CIRCULAR DATED 19 JANUARY 2022

THIS CIRCULAR IS ISSUED BY ROXY-PACIFIC HOLDINGS LIMITED (THE "COMPANY"). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF ZICO CAPITAL PTE. LTD. (AS THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS) TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION AND YOU SHOULD READ IT CAREFULLY.

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 issued and paid-up ordinary shares in the capital of the Company ("**Shares**") held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), 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.

This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

Roxy-Pacific
Holdings Limited

ROXY-PACIFIC HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 196700135Z)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL GENERAL OFFER

by

OVERSEA-CHINESE BANKING CORPORATION LIMITED

(Incorporated in Republic of Singapore)
(Company Registration Number: 193200032W)

for and on behalf of

TKL & FAMILY PTE. LTD.

(Incorporated in Republic of Singapore)
(Company Registration Number: 202127763N)

to acquire all the issued ordinary shares (excluding treasury shares) in the capital of Roxy-Pacific Holdings Limited other those already owned, controlled or agreed to be acquired by TKL & Family Pte. Ltd.

Independent Financial Adviser to the Independent Directors

ZICO | capital

ZICO CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201613589E)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT VOTES AND ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF THE OFFER (AS DEFINED HEREIN) AT 5.30 P.M. (SINGAPORE TIME) ON 3 FEBRUARY 2022 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR. ACCORDINGLY, SHAREHOLDERS WHO WISH TO VOTE AND ACCEPT THE OFFER MUST DO SO BY SUCH TIME AND DATE.

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DEFINITIONS

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

"**Audited FY2020 Results**"	:	The audited consolidated financial statements of the Group for the financial year ended 31 December 2020, reproduced in **Appendix 4** to this Circular
"**Auditors**"	:	Foo Kon Tan LLP
"**Auditors SOP Letter**"	:	The letter from the independent auditors dated 19 January 2022 in relation to the Statement of Prospects, as set out in **Appendix 6** to this Circular
"**Board**"	:	The board of directors of the Company
"**Business Day**"	:	A day other than Saturday, Sunday or a public holiday on which banks are open for business in Singapore
"**Commencement Date**"	:	5 January 2022, being the date of despatch or publication of the Offer Document
"**Consortium Members**"	:	Shall have the meaning ascribed to it in Section 6.2 of the Letter to Shareholders in the Offer Document and described in **Section 3** of this Circular
"**Constitution**"	:	The Constitution of the Company
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 19 January 2022 in relation to the Offer enclosing, *inter alia*, the recommendation of the Independent Directors and the IFA Letter
"**Closing Date**"	:	5.30 p.m. (Singapore time) on 3 February 2022 (being the next Business Day after 2 February 2022, a public holiday in Singapore) or such later date(s) as may be announced from time to time by or on behalf of the Offeror
"**Code**"	:	The Singapore Code on Take-overs and Mergers
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore
"**Company**"	:	Roxy-Pacific Holdings Limited
"**Company Securities**"	:	(i) Shares; (ii) other securities which carry voting rights in the Company; and (iii) convertible securities, warrants, options, awards or derivatives in respect of any Shares or other securities which carry voting rights in the Company

"**CPF**"	:	Central Provident Fund
"**CPFIS**"	:	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
"**FAA**"	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are deposited with CDP and which forms part of the Offer Document
"**FAT**"	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer, applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and which forms part of the Offer Document
"**FY**"	:	The financial year ending or ended 31 December
"**FY2021 Results**"	:	Has the meaning ascribed to it in **paragraph 8.2 of Appendix 2** to this Circular
"**Group**"	:	The Company and its subsidiaries
"**IFA**" or "**ZICO Capital**"	:	ZICO Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
"**IFA Letter**"	:	The letter from the IFA to the Independent Directors dated 19 January 2022, containing *inter alia*, the advice of the IFA to the Independent Directors in respect of the Offer, as set out in **Appendix 1** to this Circular
"**IFA SOP Letter**"	:	The letter from the IFA dated 19 January 2022 in relation to the Statement of Prospects, as set out in **Appendix 5** to this Circular
"**Independent Directors**"	:	The Directors who are considered independent for the purposes of making the recommendation to the Shareholders in respect of the Offer, namely, Mr. Tong Din Eu, Mr. Koh Seng Geok, Mr. Yeo Wee Kiong and Mr. Ng Kok Wee Charles

"**Interested Person**"	:	As defined in the Note on Rule 24.6 of the Code and read with Rule 23.12 of the Code, an interested person 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**"	:	Shall have the meaning ascribed to it in Section 8.1 of the Letter to Shareholders in the Offer Document and described in **Section 4** of this Circular
"**Latest Practicable Date**"	:	12 January 2022, being the latest practicable date prior to the printing of this Circular
"**Listing Manual**"	:	The listing manual of the SGX-ST, as amended up to the Latest Practicable Date
"**Market Day**"	:	A day on which the SGX-ST is open for trading of securities
"**OCBC Bank**"	:	Oversea-Chinese Banking Corporation Limited, being the sole financial adviser to the Offeror in connection with the Offer
"**Offer**"	:	The voluntary conditional general offer made by OCBC Bank, for and on behalf of the Offeror, for all 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 relating to the Offer released by OCBC Bank, for and on behalf of the Offeror, on the Announcement Date
"**Offer Announcement Date**"	:	15 December 2021, being the date of the Offer Announcement
"**Offer Document**"	:	The offer document dated 5 January 2022, including the FAA and FAT, and any other document(s) which may be issued by the Offeror to amend, revise, supplement or update the document(s) from time to time
"**Offer Shares**"	:	All the Shares to which the Offer relates, as more particularly described in Section 2.2 of the Letter to Shareholders in the Offer Document and each, an "**Offer Share**"
"**Offeror**"	:	TKL & Family Pte. Ltd.
"**Offeror Shares**"	:	Shall have the meaning ascribed to it in Section 8.3 of the Letter to Shareholders in the Offer Document
"**Offeror Securities**"	:	(a) securities which carry voting rights in the Offeror; or (b) convertible securities, warrants, options or derivatives in respect of securities which carry voting rights in the Offeror
"**Overseas Shareholders**"	:	Shall have the meaning ascribed to it in Section 15.1 of the Letter to Shareholders in the Offer Document
"**Pre-Condition**"	:	Shall have the meaning as ascribed to it in the Pre-Conditional Offer Announcement
"**Pre-Conditional Offer Announcement**"	:	The announcement relating to the pre-conditional voluntary general offer by the Offeror for the Offer Shares released by OCBC Bank, for and on behalf of the Offeror, on the Pre-Conditional Offer Announcement Date
"**Pre-Conditional Offer Announcement Date**"	:	20 September 2021
"**Register**"	:	The register of holders of the Shares, as maintained by the Registrar
"**Receiving Agent**" or "**Registrar**"	:	KCK CorpServe Pte. Ltd.
"**Securities Account**"	:	A securities account maintained by a depositor with CDP, but does not include a securities sub-account
"**SFA**"	:	Securities and Futures Act, Chapter 289 of Singapore

"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholders**"	:	Holders of Shares as indicated on the Register and depositors who have Shares entered against their names in the Depository Register
"**Shares**"	:	Issued ordinary shares in the capital of the Company
"**SIC**"	:	Securities Industry Council of Singapore
"**SRS**"	:	The Supplementary Retirement Scheme
"**SRS Investors**"	:	Investors who have purchased Shares pursuant to SRS
"**Statement of Prospects**"	:	Has the meaning ascribed to it in **Section 8.8** of **Appendix 2** and **Appendix 7** to this Circular
"**Subject Properties**"	:	The following properties of the Group as more particularly described in **Appendix 8** to this Circular: 1. Grand Mercure Singapore Roxy; 2. Noku Maldives; 3. Noku Phuket; 4. Bracks Street; 5. Kramat, Jakarta; 6. Roxy Square; 7. NZI Centre; 8. 205 Queen Street; 9. 33 Argyle Street; 10. Harbour View Gardens; 11. RV Altitude; 12. Fyve Derbyshire; 13. Dunearn 386; 14. Mori; 15. 120 Grange; 16. Bukit 828; 17. View at Kismis; 18. Arena Residences; 19. Neu at Novena; 20. Wilshire Residences; 21. 10A, 10B and 11, Institution Hill; and 22. Wisma Infinitum
"**S$**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"**Undertaking Parties**"	:	Shall have the meaning ascribed to it in Section 8.1 of the Letter to Shareholders in the Offer Document and described in **Section 4** of this Circular
"**Valuation Reports and/or Certificates**"	:	The valuation reports and/or certificates issued in respect of the Subject Properties in connection with the Offer as set out in **Appendix 8** to this Circular

"**Waiver**"	:	Has the meaning ascribed to it in **paragraph 8.2 of Appendix 2** to this Circular
"**60-Day Period**"	:	Has the meaning ascribed to it in **paragraph 8.2 of Appendix 2** to this Circular
"**%**" or "**per cent.**"	:	Percentage or per centum

Acting in concert. The term "**acting in concert**" shall have the meaning ascribed to it in the Code.

