions, Caveats etc.	<ul style="list-style-type: none"> ■ Our valuation is on the basis that the property is free of encumbrances, restrictions, caveats, or other impediments of an onerous nature which could affect value. Our valuation has been undertaken on the basis the property is free of mortgages, charges and other financial liens.
Flooding	<ul style="list-style-type: none"> ■ It is assumed that the development approval and approved plans have fully mitigated any potential flood risk, and on that basis, the developable area of the subject is not flood affected.

Should any of the assumptions in this report be incorrect or inaccurate, then we reserve the right to amend the valuation and the report.



**TOWER 2, LEVEL 23
DARLING PARK, 201 SUSSEX ST
SYDNEY NSW 2000**

URBIS.COM.AU
Urbis Valuations Pty Ltd
ABN 28 105 273 523

23 January 2018

The Board of Directors
CWG International Ltd.
C/- Chiwayland
Suite 1702
L19, 25 Bligh Street
SYDNEY NSW 2000
Australia

Dear Sirs,

VALUATION OF THE PROPERTIES OF CWG INTERNATIONAL LTD. AND ITS SUBSIDIARIES – COVERING LETTER, 46A & 46-66 O'CONNELL STREET, CADDENS, NSW AUSTRALIA

This letter has been prepared for inclusion in the circular (“the **Circular**”) to shareholders of CWG International Ltd (the “**Company**”) in connection with the voluntary conditional cash offer by Elidom Investment Co., Ltd (the “**Offer**”).

We confirm that we have inspected the abovenamed property, conducted relevant inquiries and investigations, made relevant searches and have obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Open Market Value of the property as at 31 December 2017.

The term “Open Market Value” as used herein is intended to mean “an opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:-

- (a) a willing buyer and a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts the same, as on the date of valuation;
- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transactions had acted knowledgeably, prudently and without compulsion.”

Valuation Certificate, CWG International Ltd., Caddens NSW Australia



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

We have valued the property mainly by the "Direct Comparison Method" and in respect of the property being proposed for development, our valuation is based on assumption that the formal approval has been granted for such proposed development on a Concept Plan basis. We have also valued the property on a Feasibility Study basis, based on our view as to realistic Gross Development Value achievable less the costs to complete the project.

Our valuation as at 31 December 2017, free from encumbrances is summarised as follows:

No	Property	Open Market Value as at 31 December 2017
	46A & 46-66 O'Connell Street, Caddens, NSW Australia	AUD 38,000,000

The details of the property are enclosed in the attached summary Valuation Certificate.

Our valuation contained in that report represents our unbiased professional opinion and conclusion. We wish to confirm that we have no present or prospective interest in the property the subject of that report and have no personal interest or bias with respect to any of the parties involved in the Offer. Our compensation is not contingent upon the report of a predetermined value that favours the cause of any party involved in the Offer, the attainment of a stipulated result or the occurrence of a subsequent event (such as the recommendation by the independent directors of the Company as to whether to accept or reject the Offer).

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property, nor for any expenses or taxation which may be incurred in effecting a sale. We have assumed that the property is free of encumbrances, restrictions or other outgoings of an onerous nature which would affect value, other than those which have been indicated to us.

Information as to tenure, site area and ownership is obtained from our searches carried out at the Land Property Information office of NSW. We have also relied on information provided by the management of the Company particularly in relation to matters such as planning details and the original acquisition contracts.

We were not instructed to carry out a site survey of the land and buildings, or to test any of the site services.

Save for reproduction in the Circular, neither the whole of this letter or the enclosed Valuation Certificate, not any part, nor reference thereto, may be published in any document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and context in which it will appear.

We highlight that our Valuation Certificate relates to an Australian asset, and the report and our obligations to the Company are produced strictly under Australian Law and statutory schemes.

Finally, and in accordance with our normal practice, we confirm that this Covering Letter and the accompanying Valuation Certificate is for the use only of the party to whom it is addressed and no responsibility to any third party whatsoever is accepted.



If you have any questions please don't hesitate to contact me at rmckinnon@urbis.com.au.

Yours faithfully
For and on behalf of
Urbis Valuations Pty Limited

A handwritten signature in blue ink, appearing to read "RMCKINNON". The signature is fluid and cursive, with a long horizontal stroke at the end.

Russell McKinnon
Director
Certified Practising Valuer
Australian Property Institute Member No. 68141



**TOWER 2, LEVEL 23
DARLING PARK, 201 SUSSEX ST
SYDNEY NSW 2000**

URBIS.COM.AU
Urbis Valuations Pty Ltd
ABN 28 105 273 523

23 January 2018

The Board of Directors
CWG International Ltd.
C/- Chiwayland
Suite 1702
L19, 25 Bligh Street
SYDNEY NSW 2000
Australia

Dear Sirs,

VALUATION CERTIFICATE, 46A & 46-66 O'CONNELL STREET, CADDENS, NSW, AUSTRALIA

Instructions

At the instruction of CWG International Ltd, this Valuation Certificate is prepared for inclusion in the circular to shareholders of CWG International Ltd (the "**Company**") in connection with the voluntary conditional cash offer by Elidom Investment Co., Ltd (the "**Offer**").

It provides our opinion of the Open Market Value of the abovenamed property as at 31 December 2017.

Basis of Valuation

The term "Open Market Value" as used herein is intended to mean "an opinion of the best price at which the sale of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming:

- (a) a willing buyer and a willing seller;
- (b) that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- (c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts the same, as on the date of valuation;
- (d) that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- (e) that both parties to the transactions had acted knowledgeably, prudently and without compulsion."

Valuation Certificate, CWG International Ltd., Caddens NSW Australia



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

Valuer Qualifications

Russell McKinnon (of Urbis Valuations Pty Limited) confirms the following:

1. I am qualified to undertake such a valuation and have gained at least five (5) years of appropriate experience;
2. I am authorised under the Law of New South Wales, Australia to practise as a valuer; and
3. I am a member of the Australian Property Institute and a Certified Practising Valuer.

Pecuniary Interest / Interest Conflict

We confirm that neither Urbis Valuations Pty Ltd nor the signatory to this Valuation Certificate has any pecuniary interest that could reasonably be regarded as can affect my ability to give an unbiased opinion of value, or that would conflict with a proper valuation of the property. We advise that this position will be maintained until the purpose for which this valuation is being obtained is completed.

We have no reason to believe any interest conflicts may exist in our undertaking of this Valuation Certificate.

Sources of Information

In preparing this valuation we have received information from the Company such as copies of the Contracts of Sale (2), the approved Concept Plan for the property, and certain base line reports procured to assist in achieving consent authority approval for the Concept Plan's proposed development scheme.

We have no reason to doubt the validity of the information provided to us, and we have relied on this information in good faith. In referring to sales information as detailed within this report, we have relied on a range of external sources including publicly available information (newspapers, statements by public companies), subscription to information databases and information generally provided verbally by others such as estate agents, property managers, property valuers and consultants. In many instances, we have not had access to the original source material such as contracts of sale.

Inspection Date

The subject property was inspected on **5 January 2018**. We believe there has been no material change in market conditions relevant to the subject property from the instructed valuation date of 31 December 2017 to the inspection date.

Address and Location

The subject property is located at **46A and 46-66 O'Connell Street, Caddens, NSW, Australia**.