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

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

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

Rounding. Any discrepancies in figures included in this Circular between amounts shown 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.

Shareholders. References to "**you**", "**your**" and "**yours**" in this Circular are, as the context so determines, to Shareholders.

Statutes. Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Code or the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meanings assigned to it under the Companies Act, the Code or the Listing Manual or any modification thereof, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporation. References to "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of the day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise stated.

Total number of issued Shares. References in this Circular to the total number of issued Shares are based on 1,303,979,944 Shares in issue (excluding 8,924,900 Treasury Shares) as at the Latest Practicable Date, unless otherwise stated.

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

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future assumptions in light of currently available information. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA undertakes or assumes any obligation to update publicly or revise any forward-looking statement, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

CORPORATE INFORMATION

Board of Directors	:	Mr. Teo Hong Lim (Executive Chairman and Chief Executive Officer) Mr. Chris Teo Hong Yeow (Executive Director and Deputy Chief Executive Officer) Mr. Koh Seng Geok (Executive Director, Deputy Chief Executive Officer and Company Secretary) Mr. Tong Din Eu (Lead Independent Director) Mr. Yeo Wee Kiong (Independent Director) Mr. Ng Kok Wee Charles (Independent Director)
Company Secretary	:	Mr. Koh Seng Geok Ms. Shermin Chan Poh Choo
Registered Office	:	50 East Coast Road #B1-18 Roxy Square Singapore 428769
Share Registrar	:	KCK CorpServe Pte. Ltd. 24 Raffles Place #07-07 Clifford Centre, Singapore 048621
Auditors of the Company	:	Foo Kon Tan LLP Partner-in-charge: Mr. Chan Ser, CA
Independent Financial Adviser to the Independent Directors	:	ZICO Capital Pte. Ltd. 8 Robinson Road #09-00 ASO Building Singapore 048544
Legal Adviser to the Company in relation to the Offer	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542

INDICATIVE TIMETABLE

The following are indicative dates and times for the Offer:

EVENT		DATE
Date of despatch of Offer Document	:	5 January 2022
Date of despatch of this Circular	:	19 January 2022
Closing Date[1]	:	**5.30 p.m. (Singapore time) on 3 February 2022**, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last date and time for the lodgement of votes on and/or acceptances of the Offer.
Date of settlement of consideration for valid acceptances of the Offer[2]	:	(a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven (7) Business Days of that date; (b) in respect of acceptances which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer closes, within seven (7) Business Days of the date of such receipt.

Notes:

(1) Please refer to paragraph 1 of Appendix 1 to the Offer Document for further details.

(2) Please refer to paragraph 2 of Appendix 1 to the Offer Document for further details.

LETTER TO SHAREHOLDERS FROM THE BOARD

ROXY-PACIFIC HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 196700135Z)

Directors:	**Registered Office:**
Mr. Teo Hong Lim	50 East Coast Road
Mr. Chris Teo Hong Yeow	#B1-18 Roxy Square
Mr. Koh Seng Geok	Singapore 428769
Mr. Tong Din Eu	
Mr. Yeo Wee Kiong	
Mr. Ng Kok Wee Charles	

19 January 2022

To: The Shareholders of Roxy-Pacific Holdings Limited

Dear Sir/Madam

VOLUNTARY CONDITIONAL OFFER BY OCBC BANK, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Pre-Conditional Offer Announcement and Offer Announcement

On the Pre-Conditional Offer Announcement Date, OCBC Bank announced, for and on behalf of the Offeror, *inter alia*, that subject to and contingent upon the satisfaction of the Pre-Condition, the Offeror intends to make the Offer for all the Shares, other than those Shares (excluding treasury shares) already owned, controlled or agreed to be acquired by the Offeror.

On 15 December 2021, OCBC Bank announced, for and on behalf of the Offeror, that *inter alia*, as at 15 December 2021, the Pre-Condition has been satisfied. Accordingly, the Offeror intends to make an Offer for all the Shares, other than those Shares (excluding treasury shares) already owned, controlled, or agreed to be acquired by the Offeror, in accordance with Section 139 of the SFA and the Code.

Copies of each of the Pre-Conditional Offer Announcement and the Offer Announcement are 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 set out 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 Independent Financial Adviser

The Company has appointed ZICO Capital as the IFA to advise the Independent Directors in respect of the Offer.

1.4 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 the IFA to the Independent Directors in respect of the Offer.

Shareholders should read the Offer Document, this Circular and the IFA Letter carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether to vote on and/or accept or reject the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

2. THE OFFER

As set out in the Offer Document, the Offer is made on the following terms and conditions:

2.1 Terms of the Offer

The Offer is made by the Offeror on the principal terms set out in Sections 2 and 3 of the Letter to Shareholders in the Offer Document, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

"***2. TERMS OF THE OFFER***

2.1 ***Offer.*** *Subject to the terms and conditions set out in this Offer Document, for and on behalf of the Offeror, OCBC Bank hereby makes the Offer to acquire all the Offer Shares, in accordance with Section 139 of the SFA and the Code.*

2.2 ***Offer Shares.*** *The Offer is extended to all Shares (excluding treasury shares), other than those Shares owned, controlled or agreed to be acquired by the Offeror ("****Offer Shares****").*

2.3 ***Offer Price.*** *The consideration for each Offer Share is as follows:*

*For each Offer Share: S$0.485 in cash (the "****Offer Price****")*

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

2.4 ***Rights and Encumbrances.*** *The Offer Shares will be acquired:*

2.4.1 *fully paid;*

2.4.2 *free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing ("****Encumbrances****"); and*

2.4.3 *together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, "****Distributions****") on or after the Pre-Conditional Offer Announcement Date.*

2.5 ***Adjustment for Distributions.*** *Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.*

*Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer ("****Accepting Shareholder****") shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:*

2.5.1 *if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "****Books Closure Date****"), the Offer Price shall remain unadjusted for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and*

2.5.2 *if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.*

2.6 ***Minimum Acceptance Condition.*** *The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been validly withdrawn) 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 parties acting in concert with it before or during the Offer, will result in the Offeror and its concert parties holding Offer Shares representing not less than 90% of the total number of Shares in issue (excluding treasury shares) as at the close of the Offer (the "****Minimum Acceptance Condition****").*

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been validly withdrawn) 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 parties acting in concert with it before or during the Offer, will result in the Offeror and its concert parties holding such number of Offer Shares representing not less than 90% of the total number of Shares in issue (excluding treasury shares).*

As at the Latest Practicable Date, based on disclosures made to the Offeror by the Relevant Persons, the Offeror and persons acting in concert with the Offeror, own, control or have agreed to acquire an aggregate of 1,023,525,583 Shares, representing approximately 78.49% of the total number of issued Shares.

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

3. WARRANTY

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: (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain all Distributions declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date."

2.2 Details of the Offer

Further details on (i) the duration of the Offer, (ii) the settlement of the consideration for the Offer, (iii) requirements relating to announcement(s) of the level of acceptances of the Offer, and (iv) the right of withdrawal of acceptances of the Offer, are set out in Appendix 1 to the Offer Document.

2.3 Closing Date

The Offer Document states that the Offer is open for acceptance by Shareholders for at least twenty-eight (28) days from the Commencement Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 3 February 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

2.4 Procedures for Acceptance

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document.

3. INFORMATION ON THE OFFEROR

Details on the Offeror have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"6. INFORMATION ON THE OFFEROR

6.1 The Offeror. *The Offeror is a private company limited by shares incorporated in the Republic of Singapore on 10 August 2021. The Offeror's principal activity is that of an investment holding company and it has not carried on any business since its incorporation, save for matters undertaken in connection with the making of the Offer.*

6.2 Share Capital. *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$445.30 divided into 21,206 ordinary shares and is owned by the following individuals (collectively, the "**Consortium Members**") as follows:*

No.	***Name of individual***	***No. of Offeror Shares***	***% of shares in the Offeror***[2]
1.	*Teo Hong Lim ("**THL**")*	*6,892*	*32.50*
2.	*Teo Hong Wee ("**THW**")*	*3,299*	*15.56*
3.	*Teo Hong Yeow Chris ("**THY**")*	*3,101*	*14.62*
4.	*Teo Hong Hee ("**THH**")*	*3,101*	*14.62*
5.	*Lim Swee Hah ("**LSH**")*	*1,334*	*6.29*
6.	*Teo Hong Khim ("**THK**")*	*1,114*	*5.25*
7.	*Teo Hong Ming ("**THM**")*	*1,114*	*5.25*
8.	*Cheong Fung Fai ("**CFF**")*	*723*	*3.41*
9.	*The estate of Lin Chu Liat ("**LCL**")*[3]	*300*	*1.41*
10.	*Cheong Kwai Fun ("**CKF**")*	*181*	*0.85*
11.	*Lim Guat Hah ("**LGH**")*	*47*	*0.22*
	Total	***21,206***	***100.00***

6.3 Directors. *As at the Latest Practicable Date, the directors of the Offeror are THL, THW, THY, THH, LSH*[4]*, THK, THM, CFF, CHL, CKF and LGH.*

Appendix 3 *to this Offer Document sets out additional information on the Offeror."*

4. IRREVOCABLE UNDERTAKINGS

The full text of the undertakings provided by each of the Undertaking Parties has been extracted from Section 8 of the Letter to Shareholders in the Offer Document, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***8. IRREVOCABLE UNDERTAKINGS***

8.1 ***Irrevocable Undertakings.*** *As at the Latest Practicable Date, the Offeror has received irrevocable undertakings from the following persons:*

8.1.1 *Kian Lam Investment Pte Ltd ("**KLI**");*

8.1.2 *Sen Lee Development Private Limited ("**SLD**"); and*

8.1.3 *each of the Consortium Members (other than the estate of LCL),*

*(collectively, the "**Undertaking Parties**"), pursuant to which the Undertaking Parties have undertaken to accept the Offer in respect of all Shares held by each of them prior to and up to the close of the Offer (the "**Irrevocable Undertakings**"). As at the Latest Practicable Date, the Undertaking Parties hold in aggregate 1,004,089,059 Shares, representing approximately 77.00% of the total number of issued Shares*[5]*.*

8.2 ***Update on the Undertakings to remove Encumbrances.*** *As at the Latest Practicable Date, any and all Encumbrances on the Shares held by each of THL, THW and THY have been removed. Pursuant to the terms of the Irrevocable Undertakings from THL, THW and THY, such Shares shall continue to be held free from any and all Encumbrances on the date on which the Offer becomes or is declared unconditional in all respects.*

8.3 ***Rollover and Subscription.*** *Each Consortium Member agrees to subscribe for new shares in the Offeror ("**Offeror Shares**") after the close of the Offer. The obligation of each Consortium Member to pay for the new Offeror Shares after the close of the Offer will be set-off against the obligation of the Offeror:*

8.3.1 *to pay the Offer Price to KLI and SLD for all their Shares which are tendered in acceptance of the Offer pursuant to the Irrevocable Undertakings save for any Shares acquired by SLD pursuant to market purchases on the SGX-ST after the Pre-Conditional Offer Announcement Date, which would instead be settled in cash pursuant to the terms of the Offer; and*

8.3.2 *to pay the Offer Price to the Consortium Members (other than the estate of LCL) for the Shares they hold directly which are tendered in acceptance of the Offer pursuant to the Irrevocable Undertakings,*

*such that the resultant shareholding structure of the Offeror will be as set out in **Section 8.5** of the Letter to Shareholders in this Offer Document (the "**Rollover and Subscription**").*

8.4 ***SIC Confirmation.*** *The SIC has confirmed that the Rollover and Subscription are permitted.*

8.5 ***Resultant Shareholding in the Offeror.*** *Following the Rollover and Subscription, it is contemplated that each Consortium Member will have the shareholding percentages in the Offeror as set out below:*

(A) No.	*(B) Consortium Member*	*(C) Number of Offeror Shares held prior to the Offer Announcement*[6]	*(D) % of Total Number of Offeror Shares held prior to the Offer Announcement*	*(E) Number of Offeror Shares to be issued in connection with the Offer*[7]	*(F) Number of Offeror Shares held after the close of the Offer*	*(G) % of Total Number of Offeror Shares held after the close of the Offer*
1.	*THL*	*6,892*	*32.50*	*370,857,431*	*370,864,323*	*37.21*
2.	*THW*	*3,299*	*15.56*	*143,731,642*	*143,734,941*	*14.42*
3.	*THY*	*3,101*	*14.62*	*130,370,684*	*130,373,785*	*13.08*
4.	*THH*	*3,101*	*14.62*	*129,227,372*	*129,230,473*	*12.96*
5.	*LSH*	*1,334*	*6.29*	*61,929,476*	*61,930,810*	*6.21*
6.	*THK*	*1,114*	*5.25*	*34,561,593*	*34,562,707*	*3.47*
7.	*THM*	*1,114*	*5.25*	*34,699,588*	*34,700,702*	*3.48*
8.	*CFF*	*723*	*3.41*	*61,946,997*	*61,947,720*	*6.21*
9.	*Estate of LCL*[8]	*300*	*1.41*	*9,307,415*	*9,307,715*	*0.93*
10.	*CKF*	*181*	*0.85*	*15,948,599*	*15,948,780*	*1.60*
11.	*LGH*	*47*	*0.22*	*4,180,662*	*4,180,709*	*0.42*
	Total[9]	***21,206***	***100.00***	***996,761,459***	***996,782,665***	***100.00***

8.6 ***Termination or Lapse of Irrevocable Undertakings.*** *The Irrevocable Undertakings shall lapse on the date which the Offer closes, lapses or is withdrawn.*

8.7 ***No Other Undertakings.*** *Save for the Irrevocable Undertakings, as at the Latest Practicable Date, neither the Offeror nor any parties acting in concert with it has received any undertakings from any other party to accept or reject the Offer.*

8.8 ***Available for Inspection.*** *Copies of the Irrevocable Undertakings are available for inspection at the offices of the Registrar at 24 Raffles Place, #07-07 Clifford Centre, Singapore 048621 during normal business hours upon prior appointment with the Registrar at +65 6430 8217, until the date on which the Offer closes, lapses or is withdrawn in accordance with its terms.*"

5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions for the Company has been extracted from Sections 9 and 10 of the Letter to Shareholders in the Offer Document respectively, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***9. RATIONALE FOR THE OFFER***

9.1 ***The Company faces a challenging macro and operating environment driven by COVID-19.*** *As a result of the ongoing COVID-19 pandemic, the construction of development projects continues to face prolonged challenges due to global supply chain disruption and labour crunch, leading to rising material and labour costs as well as higher tender prices for new projects. The Company may also face increasing risks of delays in project completion and potential penalties from late delivery exacerbated by the increasing risk of default by construction contractors.*

In addition, the COVID-19 pandemic continues to hinder the Company's hotel operations, despite gradual easing of travel restrictions by some countries around the world. Continued weakness is expected in the hospitality industry as business travel and retail tourism remain significantly below pre-pandemic levels with a longer and more uncertain road to recovery in light of the recent emergence of the Omicron variant.

9.2 Opportunity for Shareholders to realise their investment at the Offer Price. *The Offeror is of the view that the Offer represents an attractive cash exit opportunity for Shareholders to realise their entire investment in cash with price certainty at a compelling premium, without incurring brokerage and other trading costs.*

9.2.1 *The Offer Price exceeds all previous closing prices of the Shares in the three-year period up to and including 14 September 2021, being the last full trading day of the Shares prior to the Pre-Conditional Offer Announcement Date (the "**Last Trading Date**") and represents a premium of approximately 14.1% over the highest closing price of S$0.425 in the aforementioned period.*

9.2.2 *In addition, the Offer presents Shareholders with an opportunity to realise their investment in their Shares at a premium of approximately:*

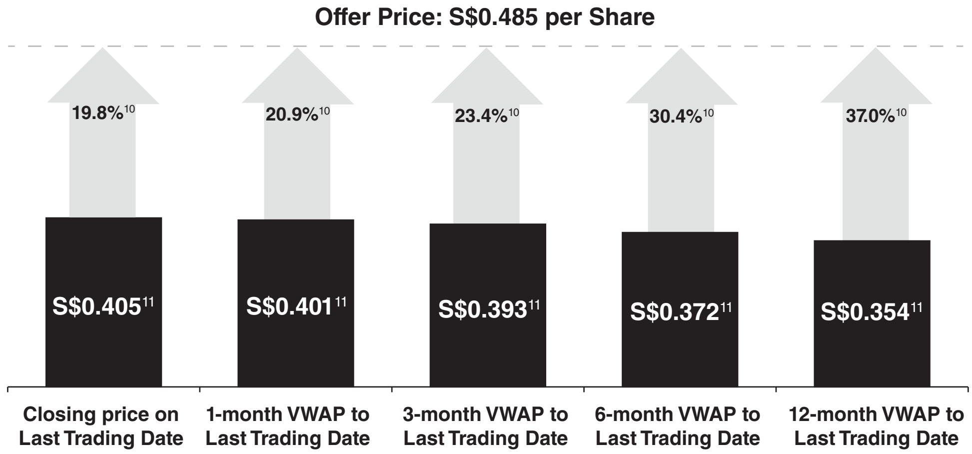
(i) 19.8%[10] over S$0.405[11], the last traded price per Share on the Last Trading Date;

(ii) 20.9% over S$0.401, the VWAP of the Shares for the one-month period up to and including the Last Trading Date;

(iii) 23.4% over S$0.393, the VWAP of the Shares for the three-month period up to and including the Last Trading Date;

(iv) 30.4% over S$0.372, the VWAP of the Shares for the six-month period up to and including the Last Trading Date; and

(v) 37.0% over S$0.354, the VWAP of the Shares for the 12-month period up to and including the Last Trading Date.