It comprises an 11.43-hectare mixed-use development site of dual zoning (being B2 Local Centre and R3 Medium Density Residential) located in the "WELL Precinct" adjoining the Western Sydney University, at Caddens in western Sydney.



Caddens and the adjoining suburb of Werrington are located on the eastern fringe of the Penrith urban area, some 50 kilometres west of the Sydney CBD. The subject property is near rail transport and motorway infrastructure and is surrounded by an emerging residential and neighbourhood retail precinct.

Tenure

The subject landholding comprises of two (2) freehold land Certificates of Title that are legally described as:

- Lot 3 in Deposited Plan 1103503 – Registered Proprietors Les Rohozynsky and Irene Ilkin; and
- Lot 6 in Deposited Plan 593628 – Registered Proprietors Les Rohozynsky and Irene Rohozynsky.

The Company is yet to finalise acquisition of the subject property and it's interests are protected by Caveats on each Title.

Acquisition Details

In this respect we note that the Company exchanged Contracts of Sale (2) to acquire the subject property with 10% deposit on 28 June 2016, for total consideration of AUD 40,000,000.

Sale completion was set for 1 November 2017, but the Company has extended this date to 1 May 2018 with payment of AUD 4,000,000 giving time to achieve development approvals from the consent authorities.

Property Particulars

The subject property historically has been used for fringe urban rural/residential purposes, with the large site featuring two (2) dwellings and a stone fruit orchard. It has an area of 11.43-hectares but when a component of protected native vegetation is considered the developable area is estimated at 10.42-hectares (of which 2.17-hectares is B2 zone, and 8.25-hectares is R3 zone).

Now, with the urban development of the suburbs of Caddens and Werrington, the location is slated for retail and medium/high density residential purposes in support of the adjoining university and TAFE College facilities. Accordingly, the highest and best use of the subject property is for development purposes subject to achieving detailed staged development approvals.

Planning Circumstances

Since exchanging contracts, the Company has achieved Concept Plan approval for the site's road and super-lot layout, public domain, and a maximum yield (390 dwellings) for the R3 zoned land. The B2 zoned land component is estimated able to accommodate approximately 400 apartments and equivalent retail units (our rudimentary design analysis has indicated 405 equivalent units).

This provides for potential development yield of say 790 dwellings but two (2) of the proposed dwelling typologies identified in the Concept Plan carry an element of market risk because there is only modest precedence in the general location. The relatively untested typologies in question comprise of 4.5m wide terraces and garage top studios ("fonzie flats").

Further, approved Development Applications (DAs) with associated detailed design work are required before construction can commence on both the B2 and R3 zoned land components. Such future DAs will confirm the ultimate dwelling yield and dwelling typologies for the site.



Accordingly, the subject property still carries some planning risk, but because of its location in the WELL Precinct the local council consent authority appears amenable to a higher than usual level of residential density providing the site can support it in terms of building massing and height, slope, car parking, traffic impact, and commercial viability.

Valuation Approaches

Our valuation approach is two-fold – by Direct Comparison with sales of suitably zoned development sites, and secondly by Feasibility Study to calculate the residual land value.

Sales of B2 zoned land where the zoning primarily facilitates neighbourhood style retail centres are relatively infrequent in western Sydney, but there appear sufficient recent sale benchmarks for us to adopt a developable area valuation rate of say AUD 6,000,000 per hectare (and AUD 32,500 per equivalent unit).

Similarly, the R3 zone is problematic because, depending on the location and local consent authority in western Sydney, the viable dwelling typologies permissible range from medium density townhouses to high density apartments – hence the site land value and per unit valuation rate varies. But based on our analysis of low and medium density site sales, and with recognition of the relatively large developable site area (8.25 hectares) of the subject, we have adopted AUD 3,000,000 per developable hectare for our analysis.

Our calculations follow:

Direct Comparison Calculation

Land Component	Metric	Metric Value Rate	Running Value Rate	Total Value ex. GST
B2 Local Centre (per Ha)	2.17	\$6,000,000	\$13,020,000	
B2 Local Centre (per Unit Value)	405	\$32,500	\$13,162,500	
B2 Local Centre Adopted				\$13,091,250
R3 Medium Density Residential	8.25	\$3,000,000		\$24,750,000
Sub-total				\$37,841,250
Direct Comparison Value Est. (as rounded)	10.42	\$3,646,833		\$38,000,000

The above figure is exclusive of GST (“Goods & Services Tax”).

As for our Feasibility Study, as the subject property is yet to achieve detailed design consent(s) we feel it is prudent to adopt a smaller yield for the R3 zoned component – 334 dwellings is adopted (instead of 390). This is as per some rudimentary design work performed by Urbis that retains the fonzie flats but substitutes 6.5m wide terrace product for the untested 4.5m wide product that (we believe) will prove slightly more expensive to build (\$/sq.m rate) and, with increased population and on-street car parking demand, place stress on the scheme’s internal road lay-out.

On this basis we have estimated the Gross Development Value for an adjusted 739 dwelling yield (i.e. 405 equivalent units + 334 dwellings) “as if complete” at AUD 434,956,250 inclusive of GST. We have estimated construction costs with contingency based on our knowledge of similar projects and adopted total project timing of 63 months (i.e. planning period, staged construction and sale periods). To these inputs we have applied a Development Margin requirement of 20% profit and risk.



The Feasibility Study's residual land value outcome of AUD 38,000,000 exclusive of GST confirms our Direct Comparison approach.

It is slightly less than the contracted 2016 acquisition price for the subject property, but we highlight that demand for large western Sydney residential development sites has moderated in recent months with increasing concern over excess of new dwelling supply into the short/medium terms. In this respect the Penrith local government area, where the subject property is located, is facing a wash of new supply over this period. Regardless, the subject property provides critical mass and an opportunity for innovative, higher density residential product that is affordable, with associated retail development at an emerging location that is supported by the local planning consent authorities.

Open Market Value (in Existing State) as at 31 December 2017

Our open market value estimate as at 31 December 2017, free from encumbrances is summarised as follows:

AUD 38,000,000
THIRTY EIGHT MILLION DOLLARS (exclusive of GST)

Caveats

To the extent permitted by Australian law and statutory schemes, Urbis Valuations Pty Ltd specifically disclaims all liability, whether direct or indirect to the party to whom it is addressed which relies or purports to rely on this report and Valuation Certificate for any purpose other than the purposes set out in this report, and to any other person who relies or purports to rely on this report for any purpose whatsoever, other than the purposes.

A Covering Letter to this report of the same date, also requested by the instructing party and to be read in conjunction with this Valuation Certificate, details the assumptions, definitions and caveats required for this report that we highlight to the reliant parties and where we reserve our rights and limitations in that context.

If you have any questions, please don't hesitate to contact me at rmckinnon@urbis.com.au.

Yours faithfully
For and on behalf of
Urbis Valuations Pty Limited

A handwritten signature in blue ink, appearing to read "RMCKINNON".

Russell McKinnon
Director
Certified Practising Valuer
Australian Property Institute Member No. 68141



Protecting the Future of America's Lenders



January 19, 2018

Ying Rao
CWG International Ltd.
1702125 Blight SE
Sydney NSW, 2000

Dear Mr. Rao:

In response to your request we have completed an appraisal of the property indicated in the following table:

Property Type	<i>Post Office - Single Tenant</i>
Address	<i>3751 W. 6Th Street</i>
City, State, Zip Code	<i>Los Angeles, CA 90020</i>
Report Type	<i>Appraisal Report</i>
Effective Date	<i>January 17, 2018</i>
Interest Appraised	<i>Leased Fee</i>
Intended Use	<i>Voluntary Conditional Cash Offer</i>
Site Area	<i>34,589 sq. ft. (0.79 acres)</i>
Gross Building Area	<i>16,854 sq. ft.</i>

The value stated herein is based on our understanding of the site and improvement descriptions as represented to us by the owner's representative, client, public records, our inspection and other available sources. It is your responsibility to read the report and inform the appraisers of any errors or omissions you are aware of prior to utilizing it. This report is for the exclusive use of the client indicated above, and no other party shall have any right to rely on any service provided by The Property Sciences Group, Inc. without prior written consent. Except as noted within the engagement letter, release of this appraisal to any third party without authorization from The Property Sciences Group, Inc. is expressly prohibited. The Property Sciences Group, Inc. will not be responsible for any actions or occurrences as a result of unauthorized use of this report.

The Property Sciences Group, Inc.
www.PropSci.com

Florida
4651 Salisbury Road, Suite 4012
Jacksonville, FL 32256
Tel:(925) 246-7300 + Fax(925) 273-9876

Northern California
395 Taylor Boulevard, Suite 250
Pleasant Hill, CA 94523
Tel:(925) 246-7300 + Fax(925) 273-9876

Southern California
130 North Brand Boulevard, Suite 415
Glendale, CA 91203
Tel:(213) 443-4500 + Fax(925) 273-9876

The following conclusions are premised on the Scope of Work as set forth throughout the attached report, Appraisers' Certification and the Assumptions and Limiting Conditions as cited in the attached report, as well as the facts and circumstances as of the valuation date. In addition, our appraisal is in compliance with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), adopted by the Appraisal Standards Board of The Appraisal Foundation; and Title XI, Real Estate Appraisal Reform Amendments, of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The report also complies with the Supplemental Standards of Appraisal Practice and Code of Professional Ethics of the Appraisal Institute. We certify that this assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan. In addition, we have read, understood, and satisfied the Competency Provision of the USPAP.

An "Extraordinary Assumption" is defined by USPAP as "an assumption directly related to a specific assignment of the effective date of the assignment results, which if found to be false, could alter the appraiser's opinions or conclusions." USPAP further states that "Extraordinary Assumptions" presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market trends; or about the integrity of data used in the analysis.

A "Hypothetical Condition" is defined by USPAP as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis." USPAP further states that "Hypothetical Conditions" are contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of the data used in the analysis. The use of extraordinary assumptions and/or hypothetical conditions may have affected the assignment results.

No extraordinary assumptions or hypothetical conditions are utilized in the report.

The effective date of the As Is Market Value is January 17, 2018, the date of inspection. As a result of our study and investigation, we conclude that the estimated As Is Market Value of the subject property's Leased Fee Estate, predicated on an estimated exposure time of up to up to nine months, as of January 17, 2018, was:

AS IS MARKET VALUE
Fourteen Million Four Hundred Eighty Thousand Dollars
(\$14,480,000)

Thank you for the opportunity to provide this service. Respectfully submitted,

THE PROPERTY SCIENCES GROUP, INC.



Robert Barnes
Appraiser
AG041310
Exp. 11/16/18



Arthur O. Neudek, MAI, AI-GRS
VP/Senior Appraiser
AG3002063
Exp. 4/7/18

PROPERTY AND REPORT SUMMARY

Property Type	Post Office - Single Tenant
Address	3751 W. 6Th Street
City, State, Zip	Los Angeles, CA 90020
APN(s)	5503-022-001
Zoning	C2-1 (Commercial Zone) & R4-2 (Multiple Dwelling Zone)
Ownership	UCCH LLC
Interest Appraised	Leased Fee
Intended Use of Appraisal	Collateral Lending
Site Area	34,589 sq. ft. (0.79 acres)
Gross Building Area	16,854 sq. ft.
Net Rentable Area	16,854 sq. ft.

Dates of Value

As Is Market Value	January 17, 2018
Date of Report	January 19, 2018

VALUATION SUMMARY

<u>Cost Approach</u>	<i>N/Ap</i>	Final Market Value Conclusions	
		<i>As Is Value</i>	\$14,480,000
<u>Sales Approach</u> <small>(Reversion Value)</small>	\$14,870,000	<i>Exposure Time</i>	up to nine months
<u>Income Approach</u>	\$14,480,000	<i>Cash Value</i>	\$13,690,000
Discount Rate	5.50%		



SUBJECT PROPERTY

Property Type	<i>Post Office - Single Tenant</i>
Address	<i>3751 W. 6Th Street</i>
City, State, Zip	<i>Los Angeles, CA 90020</i>
APN:	<i>5503-022-001</i>

The subject is currently occupied by the U.S. Postal Service who has been a tenant for approximately 50 years. The lease expires on August 23, 2019. At that time the property is expected to be re-developed with some sort of mixed-use development. The owner would like to develop the property sooner but must wait until the lease expires. It is noted that the lease does have an option to extend. However, the leasee or lessor can terminate the lease with a 360 day notice after the first 36 months of the lease.

APPRAISERS

<i>Robert Barnes</i>	<i>Appraiser</i>	<i>AG041310</i>	<i>213-443-4540</i>
<i>Arthur O. Neudek, MAI, AI-GRS</i>	<i>Vice President</i>	<i>AG3002063</i>	<i>925.246.7342</i>
<i>The Property Sciences Group, Inc.</i>	<i>Phone: 925.246.7300</i>		
<i>395 Taylor Blvd, Suite 250</i>	<i>Fax: 925.349.7200</i>		
<i>Pleasant Hill, CA 94523</i>	<i>http://www.propsci.com</i>		

STANDARD OF VALUE

"Market Value Definition" is stated as follows (Federal Register 12 CFR, part 34, Subpart C-Appraisals 34.42 Definitions (g)): The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

Buyer and seller are typically motivated;

Both parties are well informed or well advised, and acting in what they consider their own best interests;

A reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto;

The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale;

"As Is Market Value" is stated as follows: An estimate of the market value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date of inspection.

INTENDED USE & INTENDED USER

The intended use of this report is for **voluntary conditional cash offer by Elidom Investment Co.,Ltd for CWG International Ltd.** any other use is prohibited. The intended user of this report is **CWG International Ltd.** Release of this appraisal to any third party without authorization from *The Property Sciences Group Inc.* is expressly prohibited. A third party is defined as anyone other than the client indicated on the cover page. *The Property Sciences Group Inc.* will not be responsible for any actions or occurrences as a result of unauthorized use of this report.

ASSUMPTIONS AND LIMITING CONDITIONS

BY THIS NOTICE, ALL PERSONS AND FIRMS REVIEWING, UTILIZING OR RELYING UPON THIS REPORT IN ANY MANNER, BIND THEMSELVES TO ACCEPT THESE ASSUMPTIONS AND LIMITING CONDITIONS. Do not use this report if you do not so accept. These conditions are a part of the appraisal report; they are a preface to any value conclusion, certification, definition, fact or analysis. This appraisal report is an economic study to estimate value as defined herein. It is not a geotechnical, engineering, construction, legal or architectural study nor survey, and expertise in these areas, among others, is not implied.