9.3 ***Opportunity for Shareholders to exit their investment, which may otherwise be difficult due to low trading liquidity.*** *The trading volume of the Shares has been generally low, with an average daily trading volume*[12] *of approximately 11,377 Shares, 69,959 Shares, 71,976 Shares and 82,666 Shares during the one-month, three-month, six-month and 12-month periods respectively up to and including the Last Trading Date. Each of these represents less than approximately 0.0063% of the total number of issued Shares (excluding treasury shares) for any of the aforementioned relevant periods.*

The low trading liquidity may not provide Shareholders with sufficient opportunity to efficiently exit their investments in the Company. Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

9.4 ***Latest set of cooling measures that affect Singapore property developers.*** *The Singapore government announced a package of measures to cool the property market, taking effect from 16 December 2021, which included an increase in additional buyer's stamp duty ("**ABSD**") rate to 35% (the non-remittable component of the 5% remains unchanged) for developers purchasing any residential property.*

*The Real Estate Developers' Association of Singapore ("**REDAS**") believes the recalibrated tough measures are rather unexpected as the property market is just beginning to emerge from the challenging COVID-19 situation. With significant uncertainties still persisting and as the operating environment of many businesses remains challenging, REDAS believes that these measures will "impose immense additional pressure" on housing developers' land acquisition as developers need to compress their development, sales and project completion periods as well as land replenishment cycles in order to meet the stringent requirements for ABSD remission*[13].

The Offeror believes that these measures will exacerbate the challenging macro and operating environment faced by the Company amidst the COVID-19 pandemic.

9.5 **_No necessity for access to equity capital markets._** *The Company has not carried out any exercise to raise equity capital on the SGX-ST since its listing in March 2008. The Company is unlikely to require access to Singapore equity capital markets to finance its operations in the foreseeable future as the Company has various other available funding sources such as bank borrowing facilities. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.*

9.6 **_Greater management flexibility._** *The Offeror is making the Offer with a view to delist the Company from the SGX-ST and exercise its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Company and optimise the use of the Company's management and resources during this time of economic uncertainty.*

9.7 **_Only offer capable of turning unconditional or succeeding._** *Given that the Undertaking Parties, who hold approximately 77.00% of the total number of issued Shares, have undertaken to accept the Offer, no other general offer will be capable of turning unconditional or succeeding. Should the Offer fail to become or be declared unconditional, the Offeror and its concert parties are not permitted under the Code to make another general offer for the Company for 12 months following the lapse of the Offer.*

9.8 **_Compliance costs of maintaining listing status._** *In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.*

10. THE OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business. However, the Directors retain the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which they may regard to be in the interest of the Offeror."

6. THE OFFEROR'S INTENTION REGARDING LISTING STATUS AND COMPULSORY ACQUISITION

The full text of the Offeror's intentions relating to the listing status and compulsory acquisition of the Company has been extracted from Section 11 of the Letter to Shareholders in the Offer Document, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"**_11. LISTING STATUS AND COMPULSORY ACQUISITION_**

11.1 **_Listing Status and Trading Suspension._** *Under Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90% of the total number of Shares (excluding treasury* *shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.*

11.2 ***Free Float Requirement.*** *Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of Shares (excluding treasury shares) is at all times held by the public (the "**Free Float Requirement**"). In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all securities of the Company on the SGX-ST. Rule 724(2) of the Listing Manual further 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, for the percentage of the total number of Shares (excluding treasury shares) held by members of the public to be raised to at least 10%, failing which the Company may be removed from the Official List of the SGX-ST. Under the Listing Manual, "public" refers to persons other than: (i) directors, chief executive officer, substantial shareholders, or controlling shareholders of the Company or its subsidiary companies; and (ii) associates of the persons in (i) above.*

11.3 ***Intention to Delist.*** *In the event that as a result of the Offer or otherwise, the Offeror and its concert parties own or control more than 90% of the Shares in issue and the Company is no longer able to comply with the Free Float Requirement and/or 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 does **not** intend preserve the listing status of the Company and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement or for any such trading suspension by the SGX-ST to be lifted. In such event, it is the Offeror's intention to seek the delisting of the Company from the Official List of the SGX-ST.*

11.4 ***Compulsory Acquisition.*** *In the event the Offeror receives valid acceptances (which have not been validly withdrawn) pursuant to the Offer or otherwise acquires Shares following the Commencement Date other than through valid acceptances of the Offer in respect of not less than 90% of the total number of issued Shares (other than treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror would be entitled to exercise its right under Section 215(1) of the Companies Act, to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer (such compulsory acquisition, the "**Compulsory Acquisition**").*

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

In addition, pursuant to Section 215(3) of the Companies Act, 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 treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of Shares. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice."

7. FINANCIAL ASPECTS OF THE OFFER

The full text of the financial aspects of the Offer has been extracted from Section 12 of the Letter to Shareholders in the Offer Document, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***12. FINANCIAL ASPECTS OF THE OFFER***

The Offer Price for each Offer Share represents the following premia over the historical traded prices of the Shares:

	Benchmark Price[14] (S$)	***Premium of the Offer Price over the Benchmark Price[15] (%)***
Last traded price per Share as quoted on the SGX-ST on the Last Trading Date	*0.405*	*19.8*
VWAP of the Shares as transacted on the SGX-ST for the one (1)-month period up to and including the Last Trading Date	*0.401*	*20.9*
VWAP of the Shares as transacted on the SGX-ST for the three (3)-month period up to and including the Last Trading Date	*0.393*	*23.4*
VWAP of the Shares as transacted on the SGX-ST for the six (6)-month period up to and including the Last Trading Date	*0.372*	*30.4*
VWAP of the Shares as transacted on the SGX-ST for the twelve (12)-month period up to and including the Last Trading Date	*0.354*	*37.0"*

8. CONFIRMATION OF FINANCIAL RESOURCES

The full text of the confirmation of financial resources by OCBC Bank has been extracted from Section 14 of the Letter to Shareholders in the Offer Document, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***14.*** ***CONFIRMATION OF FINANCIAL RESOURCES***

OCBC Bank as the sole financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer by Shareholders on the basis of the Offer Price, excluding the Shares to be tendered by the Undertaking Parties and for which payment will be set-off pursuant to the Rollover and Subscription."

9. DIRECTORS' INTERESTS

Details of the Directors including, *inter alia*, the Directors' direct and deemed interests in Shares and shares in the Offeror as at the Latest Practicable Date are set out in **Appendix 2** to this Circular.

10. ADVICE AND RECOMMENDATION

10.1 Appointment of Independent Financial Adviser

ZICO Capital has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

Shareholders should read the IFA Letter in its entirety and consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in relation to the Offer in their entirety before deciding whether to accept or reject the Offer.

10.2 Independence of Directors

All of the Independent Directors consider themselves independent for the purposes of making a recommendation to Shareholders in respect of the Offer.

The SIC has on 14 September 2021 ruled that each of Mr. Teo Hong Lim and Mr. Chris Teo Hong Yeow ("**Conflicted Directors**") is exempted from the requirement under Rule 24.1 of the Code to make a recommendation to the Shareholders in respect of the Offer. Each of the Conflicted Directors is also a shareholder and a director of the Offeror and faces a conflict of interest in relation to the Offer. The Conflicted Directors must, however, still assume responsibility for the accuracy of facts stated or opinions expressed in documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

10.3 Evaluation of the Offer by the IFA and the IFA's Advice to the Independent Directors on the Offer

The IFA Letter setting out the advice of the IFA to the Independent Directors in relation to the Offer is set out in **Appendix 1** to this Circular.

An extract of the advice and recommendation of the IFA to the Independent Directors in relation to the Offer is set out below. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

"***10.*** ***OUR OPINION***

In arriving at our opinion, we have considered the views and representations made by the Directors and Management, and reviewed and deliberated on the factors *which we consider to be relevant and to have a significant bearing on our assessment of the financial terms of the Offer. We have carefully considered factors which we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.*

In determining the fairness of the Offer, we have considered, inter alia, the following factors:

(a) the P/RNAV of 0.64 time, as implied by the Offer Price, and the implied discount of the Offer Price to the RNAV per Share as at 30 June 2021 is 36.1%; and

(b) the P/RNAV of 0.64 time, as implied by the Offer Price is within range but below the average and median P/NAV or P/RNAV ratios of the Precedent Privatisation Transactions.