1. LIMIT OF LIABILITY:

The liability of the Appraisers, The Property Sciences Group Inc. and employees and affiliated independent contractors is limited to the client only (client indicated on cover page of report) and to the fee actually received by the Appraisers (total per appraisal). Further, there is no accountability, obligation, nor liability to any third party. A third party is defined as anyone other than the client indicated on the cover page. If, however, this report is placed in the hands of anyone other than client, the client shall make such party aware of all assumptions and limiting conditions of the assignment and related discussions. The Appraisers are in no way to be responsible for any costs incurred to discover or correct deficiencies of any type present in the property; physically, financially, and/or legally. In the case of limited partnerships or syndication offerings or stock offerings in real estate, client agrees that in case of lawsuit (brought by lender, partner or part owner in any form of ownership, tenant, or any other party), any and all awards, settlements of any type in such suit, regardless of outcome, client will hold Appraisers completely harmless in any such action.

2. COPYRIGHT, PUBLICATION, DISTRIBUTION, USE OF REPORT:

This report is Copyrighted© and reproduction of this document (any part thereof or in its entirety) without the authorization from The Property Sciences Group Inc. is expressly prohibited.

Possession of this report or any copy thereof does not carry with it the right of publication, nor may it be used for other than its intended use; the physical report(s) remain the property of the Appraisers for the use of the client, the fee being for the analytical services only.

The Bylaws and Regulations of the Appraisal Institute require each Member and Candidate to control the use and distribution of each appraisal report signed by such Member or Candidate; except as hereinafter provided, the client may not distribute copies of this appraisal to any third party. This report may not be released to any third party without the authorization of The Property Sciences Group Inc. Any unauthorized release will render the appraisal to be invalid. Neither all nor any part of this appraisal report shall be disseminated to the general public by the use of advertising media, public relations, news, sales or other media for public communication without the prior written consent of the Appraisers. (See last item in following list for client agreement/consent.)



3. CONFIDENTIALITY:

This appraisal is to be used only in its entirety and no part is to be used without the whole report. All conclusions and opinions concerning the analysis set forth in the report were prepared by the Appraisers whose signatures appear on the appraisal report, unless indicated as "Review Appraiser." No change of any item in the report shall be made by anyone other than the Appraisers and/or officer of The Property Sciences Group Inc. The Appraisers and The Property Sciences Group Inc. shall have no responsibility if any such unauthorized change is made.

The Appraisers may not divulge the material (evaluation) contents of the report, analytical findings or conclusions, or give a copy of the report to anyone other than the client or his/her designee as specified in writing except as may be required by the Appraisal Institute for standards or ethics enforcement, or by a court of law or body with the power of subpoena.

4. TRADE SECRETS:

This appraisal was obtained from The Property Sciences Group Inc. or related companies and/or its individuals or related independent contractors and consists of "trade secrets and commercial or financial information" which is privileged and confidential and exempted from disclosure under 5 U.S.C. 552 (b) (4). Notify the Appraisers signing the report or officers of The Property Sciences Group Inc. of any request to reproduce this appraisal in whole or part.

5. INFORMATION USED:

No responsibility is assumed for accuracy of information furnished by work of or work by others, the client, his/her designee, or public records. This information includes, but is not limited to, numerical street address, lot and block numbers, Assessors Parcel Numbers, lot dimensions, lot sizes, dimensions of the improvements, gross building areas, net rentable areas, rent schedules or rent rolls, income data, operating expenses, operating budgets, property taxes, and related data. The Appraisers are not liable for such information or the work of possible subcontractors. The comparable data relied upon in this report has been confirmed with one or more parties familiar with the transaction or from affidavit or other source thought reasonable; all are considered appropriate for inclusion to the best of our factual judgment and knowledge. An impractical and uneconomic expenditure of time would be required in attempting to furnish unimpeachable verification in all instances, particularly as to engineering and market-related information. It is suggested that the client consider independent verification as a prerequisite to any transaction involving sale, lease, loan, or other significant commitment of funds on the subject property. Any material error in any of the above data could have a substantial impact on the value conclusions indicated in the appraisal. Therefore, the Appraisers reserve the right to amend the appraisal and value conclusions if made aware of any such error. Accordingly, the client should carefully review all assumptions, data, leases, rent rolls, relevant calculations, and value conclusions within 30 days after the delivery of this report (the delivery date being indicated on the transmittal letter) and notify the Appraisers of any errors/omissions.



6. TESTIMONY, CONSULTATION, COMPLETION OF CONTRACT FOR APPRAISAL SERVICES:

The contract for appraisal, consultation or analytical service, is fulfilled and the total fee payable upon completion of the report. The Appraisers or those assisting in preparation of the report will not be asked or required to give testimony in court or hearing because of having made the appraisal, in full or in part, nor engage in post-appraisal consultation with client or third parties except under separate and special arrangement and at additional fee. If testimony or deposition is required because of any subpoena, the client shall be responsible for any additional time, fees, and charges regardless of issuing party.

7. EXHIBITS:

The sketches and maps in this report are included to assist the reader in visualizing the property and are not necessarily to scale. Various photos, if any, are included for the same purpose as of the date of the photos. Site plans are not surveys unless shown from separate surveyor.

8. LEGAL, ENGINEERING, FINANCIAL, STRUCTURAL, OR MECHANICAL NATURE HIDDEN COMPONENTS, SOIL:

The Appraisers and/or The Property Sciences Group Inc. has no responsibility for matters legal in character or nature, nor of any architectural, structural, mechanical, or engineering nature. No opinion is rendered as to the title, which is presumed to be good and merchantable. The property is appraised as if free and clear, unless otherwise stated in particular parts of the report. No attempt has been made to render an opinion of or status of easements that may exist, unless stated otherwise (i.e. that the scope of the assignment does indeed include an analysis of easements).

The legal description is assumed to be correct as used in this report as furnished by the client, his/her designee, or other sources. However, the Appraisers and The Property Sciences Group Inc. can not guarantee the accuracy of the legal description. The client should verify the accuracy of the legal description before recordation with any deeds of trust. This responsibility remains with the client and is not maintained by the Appraisers nor The Property Sciences Group Inc.

Please note that no advice is given regarding mechanical equipment or structural integrity or adequacy, nor soils and potential for settlement, drainage, and such (seek assistance from qualified architect and/or engineer) nor matters concerning liens, title status, and legal marketability (seek legal assistance), and such. The lender and owner should inspect the property before any disbursement of funds. Further, it is likely that the lender or owner may wish to require mechanical or structural inspections by qualified and licensed contractor, civil or structural engineer, architect, or other expert.

The Appraisers have inspected as far as possible, by observation, the land and the improvements. However, it was not possible to personally observe conditions beneath the soil or hidden structural, or other components. We have not critically inspected mechanical components within the improvements and no representations are made herein as to these matters unless specifically stated and considered in the report. The value estimate considers there being no such conditions that would cause a loss of value. The land or the soil of the area being appraised appears firm, unless otherwise stated in the report.



However, subsidence in the area is unknown. The Appraisers do not warrant against this condition or occurrence of problems arising from soil conditions.