In determining the reasonableness of the Offer, we have considered, inter alia, the following factors:

(a) the Offer Price represents premiums of approximately 37.0%, 30.3%, 23.5% and 21.0% over the VWAPs of the Shares respectively for the periods 1 year, 6 months, 3 months and 1 month prior to and including the Last Trading Day before the Pre-Conditional Offer Announcement. The Offer Price also represents a premium of 19.6% over the VWAP of the Shares on the Last Transaction Day before the Pre-Conditional Offer Announcement;

(b) the trading volume of the Shares had generally been low in the past 12 months prior to and including the Last Trading Day before the Pre-Conditional Offer Announcement, and the Offer will provide an exit option for Shareholders who wish to realise their investments in the Shares but face difficulties to do so due to the low trading activity;

(c) the P/RNAV as implied by the Offer Price of 0.64 time is within range and higher than the average but below the median P/RNAV of the Precedent Real Estate Privatisation Transactions;

(d) the P/RNAV as implied by the Offer Price of 0.64 time is within range and higher than the average and median P/NAV of the Comparable Companies;

(e) the Company had not declared dividends in FY2020 and in 1H2021;

(f) the Offeror had stated that in the event the Company does not meet the Free Float Requirement, it does not intend to preserve the listing status of the Company, and when entitled to, intends to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer; and

(g) as at the Latest Practicable Date, there is no alternative offer or proposal received by the Company. Given that the Undertaking Parties holding in aggregate 1,004,089,059 Shares, representing approximately 77.00% of the total number of issued Shares of the Company (excluding treasury shares), have irrevocably undertaken to accept the Offer, it is highly unlikely that there will be any competing offer from a third party.

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the financial terms of the Offer are, on balance, not fair but reasonable. Accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer.

In arriving at our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any Shareholder who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her legal, financial, tax or other professional adviser immediately.

In rendering our advice, we have relied on, inter alia, relevant statements contained in the Circular, confirmations, advice and representations by the Directors and Management, and the Company's announcements in relation to the Offer. We wish to emphasise that we have arrived at our opinion based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date."

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

10.4 Recommendation of Independent Directors

The Independent Directors have reviewed and considered carefully the terms of the Offer and the advice given by the IFA in the IFA Letter. The Independent Directors concur with the IFA's assessment of the Offer and their advice and recommendation thereon, as extracted from the IFA Letter and reproduced in **Section 10.3** above. Accordingly, the Independent Directors recommend that Shareholders **accept** the Offer.

SHAREHOLDERS ARE ADVISED TO READ THE FULL TEXT OF THE IFA LETTER SET OUT IN APPENDIX 1 TO THIS CIRCULAR CAREFULLY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER.

Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders should note that the IFA's advice to the Independent Directors in relation to the Offer should not be relied upon by any Shareholder as the sole basis for deciding whether to accept or reject the Offer.

In rendering the advice and recommendation above, both the IFA and the Independent Directors have not given regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder may have different investment objectives and profiles, the Independent Directors would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately.

11. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 15 of the Letter to Shareholders in the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***15. OVERSEAS SHAREHOLDERS***

15.1 Overseas Shareholders. *This Offer Document, the Relevant Acceptance Forms and/or any related documents do not constitute an offer to sell or the solicitation of an offer to subscribe for or to buy any security, nor is it a solicitation of any vote or approval in any jurisdiction in contravention of applicable law, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document, the Relevant Acceptance Forms and/or any related documents in any jurisdiction in contravention of applicable law.*

*The Offer is not being proposed in any jurisdiction in which the introduction or implementation of the Offer would not be in compliance with the laws of such jurisdiction. Where there are potential restrictions on sending this Offer Document, the Relevant Acceptance Forms and/or any related documents to any overseas jurisdictions, the Offeror and OCBC Bank reserve the right not to send this Offer Document, the Relevant Acceptance Forms and/or any related documents to such overseas jurisdictions. The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions.*

The Offer will be made solely by this Offer Document and the Relevant Acceptance Forms accompanying this Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. The Offer is to be made to all Shareholders by this Offer Document or by this Offer Document being despatched to Shareholders or posted on the website of the SGX-ST at www.sgx.com.

For the avoidance of doubt, the Offer will be open to all Shareholders including those to whom this Offer Document, the Relevant Acceptance Forms and/or any related documents have not been, or will not be, sent.

15.2 Copies of this Offer Document and Relevant Acceptance Forms. *Overseas Shareholders may (subject to compliance with applicable laws) obtain copies of this Offer Document, the Relevant Acceptance Forms and/or any related documents, during normal business hours up to the Closing Date from TKL & Family Pte. Ltd. c/o KCK CorpServe Pte. Ltd. at 24 Raffles Place, #07-07 Clifford Centre, Singapore 048621. Alternatively, Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) write to the Offeror at TKL & Family Pte. Ltd. c/o KCK CorpServe Pte. Ltd., at 24 Raffles Place, #07-07 Clifford Centre, Singapore 048621 (if he is a scrip holder) or The Central Depository (Pte) Limited (if he is a depositor) at Robinson Road Post Office P.O. Box 1984, Singapore 903934, to request for this Offer Document, the Relevant Acceptance Forms and/or 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.*

15.3 ***Compliance with Applicable Laws.*** *It is the responsibility of any Overseas Shareholder who wishes to: (i) request for this Offer Document, the Relevant Acceptance Forms and/or any related documents; or (ii) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdictions 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, or the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall also be liable for any taxes, imposts, duties or other requisite payments payable and the Offeror and any person acting on its behalf (including OCBC Bank, CDP and the Registrar/Receiving Agent) shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments that may be required to be paid and the Offeror shall be entitled to set-off any such amounts against any sum payable to the Overseas Shareholder pursuant to the Offer and/or any acquisition of Shares pursuant to the Compulsory Acquisition. In (i) requesting for this Offer Document, the Relevant Acceptance Forms and/or any related documents; and/or (ii) accepting the Offer, the Overseas Shareholder represents and warrants to the Offeror, OCBC Bank, CDP and the Registrar/Receiving Agent 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.* ***If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction. All Overseas Shareholders should inform themselves about, and observe, any applicable legal requirements in their own jurisdiction.***

15.4 ***Notice.*** *The Offeror and OCBC Bank each reserves the right to notify any matter, including the fact that the Offer has been made or any revision to the Offer, to any or all Shareholders (including Overseas Shareholders) by announcement on the website of the SGX-ST at www.sgx.com or paid advertisement in a daily newspaper published and circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including Overseas Shareholders) to receive or see such announcement or advertisement.*"

12. ACTION TO BE TAKEN

Shareholders who wish to accept the Offer, must do so not later than 5.30 p.m. (Singapore time) on 3 February 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror and should follow the procedures as set out in Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT (as applicable).

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document, the FAA and/or the FAT which have been sent to them.

13. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

Section 16 of the Letter to Shareholders in the Offer Document sets out information pertaining to CPFIS Investors and SRS Investors, details of which have been extracted from the Offer Document and are set out in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***16. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS***

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks (as the case may be) directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks (as the case may *be) 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 (as the case may be) by the deadline stated in the letter from their respective CPF Agent Banks and SRS Agent Banks (as the case may be). Subject to the Offer becoming or being declared to be unconditional in all respects in accordance with its terms, CPFIS Investors and SRS Investors who validly accept the Offer will receive the payment for their Offer Shares in their respective CPF investment accounts and SRS investment accounts (as the case may be)."

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all 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 IFA Letter, the IFA SOP Letter, the Auditors SOP Letter and the Valuation Reports and/or Certificates) are fair and accurate and, where appropriate, no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading. The Directors jointly and severally accept full responsibility accordingly.

In respect of the IFA Letter, the IFA SOP Letter, the Auditors SOP Letter and the Valuation Reports and/or Certificates, the sole responsibility of the Directors has been to ensure that the facts stated 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 (including, without limitation, the Offer Announcement, the Offer Document, the IFA Letter, the IFA SOP Letter, the Auditors SOP Letter and the Valuation Reports and/or Certificates), the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

The recommendation set out in **Section 10.4** of this Circular is the sole responsibility of the Independent Directors.

15. ADDITIONAL GENERAL INFORMATION

Additional general information is provided in **Appendix 2** to this Circular.

The attention of Shareholders is also drawn to the additional information set out in the other Appendices which form part of this Circular.

Yours faithfully
For and on behalf of the Board of Directors of

Roxy-Pacific Holdings Limited

Tong Din Eu
Lead Independent Director

APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS

19 January 2022

To: The Directors of Roxy-Pacific Holdings Limited who are considered independent for the purposes of making the recommendation to the Shareholders in respect of the Offer (as defined herein) (the "**Independent Directors**")

Dear Sirs,

VOLUNTARY CONDITIONAL GENERAL OFFER BY OVERSEA-CHINESE BANKING CORPORATION LIMITED ("OCBC BANK"), FOR AND ON BEHALF OF TKL & FAMILY PTE. LTD. (THE "OFFEROR"), FOR ALL THE ISSUED ORDINARY SHARES (EXCLUDING TREASURY SHARES) IN THE CAPITAL OF ROXY-PACIFIC HOLDINGS LIMITED OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter shall have the same meaning as defined in the circular to shareholders of Roxy-Pacific Holdings Limited (the "**Company**") dated 19 January 2022 (the "**Circular**").*

1. INTRODUCTION

On 20 September 2021 (the "**Pre-Conditional Offer Announcement Date**"), OCBC Bank announced, for and on behalf of the Offeror, *inter alia*, that subject to and contingent upon the satisfaction of the Pre-Condition, the Offeror intends to make a voluntary conditional general offer (the "**Offer**") for all the issued ordinary shares (the "**Shares**") (excluding treasury shares) in the capital of Roxy-Pacific Holdings Limited, other than those Shares already owned, controlled or agreed to be acquired by the Offeror.