The appraisal is based on there being no hidden, unapparent, or apparent conditions of the property site, subsoil, or structures or toxic materials which would render it more or less valuable. The Appraisers and/or The Property Sciences Group Inc. have no responsibility for any such conditions or for any expertise or engineering to discover them. All mechanical components are assumed to be in operable condition and status standard for properties of the subject type. Conditions of heating, cooling, ventilating, electrical and plumbing equipment are considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. No judgment may be made by us as to adequacy of insulation, type of insulation, or energy efficiency of the improvements or equipment which is assumed standard for subject age and type.

If the Appraisers have not been supplied with a termite inspection, survey or occupancy permit, no responsibility or representation is assumed or made for any costs associated with obtaining same or for any deficiencies discovered before or after they are obtained. No representation or warranties are made concerning obtaining the above mentioned items.

The Appraisers have no responsibility for any costs or consequences arising due to the need, or the lack of need for flood hazard insurance. An agent for the National Flood Insurance Program should be contacted to determine the actual need for flood hazard insurance.

9. LEGALITY OF USE:

The appraisal is based on the premise that, there is full compliance with all applicable federal, state and local environmental regulations and laws, unless otherwise stated in the report, and also that all applicable zoning, building and use regulations and restrictions of all types have been complied with unless otherwise stated in the report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate.

10. COMPONENT VALUES:

The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used independently, or in conjunction with any other appraisal and are invalid if so used.

11. AUXILIARY AND RELATED STUDIES:

No environmental or impact studies, special market study or analysis, highest and best use analysis study or feasibility study have been requested or made unless otherwise specified in an agreement for services or in the report.



12. DOLLAR VALUES, PURCHASING POWER:

The market value estimated, and the costs used, are as of the date of the estimate of value. All dollar amounts are based on the purchasing power and price of the dollar as of the date of the value estimate.

13. INCLUSIONS:

Furnishings and equipment or personal property or business operations, except as specifically indicated and typically considered as a part of real estate, have been disregarded with only the real estate being considered in the value estimate unless otherwise stated. In some property types, business and real estate interests and values are combined.

14. PROPOSED IMPROVEMENTS, CONDITIONED VALUE:

Improvements proposed, if any, on or off-site, as well as any repairs required are considered, for purposes of this appraisal to be completed in good and workmanlike manner according to information submitted and/or considered by the Appraisers. In cases of proposed construction, the appraisal is subject to change upon inspection of property after construction is completed. This estimate of market value is as of the date shown, as proposed, as if completed and operating at levels shown and forecasted.

15. VALUE CHANGE, DYNAMIC MARKET, INFLUENCES, ALTERATION OF ESTIMATE BY APPRAISERS:

The estimated market value, which is defined in the report, is subject to change with market changes over time; value is highly related to exposure, time, promotional effort, terms, motivation and conditions surrounding the offering. The value estimate considers the productivity and relative attractiveness of the property physically and economically in the marketplace. The appraisal report and value estimate are subject to change if physical or legal entity or financing are different than that envisioned in this report.

16. MANAGEMENT OF THE PROPERTY:

It is assumed that the property which is the subject of this report will be under prudent and competent ownership and management; neither inefficient nor superefficient.

17. FEE:

The fee for this appraisal or study is for the service rendered and not for the time spent on the physical report or the physical report itself. Amount or payment of fee for services is not contingent on any result, approval amount or other estimates or statements.

18. AUTHENTIC COPIES:

The authentic copies of this report are signed in blue ink. Any copy that does not have the above is unauthorized and may have been altered.

19. INSULATION AND TOXIC MATERIALS:

In this appraisal assignment, the existence of potentially hazardous material used in the construction or maintenance of the building, such as the presence of urea-formaldehyde foam insulation, and/or the



presence of asbestos containing building materials (ACBM), and/or the existence of toxic waste, which may or may not be present on the property, was not observed, unless stated in the report; nor do the Appraisers have any knowledge of the existence of such materials on or in the property. The Appraisers, however, are not qualified to detect such substances. The existence of urea-formaldehyde insulation, or ACBM, or other potentially hazardous waste material may have an effect on the value of the property. It is recommended that the client retain an expert in this field, if desired. If such substances are present, the value of the property may be adversely affected and re-appraisal at additional cost will be necessary to estimate the effects of such.

20. REVIEW:

Unless otherwise noted herein, named Review Appraiser of/from The Property Sciences Group Inc. has reviewed the report only as to general appropriateness of technique and format, and has not necessarily inspected the subject or market comparable properties.

21. CHANGES, MODIFICATIONS:

The Appraisers and/or officers of The Property Sciences Group Inc. reserve the right to alter statements, analysis, conclusions or any value estimates in the appraisal if there becomes known to us facts pertinent to the appraisal process which were unknown to us when the report was finished.

22. AFTER TAX ANALYSIS AND/OR VALUATION:

Any "after" tax income or investment analysis and resultant measures of return on investment are intended to reflect only possible and general market considerations, whether as part of estimating value or estimating possible returns on investment at an assumed value or price paid. Note that the Appraisers do not claim expertise in tax matters and advises client and any others using the appraisal to seek competent tax advice. The Appraisers are in no way to be considered as tax advisors or investment advisors.

23. INCOME PROJECTIONS:

Any cash flows indicated in the appraisal are forecasts of estimated future operating characteristics, and are predicated on the information and assumptions contained within the appraisal. Any projections of income, expenses, and/or economic conditions utilized in the appraisal are not predictions of the future. Rather, they are estimates of current market expectations of future income, expenses, and/or economic conditions. The achievement of these financial projections will be affected by fluctuating economic conditions and is dependent upon other future occurrences that can not be assured. Actual income and expenses may vary from the projections contained in the appraisal. The Appraisers and/or The Property Sciences Group Inc. does not warrant that these income and expenses will occur. Projections may be affected by circumstances beyond the current realm of knowledge or control of the Appraisers and/or The Property Sciences Group Inc.

24. RECOMMENDATIONS (IMPLIED AND/OR EXPLICIT):

Unless specifically set forth in the body of the appraisal, nothing contained in said shall be construed to represent any direct or indirect recommendation of the Appraisers and/or The Property Sciences Group



Inc. to buy, sell, or hold the properties at the values stated. Such decisions involve substantial investment strategy questions and must be specifically addressed in consultation form. Such decisions are beyond the scope of the appraisal analysis, unless stated otherwise (i.e. that the scope of the appraisal does indeed include a recommendation to buy, sell, or hold the subject property).

25. CLEAR AND MARKETABLE TITLE:

Unless specifically noted in the body of the appraisal, it is assumed that title to the subject property (or properties) are clear and marketable, and that there are no recorded or unrecorded liens, leases, matters, or exceptions to title that would adversely affect the subject's marketability or market value. The Appraisers and/or The Property Sciences Group Inc. are not aware of any title defects nor have been advised of any title defects, unless such as specifically noted in the report. However, the Appraisers and/or The Property Sciences Group Inc. have not examined title and makes no representations relative to the condition thereof. Unless stated otherwise, the Appraisers have not been provided with (nor reviewed) a preliminary title report. The Appraisers are not qualified experts in title matters.