On 15 December 2021 (the "**Offer Announcement Date**"), OCBC Bank announced, for and on behalf of the Offeror, that, *inter alia*, as at 15 December 2021, the Pre-Condition has been satisfied. Accordingly, the Offeror intends to make an Offer for all the Shares, other than those Shares (excluding treasury shares) already owned, controlled, or agreed to be acquired by the Offeror, in accordance with Section 139 of the SFA and the Code.

Shareholders should have by now received a copy of the offer document dated 5 January 2022, including the FAA and FAT, and any other document(s) which may be issued by the Offeror to amend, review, supplement or update the document(s) from time to time (the "**Offer Document**") setting out, *inter alia*, the terms and conditions of the Offer. **Independent Directors should advise Shareholders to read the terms and conditions of the Offer set out in the Offer Document carefully.**

ZICO Capital Pte. Ltd. ("**ZICO Capital**") has been appointed by the Company as the independent financial adviser ("**IFA**") to advise the Independent Directors, for the purpose of making their recommendation to the Shareholders in respect of the Offer.

This IFA Letter is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and opinion on whether the financial terms of the Offer are fair and reasonable. This IFA Letter forms part of the Circular to be despatched to Shareholders in relation to the Offer, which provides *inter alia*, the details of the Offer and the recommendation of the Independent Directors in respect thereof, and should be read in its entirety.

2. TERMS OF REFERENCE

We have confined our evaluation and analysis of the Offer to the financial terms thereof. Our terms of reference do not require us to evaluate or comment on the rationale for, as well as the legal, strategic and commercial risks and/or merits (if any) of the Offer, or on the future financial performance or future prospects of the Company and its subsidiaries (the "**Group**"). Accordingly, we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the directors (the "**Directors**") and the management of the Company (the "**Management**").

It is also not within the scope of our appointment to express any view herein as to the prices at which the Shares may trade or on the future performance of the Company and/or the Group upon the completion or expiry of the Offer. No financial or profit forecasts, business plans or management accounts of the Company and/or the Group have been specifically prepared for the purpose of evaluating the Offer, save for those that were provided by the Company for the purposes of arriving at the revalued net asset value ("**RNAV**") of the Group. Accordingly, we will not be able to comment on the expected future performance or prospects of the Company and/or the Group arising from the Offer or otherwise (including without limitation any implication or uncertainty arising from the COVID-19 pandemic). However, we may draw upon the views of the Directors and/or the Management, or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this IFA Letter.

We were not requested or authorized to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. It is also not within our terms of reference to compare the relative merits of the Offer vis-à-vis any alternative transactions previously considered by the Directors or transactions that the Directors may consider in the future, such comparison and consideration shall remain the responsibility of the Directors. The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer, no alternative offer or proposal has been received from any third party.

In the course of our evaluation, we have held discussions with the Directors and the Management. We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by the Company, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations.

We have relied upon the assurances from the Directors and the Management (including those who may have delegated detailed supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken 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 and the Management have confirmed to us, after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Offer and the Group, and the Directors and the Management are not aware of any facts, the omission of which would cause any statement in the Circular in respect of the Group and the Offer to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such enquiry and exercised judgement as we deemed necessary, and have found no reason to doubt the accuracy or reliability of the information upon which we have relied upon.

We have not made any independent valuation or appraisal of assets and liabilities (including without limitation, the development properties for sale, property, plant and equipment and investment properties) of the Group. The Company has commissioned independent valuers to value certain of its development properties for sale, property, plant and equipment and investment properties, and we have been furnished with independent valuation reports and/or certificates by Knight Frank Pte. Ltd., Jones Lang LaSalle Limited, Jones Lang LaSalle Advisory Services Pty Ltd, Savills Valuation and Professional Services (S) Pte. Ltd., Edmund Tie & Company (Thailand) Co., Ltd., CBRE Pte. Ltd., VPC Alliance (KL) Sdn. Bhd., CBRE Valuations Pty Limited, and KJPP Susan Widjojo & Rekan (collectively, the "**Valuers**") (the "**Valuation Reports and/or Certificates**"). The Valuation Reports and/or Certificates are set out in Appendix 8 to the Circular.

We have placed sole reliance thereon for the valuation and/or information contained therein. We are not involved and assume no responsibility for the Valuation Reports and/or Certificates. We have also not made any independent verification of the matters or bases set out in the Valuation Reports and/or Certificates.

We have not relied upon any financial projections or forecasts in respect of the Company or the Group. We are not required to express, and we do not express, any views on the growth prospects, earnings potential, future financial performance, or future financial position of the Company or the Group, or prices at which the Shares may trade upon completion of the Offer.

Our opinion is based upon market, economic, industry and other conditions prevailing, as well as information made available to us, as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent developments after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should further take note of any announcements relevant to their consideration of the Offer, which may be released after the Latest Practicable Date.

In rendering our advice and providing our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any Shareholder. As each Shareholder would have different investment objectives and profiles, we recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of ZICO Capital.

Our opinion in relation to the Offer should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE OFFER

The principal terms of the Offer are set out in sections 2 and 3 of the Letter to Shareholders in the Offer Document and in section 2 of the Letter to Shareholders from the Board in the Circular. Shareholders are advised to read the terms of the Offer set out in the Offer Document carefully.

3.1 Terms of the Offer

The terms of the Offer have been extracted from the Offer Document and are replicated in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"***2. TERMS OF THE OFFER***

2.1 ***Offer.*** *Subject to the terms and conditions set out in this Offer Document, for and on behalf of the Offeror, OCBC Bank hereby makes the Offer to acquire all the Offer Shares, in accordance with Section 139 of the SFA and the Code.*

2.2 ***Offer Shares.*** *The Offer is extended to all Shares (excluding treasury shares), other than those Shares owned, controlled or agreed to be acquired by the Offeror ("****Offer Shares****").*

2.3 ***Offer Price.*** *The consideration for each Offer Share is as follows:*

*For each Offer Share: S$0.485 in cash (the "***Offer Price***")*

The Offer Price is final and the Offeror does not intend to revise the Offer Price.

2.4 ***Rights and Encumbrances.*** *The Offer Shares will be acquired:*

2.4.1 *fully paid;*

2.4.2 *free from any claim, charge, pledge, mortgage, encumbrance, lien, option, equity, power of sale, declaration of trust, hypothecation, retention of title, right of pre-emption, right of first refusal, moratorium or other third party right or security interest of any kind or an agreement, arrangement or obligation to create any of the foregoing ("****Encumbrances****"); and*

2.4.3 *together with all rights, benefits and entitlements attached thereto as at the Pre-Conditional Offer Announcement Date and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights, other distributions and/or return of capital (if any) declared, paid or made by the Company in respect of the Offer Shares (collectively, "****Distributions****") on or after the Pre-Conditional Offer Announcement Date.*

2.5 ***Adjustment for Distributions.*** *Without prejudice to the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distribution that may be declared, paid or made by the Company on or after the Pre-Conditional Offer Announcement Date.*

*Accordingly, in the event any Distribution is or has been declared, paid or made by the Company in respect of the Offer Shares on or after the Pre-Conditional Offer Announcement Date, the Offer Price payable to a Shareholder who validly accepts or has validly accepted the Offer ("**Accepting Shareholder**") shall be reduced by an amount which is equal to the amount of such Distribution, depending on when the settlement date in respect of the Offer Shares tendered in acceptance of the Offer by such Accepting Shareholder falls, as follows:*

2.5.1 *if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the "**Books Closure Date**"), the Offer Price shall remain unadjusted for each such Offer Share, as the Offeror will receive the Distribution in respect of such Offer Share from the Company; and*

2.5.2 *if such settlement date falls after the Books Closure Date, the Offer Price for each Offer Share shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Share from the Company.*

2.6 ***Minimum Acceptance Condition.*** *The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been validly withdrawn) 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 parties acting in concert with it before or during the Offer, will result in the Offeror and its concert parties holding Offer Shares representing not less than 90% of the total number of Shares in issue (excluding treasury shares) as at the close of the Offer (the "**Minimum Acceptance Condition**").*

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been validly withdrawn) 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 parties acting in concert with it before or during the Offer, will result in the Offeror and its concert parties holding such number of Offer Shares representing not less than 90% of the total number of Shares in issue (excluding treasury shares).

As at the Latest Practicable Date, based on disclosures made to the Offeror by the Relevant Persons, the Offeror and persons acting in concert with the Offeror, own, control or have agreed to acquire an aggregate of 1,023,525,583 Shares, representing approximately 78.49% of the total number of issued Shares.

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects."