26. AMERICANS WITH DISABILITIES ACT (ADA):

The Americans with Disabilities Act (ADA) became effective January 26, 1992. Unless otherwise noted in the report, the Appraisers have not made a specific compliance survey and analysis of the property to determine whether or not it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this fact could have a negative effect upon the value and marketability of the property. Unless otherwise noted in the report, the Appraisers have no direct evidence relating to this issue and have not considered possible noncompliance with the requirements of the ADA in estimating the value of the property.

27. CONDITIONS OF ACCEPTANCE:

Acceptance of, and/or use of this appraisal report by client constitutes acceptance of the above conditions. Appraisers' liability extends only to stated client, not subsequent third parties nor users of any type, and the total liability of Appraisers and The Property Sciences Group Inc. is limited to the amount of the appraisal fee received.



EXTRACTS FROM THE COMPANY'S CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution are set out below:

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Constitution, a copy of which is available for inspection at the registered address of the company secretary of the Company at SGX Centre 2, #17-01, 4 Shenton Way, Singapore 068807 during normal business hours for the period during which the Offer remains open for acceptance.

(a) Rights in respect of Capital

“SHARES

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| 5. | <i>Subject to the Statutes, no shares may be issued without the prior approval of the Company in General Meeting but subject thereto and to these Articles relating to new shares and to any special right attached to any share for the time being issued, the Directors may allot (with or without conferring any right of renunciation), grant options over or otherwise dispose of the same to such persons on such terms and conditions (including such consideration) at such time as the Directors determine.</i> | <i>Shares under control of Company in General Meeting.</i> |
| 6.1 | <i>Subject to the limits referred to in Article 58, the Company in General Meeting may by Ordinary Resolution authorise the Directors to exercise any power of the Company to issue shares, such authority being confined to a particular exercise of that power or generally. Any such authority may be unconditional or subject to conditions and shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval was given or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held whichever is the earlier but may be previously revoked or varied by the Company in General Meeting.</i> | <i>Authority of Directors to issue shares.</i> |
| 6.2 | <i>Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the Exchange) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register as the holder thereof or before such share is entered against the name of a Depositor in the Depository Register, as the case may be, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of such share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit.</i> | |
| 7. | <i>Any share in the Company may be issued with such preferred, qualified, deferred or other special rights, privileges and conditions or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the Statutes, the Company may issue preference shares which are or, at the option of the Company, are liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine. Provided Always that the total number of issued preference shares shall not at any time exceed the total number of the issued ordinary shares for the time being.</i> | <i>Company may issue shares with preferred, qualified, deferred and other special rights.</i> |

8. *The Company shall have the power to issue further preference capital ranking equally with or in priority to the preference capital then already issued.* Issue of further preference shares.
9. *Subject to the provisions of the Statutes, all or any of the special rights or privileges for the time being attached to any preference share for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by a Special Resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting, all provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third of the issued preference shares concerned and that every holder of the preference shares concerned shall be entitled on a poll to one vote for every such share held by him and that any holder of the preference shares concerned present either in person or by proxy may demand a poll Provided Always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting.* Alteration of rights of preference shareholders.
10. *Preference shareholders shall have the same rights as ordinary Members as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning the sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.* Rights of preference shareholders.
11. *If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the holder for the time being of the share or his legal personal representative.* Instalments of shares.
12. *The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Any such commission or brokerage may be paid in whole or in part in cash or fully or partly paid shares of the Company as may be arranged, and the Company may, in addition to, or in lieu of, such commission, in consideration of any person so subscribing or agreeing to subscribe, or of his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any share in the Company, confer on any such person an option call within a specified time for a specified number of shares in the Company at a specified price. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of the Statutes shall be observed, so far as applicable.* Commission for subscribing.
- 13.1 *The Company shall not be bound to register more than three persons as the joint holders of any share except in the case of executors, administrators or trustees of the estate of a deceased Member.* Joint holders.

- 13.2 *Subject to Article 13.1, any two or more persons may be registered as joint holders of any share and the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls and interest (if any) due in respect of such share.*
- 13.3 *The joint holder first named in the Register or the Depository Register, as the case may be, shall as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share.*
14. *No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the registered holder or in the person whose name is entered in the Depository Register in respect of that share, as the case may be, except only where these Articles otherwise provide or as required by the Statutes or pursuant to any order of Court.* *No trusts recognised.*
15. *No person shall exercise any rights of a Member in respect of a share until his name shall have been entered in the Register as the registered holder thereof or in the Depository Register in respect of such share, as the case may be, and, unless the Directors otherwise determine, such person shall have paid all calls and other moneys for the time being due and payable on any share held by him.* *Exercise of rights of members.*
16. *The Company may, subject to and in accordance with the Act and any other relevant legislation, rules or regulations enacted or prescribed by any relevant authority from time to time, purchase or otherwise acquire ordinary shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. All shares purchased by the Company shall, unless held in treasury shares in accordance with the Act, be deemed cancelled immediately on purchase or acquisition by the Company. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.* *Power to purchase or acquire its issued share.*

STOCK

52. *The Company in General Meeting may by Ordinary Resolution convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares.* *Conversion of shares to stock.*
53. *When any shares have been converted into stock the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum number of stock transferable.* *Stockholders entitled to transfer interest.*

54. *The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the number of their respective interests in such stock units and such interests shall, in proportion to the number of stock units thereof, confer on the holders thereof respectively the same rights, privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such rights, privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such aliquot part of consolidated stock as would not, if existing in shares, have conferred such rights, privileges or advantages.*

Stockholders entitled to profits.

55. *All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words "shares" shall include "stock", and "Depositor", "Member" and "shareholder" shall include "stockholder".*

Definitions.

INCREASE OF CAPITAL

56. *The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued have been fully paid up or not, increase its capital by the creation and issue of new shares, such aggregate increase as the Company by the resolution authorising such increase shall direct.*

Power to increase capital.

57.1 *Unless otherwise determined by the Company in General Meeting or except as permitted by the listing rules of the Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings, in proportion, as nearly as the circumstances admit, to the number of the existing shares to which they are entitled.*

Issue of new shares to Members.

57.2 *The offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in the manner hereinbefore provided.*

Notice of issue.

58. Notwithstanding Article 56 above, the Company may pursuant to Section 161 of the Act by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to issue shares whether by way of rights, bonus or otherwise, and make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, and (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while the Ordinary Resolution was in force, provided that:—
- Issue of shares up to fifty per cent.*
- 58.1 the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed fifty per cent (or such other limit as may be prescribed by the Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph 58.2 below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the Members of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed twenty per cent (or such other limit as may be prescribed by the Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph 58.2 below);
- 58.2 (subject to such manner of calculation as may be prescribed by the Exchange) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph 58.1 above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that the Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee share options on issue at the time that the Ordinary Resolution is passed, and any subsequent consolidation or subdivision of shares provided that if a general mandate is obtained before the listing of the Company on the Exchange, the percentage of issued share capital shall be based on the post-invitation issued share capital of the Company after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee share options on issue at the time such authority is given, and for any consolidation or subdivision of shares; and
- 58.3 unless previously revoked or varied by the Company in General Meeting, such authority conferred by the Ordinary Resolution shall not continue beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
59. Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association or these Articles, any capital raised by creation of new shares shall be considered as part of the original capital and all new shares shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.
- New capital considered part of original capital.*

ALTERATION OF CAPITAL

60.1 The Company may by Ordinary Resolution:–

Alteration of capital.

- (a) consolidate and divide all or any its share capital; or
- (b) cancel the number of shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or
- (c) by subdivision of its shares or any of them. The resolution by which the subdivision is effected may determine that, as between the holders of the resulting shares, one or more of such shares may have any such preferred, deferred or other special rights or be subject to any restriction as the Company has power to attach to unissued or new shares; or
- (d) subject to the Statutes, convert any class of shares into any other class of shares.

60.2 The Company may by Special Resolution reduce its share capital in any manner and with and subject to any requirement authorised and consent required by law.

MODIFICATION OF CLASS RIGHTS

61. Subject to the Statutes and save as provided by these Articles, all or any of the special rights or privileges attached to any class of shares in the capital of the Company for the time being issued may, at any time, as well before as during liquidation, be modified, affected, altered or abrogated, either with the consent in writing of the holders of not less than three-fourths of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting, but so that the quorum thereof shall be not less than two persons personally present and holding or representing by proxy one-third of issued shares of the class, and that any holder of shares of the class, present in person or by proxy, shall on a poll be entitled to one vote for each share of the class held or represented by him, and if at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of shares of the class who are personally present shall be a quorum. The Directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or Resolution to the Registrar of Companies.”

Modification of class rights.

(b) Rights in respect of Dividends

“LIEN ON SHARES

22. The Company shall have a first and paramount lien on every share (not being a fully-paid share) and all dividends from time to time declared in respect thereof. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may however waive any lien which has arisen and may resolve that any share shall for any limited period be exempt wholly or partially from the provisions of this Article 22 upon such terms as they may deem fit in the best interest of the Company.

Company's lien on shares.

23. *For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, and no sale shall be made until such time as the moneys are presently payable, and until a notice in writing stating the amount due and demanding payment, and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on the holder for the time being of the shares or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for seven days after such notice.* *Right to enforce lien by sale.*
24. *The net proceeds of any such sale shall be applied in or towards the satisfaction of the unpaid calls and accrued interest and expenses of such sale, and the residue (if any) shall be paid to the person whose shares have been sold, his executors, administrators, trustees or assignees or as he shall direct.* *Application of proceeds of sale.*
25. *To give effect to any such sale the Directors may authorise some person to transfer or to effect the transfer, as the case may be of the shares sold to the purchaser.* *How sale to be effected.*

CALLS ON SHARES

31. *The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon any share held by him, and upon all or any part of the moneys so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) eight per cent per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits.* *Payment of call in advance.*

FORFEITURE OF SHARES

32. *If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment of the same or any interest thereon, the Directors may at any time thereafter during such time as the call or instalment or interest remains unpaid serve a notice on such Member requiring him to pay the same, together with any interest (including interest upon interest) and expenses that may have been incurred by the Company by reason of such non-payment.* *Notice to be given of intended forfeiture.*
33. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment or interest is payable shall be liable to be forfeited.* *Form of notice.*
34. *If the requirements of any notice as aforesaid are not complied with, any share in respect of which the notice has been given, may at any time thereafter, before payment of all such calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.* *If notice not complied with shares may be forfeited.*

TRANSMISSION OF SHARES

- 49.1 *In the case of the death of a Member the survivor where the deceased was a joint holder, and the legal personal representative of the deceased who was a sole or only surviving holder, or where such legal representative is entered in the Depository Register in respect of the shares of the deceased Member who was a Depositor, shall be the only person recognised by the Company as having any title to his shares.* *Transmission of registered shares.*
- 49.2 *Nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.*
50. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register may upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the share, upon giving to the Company notice in writing of such intent, or to make such transfer thereof as such deceased or bankrupt person could have made, but the Directors shall in either case have the same right to refuse or suspend registration as they would have had in the case of such transfer by such deceased or bankrupt person before the death or bankruptcy, as the case may be.* *Rights of registration and transfer upon demise or bankruptcy of Member.*
51. *Save as otherwise provided in these Articles, a person becoming entitled to a share pursuant to Articles 49.1 and 50, shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member until he shall have been registered as a Member in the Register or his name shall have been entered in the Depository Register, as the case may be. Provided Always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied with within ninety days of the date of such notice, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with.* *Person registered under transmission clause entitled to dividends.*

DIVIDENDS

135. *The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively.* *Appropriation of profits.*
136. *The Company in General Meeting may by Ordinary Resolution declare a dividend on or in respect of any share to the Members according to their rights and interests in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.* *Declaration of Dividend.*
137. *No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.* *Dividends payable out of profits.*

138. *The declaration of the Directors as to the net profits of the Company shall be conclusive.* *Declaration conclusive.*
139. *The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided no such dividends shall be declared more than once in six months.* *Interim dividend.*
140. *The Directors may retain any dividends on which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.* *Debts may be deducted.*
141. *A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the shares against the Depositor's name in the Depository Register, as the case may be.* *Effect of transfer.*
142. *Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures, or debenture stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payment shall be made to any Member upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividends as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 63 of the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.* *Dividend in specie.*
143. *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmissions of shares hereinbefore contained entitled to become a Member, or which any person under that those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.* *Power to retain dividends.*
144. *In case several persons are registered in the Register or entered in the Depository Register, as the case may be, as the holders of any share, any resolution of the Directors or the Company in General Meeting declaring a dividend on shares of any class may specify that the dividend shall be payable to such persons at the close of business on a particular date and thereupon the dividend shall be payable in accordance with their respective holdings so registered. Any person registered in the Register or in the Depository Register, as the case may be, as the holder or joint holder of any share or is entitled jointly to a share in consequence of the death or bankruptcy of the holder may give effectual receipts for dividends, bonuses, other moneys payable or properties distributable and payment on account of dividends on or in respect of such shares.* *Payment to and receipt by joint holders.*
145. *Notice of declaration of any dividend, whether interim or otherwise, may be given by advertisement.* *Notice of dividend.*

146. Unless otherwise directed, any dividend may be paid by cheque, dividend, warrant or Post Office Order, sent through the post to the registered address appearing in the Register or the Depository Register, as the case may be, of the Member or person entitled, or where two or more persons are registered in the Register or entered in the Depository Register, as the case may be, as joint holders or are entitled to the dividend as a result of the death or bankruptcy of the holder, to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect thereof and every cheque, dividend warrant or Post Office Order so sent shall be made payable to the order of the person to whom it is sent or to any person and address as such Member(s) or person(s) may direct in writing. The Company shall not be responsible for the loss of any cheque, dividend warrant, or Post Office Order, which shall be sent by post duly addressed to and at the sole risk of the Member or person for whom it is intended. Payment of the cheque, dividend warrant or Post Office Order by the bank upon which they are respectively drawn shall be a full and valid discharge to the Company. Notwithstanding the provisions of these Articles, payment by the Company to the Depository of any dividend payable to a Depositor shall also be a full and valid discharge of the Company from liability to the Depositor in respect of that payment to the extent of the payment made to the Depository.
147. The Depository will hold all dividends unclaimed for six years after having been declared and paid before release to the Directors, and the Directors may invest or otherwise make use of the unclaimed dividends for the benefit of the Company until claimed.

Payment by
post.

Unclaimed
dividends.