3.2 **Further details of the Offer**

Further details on (i) the duration of the Offer, (ii) the settlement of the consideration for the Offer, (iii) requirements relating to announcement(s) of the level of acceptances of the Offer, and (iv) the right of withdrawal of acceptances of the Offer, are set out in Appendix 1 to the Offer Document.

3.3 **Closing Date**

Shareholders should note that the Offer is open for acceptance by the Shareholders for at least twenty-eight (28) days from the Commencement Date, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

Accordingly, the Offer will close at 5.30 p.m. (Singapore time) on 3 February 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3.4 **Procedures for Acceptance of the Offer**

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

4. INFORMATION ON THE OFFEROR

Details on the Offeror have been extracted from the Offer Document and are replicated in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

*"**6. INFORMATION ON THE OFFEROR***

***6.1 The Offeror.** The Offeror is a private company limited by shares incorporated in the Republic of Singapore on 10 August 2021. The Offeror's principal activity is that of an investment holding company and it has not carried on any business since its incorporation, save for matters undertaken in connection with the making of the Offer.*

***6.2 Share Capital.** As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$445.30 divided into 21,206 ordinary shares and is owned by the following individuals (collectively, the "**Consortium Members**") as follows:*

No.	*Name of individual*	*No. of Offeror Shares*	*% of shares in the Offeror*[2]
1.	*Teo Hong Lim ("**THL**")*	*6,892*	*32.50*
2.	*Teo Hong Wee ("**THW**")*	*3,299*	*15.56*
3.	*Teo Hong Yeow Chris ("**THY**")*	*3,101*	*14.62*
4.	*Teo Hong Hee ("**THH**")*	*3,101*	*14.62*
5.	*Lim Swee Hah ("**LSH**")*	*1,334*	*6.29*
6.	*Teo Hong Khim ("**THK**")*	*1,114*	*5.25*
7.	*Teo Hong Ming ("**THM**")*	*1,114*	*5.25*
8.	*Cheong Fung Fai ("**CFF**")*	*723*	*3.41*
9.	*The estate of Lin Chu Liat ("**LCL**")*[3]	*300*	*1.41*
10.	*Cheong Kwai Fun ("**CKF**")*	*181*	*0.85*
11.	*Lim Guat Hah ("**LGH**")*	*47*	*0.22*
	Total	***21,206***	***100.00***

6.3 Directors. *As at the Latest Practicable Date, the directors of the Offeror are THL, THW, THY, THH, LSH[4], THK, THM, CFF, CHL, CKF and LGH.*

Appendix 3 *to this Offer Document sets out additional information on the Offeror."*

5. INFORMATION ON THE COMPANY

The details on the Company are set out in section 7 of the Letter to Shareholders in and Appendix 4 to the Offer Document, and Appendix 2 to the Circular.

6. IRREVOCABLE UNDERTAKINGS

Information on the irrevocable undertakings provided by the Undertaking Parties is set out in section 8 of the Letter to Shareholders in the Offer Document, and section 4 of the Letter to Shareholders from the Board in the Circular.

7. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions for the Company is set out in sections 9 and 10 of the Letter to Shareholders in the Offer Document respectively, and section 5 of the Letter to Shareholders from the Board in the Circular, and is reproduced from the Offer Document in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"9. RATIONALE FOR THE OFFER

9.1 The Company faces a challenging macro and operating environment driven by COVID-19. *As a result of the ongoing COVID-19 pandemic, the construction of development projects continues to face prolonged challenges due to global supply chain disruption and labour crunch, leading to rising material and labour costs as well as higher tender prices for new projects. The Company may also face increasing risks of delays in project completion and potential penalties from late delivery exacerbated by the increasing risk of default by construction contractors.*

In addition, the COVID-19 pandemic continues to hinder the Company's hotel operations, despite gradual easing of travel restrictions by some countries around the world. Continued weakness is expected in the hospitality industry as business travel and retail tourism remain significantly below pre-pandemic levels with a longer and more uncertain road to recovery in light of the recent emergence of the Omicron variant.

9.2 Opportunity for Shareholders to realise their investment at the Offer Price. *The Offeror is of the view that the Offer represents an attractive cash exit opportunity for Shareholders to realise their entire investment in cash with price certainty at a compelling premium, without incurring brokerage and other trading costs.*

9.2.1 *The Offer Price exceeds all previous closing prices of the Shares in the three-year period up to and including 14 September 2021, being the last full trading day of the Shares prior to the Pre-Conditional Offer Announcement Date (the "**Last Trading Date**") and represents a premium of approximately 14.1% over the highest closing price of S$0.425 in the aforementioned period.*

Share price chart

9.2.2 *In addition, the Offer presents Shareholders with an opportunity to realise their investment in their Shares at a premium of approximately:*

(i) *19.8%[10] over S$0.405[11], the last traded price per Share on the Last Trading Date;*

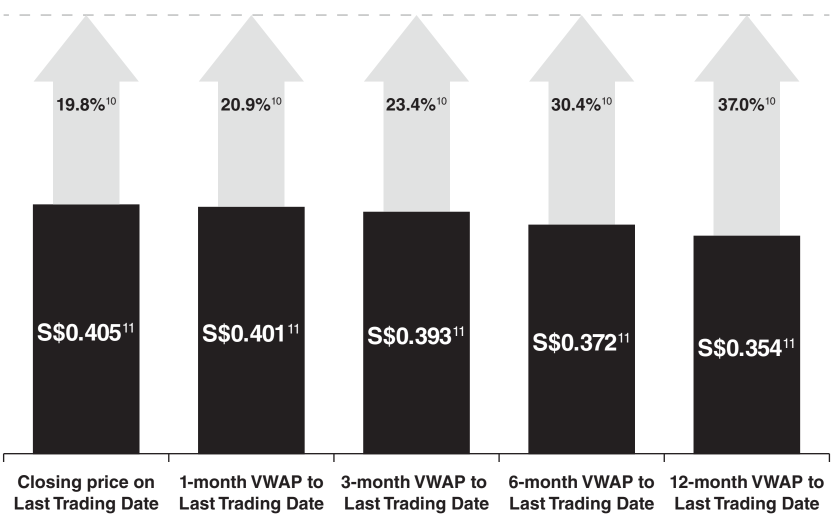
(ii) *20.9% over S$0.401, the VWAP of the Shares for the one-month period up to and including the Last Trading Date;*

(iii) *23.4% over S$0.393, the VWAP of the Shares for the three-month period up to and including the Last Trading Date;*

(iv) *30.4% over S$0.372, the VWAP of the Shares for the six-month period up to and including the Last Trading Date; and*

(v) *37.0% over S$0.354, the VWAP of the Shares for the 12-month period up to and including the Last Trading Date.*

Offer Price: S$0.485 per Share



9.3 ***Opportunity for Shareholders to exit their investment, which may otherwise be difficult due to low trading liquidity.*** *The trading volume of the Shares has been generally low, with an average daily trading volume[12] of approximately 11,377 Shares, 69,959 Shares, 71,976 Shares and 82,666 Shares during the one-month, three-month, six-month and 12-month periods respectively up to and including the Last Trading Date. Each of these represents less than approximately 0.0063% of the total number of issued Shares (excluding treasury shares) for any of the aforementioned relevant periods.*

The low trading liquidity may not provide Shareholders with sufficient opportunity to efficiently exit their investments in the Company. Hence, the Offer represents a unique cash exit opportunity for Shareholders to liquidate and realise their entire investment at a premium, an option which may not otherwise be readily available due to the low trading liquidity of the Shares.

9.4 ***Latest set of cooling measures that affect Singapore property developers.*** *The Singapore government announced a package of measures to cool the property market, taking effect from 16 December 2021, which included an increase in additional buyer's stamp duty ("**ABSD**") rate to 35% (the non-remittable component of the 5% remains unchanged) for developers purchasing any residential property.*

*The Real Estate Developers' Association of Singapore ("**REDAS**") believes the recalibrated tough measures are rather unexpected as the property market is just beginning to emerge from the challenging COVID-19 situation. With significant uncertainties still persisting and as the operating environment of many businesses remains challenging, REDAS believes that these measures will "impose immense additional pressure" on housing developers' land acquisition as developers need to compress their development, sales and project completion periods as well as land replenishment cycles in order to meet the stringent requirements for ABSD remission[13].*

The Offeror believes that these measures will exacerbate the challenging macro and operating environment faced by the Company amidst the COVID-19 pandemic.