CAPITALISATION OF PROFITS AND RESERVES

- 148.1 The Directors may with the sanction of an Ordinary Resolution of the Company in General Meeting (Including any Ordinary Resolution passed pursuant to Article 6.1 or Article 58), capitalise any part of the amount for the time being standing to the credit of the Company's reserve funds or to the credit of the profit and loss account or otherwise available for distribution; and accordingly that such sum be set free for distribution amongst the holders of shares in the Register or in the Depository Register, as the case may be, who would have been entitled thereto if distributed by way of dividends and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up on full new shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such holders or in their nominees in the proportion aforesaid or partly in the one way and partly in the other unless otherwise permitted by the provisions of the Act.
- 148.2 Whenever such Ordinary Resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of the holders of such shares in the Register or in the Depository Register, as the case may be, under such resolution to a fractional part of a share by the issue of fractional certificates or by payment in cash or otherwise as they think fit and also to authorise any persons to enter on behalf of such holders entitled thereto or their nominees

Capitalisation
of profits and
reserves.

into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares to which they may be entitled upon such capitalisation; and any agreement made under such authority shall be effective and binding on all such holders and their nominees.

149. *The Directors may, before declaring any dividend or bonus in respect of any class of shares out of or in respect of the earnings or profits of the Company for any yearly or other period, cause to be reserved or retained and set aside out of such sums as they may determine to form a Reserve Fund to meet contingencies or depreciation in the value of the property of the Company, or for equalising dividends or for special dividends or for distribution of bonuses or for repairing, improving and maintaining any of the property of the Company, or for such other purposes the Directors shall, in their absolute discretion, think conducive to the interest of the Company.”*
- Formation and object of Reserve Fund.*

(c) Rights in respect of Voting

“GENERAL MEETINGS

66. *In addition to any other meetings, a General Meeting shall be held at least once in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings.*
- General Meetings.*
67. *The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.*
- Annual General Meetings.*
68. *The First Annual General Meeting of the Company shall be held at such time within a period of not more than eighteen months from the date of incorporation of the Company and at such time and place as the Directors may determine.*
- First Annual General Meeting.*
69. *The Directors may call an Extraordinary General Meeting of the Company whenever they think fit in accordance with the Statutes.*
- Directors may call Extraordinary General Meetings.*
70. *The Directors shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such requisition the following provisions shall have effect:–*
- Extraordinary General Meetings called on requisition of shareholders.*
- 70.1 *The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.*
- 70.2 *If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.*

70.3 *In the case of a meeting at which a resolution is to be proposed as a Special Resolution the Directors shall be deemed not to have duly convened the meeting if they do not give such notice as is required by the Statutes.*

70.4 *Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.*

71. *Subject to the relevant requirements of the Exchange, any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in the manner hereafter mentioned to all members and such other persons entitled under these Articles to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been fully called if it is so agreed:—*

Notice of meeting.

- (a) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and*
- (b) in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent of the total voting rights of all members having the right to vote at that meeting,*

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to each Exchange.

- (I) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a Member of the Company.*
- (II) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*
- (III) In the case of any General Meeting at which business other than routine business ("special business") is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*

Whenever any meeting is adjourned for fourteen days or more, at least seven (7) days' notice of the place and hour of such adjourned meeting shall be given in like manner Provided Always that when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

72. *Any Member entitled to be present and vote at a meeting or his proxy may submit any resolution to any General Meeting, provided that at least for the prescribed time before the day appointed for the meeting he shall have served upon the Company a notice in writing by him containing the proposed resolution, and stating his intention to submit the same. The prescribed time abovementioned shall be such that, between the date that the notice is served and the day appointed for the meeting, there shall be not less than three nor more than fourteen intervening days.* *Members may submit resolution to meeting on giving notice to Company.*
73. *Upon receipt of any such notice as in the last preceding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution will be proposed.* *Secretary to give notice to Members.*
74. *The accidental omission to give any notice to or non-receipt of any notice by any Member shall not invalidate the meeting or any resolution passed or proceedings at any such meeting.* *Accidental omission to give notice.*

PROCEEDINGS AT GENERAL MEETINGS

75. *All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors and Auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, the declaration of dividends and the appointment of and the fixing of the remuneration of the Auditors.* *Special business.*
76. *Save as is herein otherwise provided, two Members present in person or by proxy shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum is present at the commencement of the business. A corporation or a limited liability partnership being a Member shall be deemed to be personally present if represented in accordance with the provisions of Article 91.* *Quorum.*
77. *If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place. At the adjourned meeting, any two or more Members present in person or by proxy shall be a quorum.* *If quorum not present.*
78. *The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director or, if no Director be present or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting.* *Chairman.*
79. *The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.* *Adjournment.*

80. *At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by:–*
- 80.1 *the Chairman of the meeting; or*
- 80.2 *not less than two Members present in person or by proxy and entitled to vote; or*
- 80.3 *a Member or Members present in person or by proxy, holding or representing, as the case may be:–*
- (a) *not less than one-tenth of the total voting rights of all Members entitled to vote at the meeting; or*
- (b) *shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.*
- 81.1 *If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.*
- 81.2 *No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.*
82. *Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.*
- 83.1 *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting, as the case may be, at which the vote objected to is or may be given, tendered or cast, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.*
- 83.2 *If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting.*
84. *In case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, as the case may be, shall have a second or casting vote.*
- How matters are to be decided.*
- Chairman's direction as to poll.*
- Declaration of Chairman conclusive.*
- Objection to admissibility.*
- In the event of equality of votes.*

VOTES OF MEMBERS

- 85.1 *Subject to and without prejudice to any special privileges or restriction as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company:–* *Voting rights.*
- (a) *every Member who is present in person or by proxy shall have one vote on a show of hands, the Chairman shall be entitled to treat the first named proxy as the authorised representative to vote where a Member is represented by two proxies; and*
- (b) *every Member who is present in person or by proxy, in case of a poll, shall have one vote for every share which he holds or represents and upon which all calls or other sums due thereon to the Company have been paid.*
- 85.2 *For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting upon a poll being called, the number of shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company.*
86. *In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be.* *Rights of joint holders.*
87. *Unless the Directors otherwise determine, no person other than a Member who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy at any General Meeting.* *Members only entitled to vote upon full payment.*
88. *A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a poll, vote by proxy.* *Votes of Members of unsound mind.*
89. *On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.* *Vote personal or by proxy.*
- 90.1 *A proxy need not be a Member.* *Proxies.*

90.2 *A Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting Provided Always that where the Member is a Depositor, the Company shall be entitled and bound:-*

- (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company;*
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company, whether that number be greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and*
- (c) in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.*

90.3 *In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.*

91. *Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meetings of the Company or any class of Members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder.*

Corporation may appoint representative.

92. *An instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:-*

Execution of instrument of proxy on behalf of appointer.

92.1 *in the case of an individual shall be signed by the appointer or his attorney;*

92.2 *in the case of a corporation or limited liability partnership shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.*

93. *Where an instrument appointing a proxy is signed on behalf of the appointer by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.*

Lodgement of Instrument appointing proxy.

94. *The signature of an instrument of proxy need not be witnessed.* No witness needed for instrument of proxy.
95. *A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided Always that no notice in writing of the death or revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting.* When vote by proxy valid though authority revoked.
96. *An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.* Instrument deemed to confer authority.
97. *Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.”* Voting in respect of shares of different monetary denominations.

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