9.5 ***No necessity for access to equity capital markets.*** *The Company has not carried out any exercise to raise equity capital on the SGX-ST since its listing in March 2008. The Company is unlikely to require access to Singapore equity capital markets to finance its operations in the foreseeable future as the Company has various other available funding sources such as bank borrowing facilities. Accordingly, it is not necessary for the Company to maintain a listing on the SGX-ST.*

9.6 ***Greater management flexibility.*** *The Offeror is making the Offer with a view to delist the Company from the SGX-ST and exercise its rights of compulsory acquisition. The Offeror believes that privatising the Company will provide the Offeror with more flexibility to manage the business of the Company and optimise the use of the Company's management and resources during this time of economic uncertainty.*

9.7 ***Only offer capable of turning unconditional or succeeding.*** *Given that the Undertaking Parties, who hold approximately 77.00% of the total number of issued Shares, have undertaken to accept the Offer, no other general offer will be capable of turning unconditional or succeeding. Should the Offer fail to become or be declared unconditional, the Offeror and its concert parties are not permitted under the Code to make another general offer for the Company for 12 months following the lapse of the Offer.*

9.8 ***Compliance costs of maintaining listing status.*** *In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.*

10. THE OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business. However, the Directors retain the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which they may regard to be in the interest of the Offeror."

8. LISTING STATUS AND COMPULSORY ACQUISITION

The full text of the Offeror's intentions relating to the listing status and compulsory acquisition of the Company is set out in section 11 of the Letter to Shareholders in the Offer Document respectively, and section 6 of the Letter to Shareholders from the Board in the Circular, and is reproduced from the Offer Document in italics below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document.

"11. LISTING STATUS AND COMPULSORY ACQUISITION

11.1 ***Listing Status and Trading Suspension.*** *Under Rule 1105 of the Listing Manual, upon announcement by the Offeror that acceptances have been received that bring the holdings of the Shares owned by the Offeror and parties acting in concert with the Offeror to above 90% of the total number of Shares (excluding treasury shares), the SGX-ST may suspend the trading of the listed securities of the Company on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares (excluding treasury shares), thus causing the percentage of the total number of Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the listed securities of the Company at the close of the Offer.*

11.2 ***Free Float Requirement.*** *Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of Shares (excluding treasury shares) is at all times held by the public (the "Free Float Requirement"). In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of Shares (excluding treasury shares) held in* *public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all securities of the Company on the SGX-ST. Rule 724(2) of the Listing Manual further 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, for the percentage of the total number of Shares (excluding treasury shares) held by members of the public to be raised to at least 10%, failing which the Company may be removed from the Official List of the SGX-ST. Under the Listing Manual, "public" refers to persons other than: (i) directors, chief executive officer, substantial shareholders, or controlling shareholders of the Company or its subsidiary companies; and (ii) associates of the persons in (i) above.*

11.3 ***Intention to Delist.*** *In the event that as a result of the Offer or otherwise, the Offeror and its concert parties own or control more than 90% of the Shares in issue and the Company is no longer able to comply with the Free Float Requirement and/or 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 does* ***not*** *intend preserve the listing status of the Company and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement or for any such trading suspension by the SGX-ST to be lifted. In such event, it is the Offeror's intention to seek the delisting of the Company from the Official List of the SGX-ST.*

11.4 ***Compulsory Acquisition.*** *In the event the Offeror receives valid acceptances (which have not been validly withdrawn) pursuant to the Offer or otherwise acquires Shares following the Commencement Date other than through valid acceptances of the Offer in respect of not less than 90% of the total number of issued Shares (other than treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror would be entitled to exercise its right under Section 215(1) of the Companies Act, to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "****Dissenting Shareholders****") on the same terms as those offered under the Offer (such compulsory acquisition, the "****Compulsory Acquisition****").*

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

In addition, pursuant to Section 215(3) of the Companies Act, 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 treasury shares and the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of Shares. Dissenting Shareholders who wish to exercise such a right are advised to seek their own independent legal advice."

9. EVALUATION OF THE FINANCIAL TERMS OF THE OFFER

In our evaluation of the financial terms of the Offer, and our recommendation thereon, we have given due consideration to, *inter alia*, the following key factors:

(a) Historical financial performance and condition of the Group;

(b) Market quotation and historical trading activity of the Shares;

(c) The Group's Net Asset Value ("**NAV**") and RNAV;

(d) Comparison with recent privatisation transactions for companies listed on the SGX-ST;

(e) Comparison with recent privatisation transactions for real estate companies listed on the SGX-ST;

(f) Comparison of valuation statistics of the Company against selected listed comparable companies;

(g) Other relevant considerations.

9.1 Historical financial performance and condition of the Group

A summary of the consolidated statements of comprehensive income, consolidated statements of financial position and consolidated statements of cash flows of the Group for the last three financial years ended 31 December 2018 ("**FY2018**"), 31 December 2019 ("**FY2019**") and 31 December 2020 ("**FY2020**"), and the half year ended 30 June 2020 ("**1H2020**") and 30 June 2021 ("**1H2021**") is set out below. The following summary financial information should be read in conjunction with the Company's annual reports for FY2018, FY2019 and FY2020, and the Company's financial results announcements for 1H2021, including the notes and commentaries thereto.

Consolidated Statement of Comprehensive Income

S$'000	**FY2018 Audited**	**FY2019 Audited**	**FY2020 Audited**	**1H2020 Unaudited**	**1H2021 Unaudited**
Revenue	132,855	444,030	198,431	118,065	141,193
Cost of sales	(82,030)	(337,840)	(165,137)	(100,258)	(115,820)
Gross Profit	**50,825**	**106,190**	**33,294**	**17,807**	**25,373**
Other income	13,226	7,185	16,426	5,060	10,304
Distribution and selling expenses	(8,787)	(8,881)	(5,520)	(2,030)	(2,125)
Administrative expenses	(10,215)	(13,980)	(8,119)	(4,670)	(4,549)
Other operating expenses	(23,560)	(29,237)	(37,364)	(12,397)	(12,622)
Finance costs	(16,341)	(25,190)	(23,376)	(12,731)	(9,596)
Share of results of associates and joint ventures	20,062	8,478	(6,841)	11,923	2,352

S$'000	FY2018 Audited	FY2019 Audited	FY2020 Audited	1H2020 Unaudited	1H2021 Unaudited
Profit/(loss) before taxation	**25,210**	**44,565**	**(31,500)**	**2,962**	**9,137**
Tax expense	(4,154)	(15,426)	(1,107)	(795)	(1,785)
Profit/(loss) for the year/ period	**21,056**	**29,139**	**(32,607)**	**2,167**	**7,352**
Attributable to:					
Owners of the Company	21,292	30,319	(29,489)	2,791	5,866
Non-controlling interests	(236)	(1,180)	(3,118)	(624)	1,486
	21,056	**29,139**	**(32,607)**	**2,167**	**7,352**
Other comprehensive income/(loss)					
Items that are or may be reclassified subsequently to profit or loss					
Effective portion of changes in fair value of cash flow hedge	–	(9)	(8,314)	(77)	2,280
Net change in fair value of cash flow hedge reclassified to profit or loss	–	(7)	1,562	–	1,320
Currency translation differences arising from consolidation	(14,038)	(4,466)	20,618	6,797	(4,301)
Other comprehensive (loss)/ income, net of tax	(14,038)	(4,482)	13,866	6,720	(701)
Total comprehensive income/(loss) for the year/ period	**7,018**	**24,657**	**(18,741)**	**8,887**	**6,651**
Attributable to:					
Owners of the Company	7,251	25,875	(14,349)	9,547	5,165
Non-controlling interests	(233)	(1,218)	(4,392)	(660)	1,486
	7,018	24,657	(18,741)	8,887	6,651

Source: The Company's annual reports for FY2019 and FY2020 and the Company's financial results announcements for 1H2021

FY2019 vs FY2018

For FY2019, the Group recorded revenue of S$444.0 million, which was 234% higher than the S$132.9 million achieved in FY2018, mainly due to higher revenue from the property development and hotel ownership segments, partially offset by a 3% decrease in revenue from the property investment segment.

Gross profit margin decreased from approximately 38% in FY2018 to approximately 24% in FY2019, mainly due to lower gross profit margin for the Group's property development and hotel ownership segments, partially offset by higher gross profit margin for the Group's property investment segment. Despite the decrease in gross profit margin, the Group's FY2019 gross profit increased to S$106.2 million from S$50.8 million in FY2018.

Other operating income decreased by 46% from S$13.2 million in FY2018 to S$7.2 million in FY2019 mainly due to higher fair value gain for the Group's NZI Centre property in Auckland, New Zealand and higher foreign exchange gain recorded in FY2018.

Operating expenses increased by 20% from S$19.0 million in FY2018 to S$22.9 million in FY2019, mainly due to higher administrative expenses as a result of salaries increment, and higher directors and staff bonuses, in line with higher profits in FY2019.

Other operating expenses increased by 24% from S$23.6 million in FY2018 to S$29.2 million in FY2019 mainly due to the increase in depreciation of Noku Maldives upon commencement of full hotel operations from third quarter 2018, depreciation of right-of-use assets with the adoption of the Singapore Financial Reporting Standards (International) ("**SFRS(I)**")16 Leases with effect from 1 January 2019, the provision for impairment of Noku Maldives, and the provision for development costs for Octavia Killara (Sydney, Australia).

Finance costs increased by 54% from S$16.3 million in FY2018 to S$25.2 million in FY2019 mainly due to borrowing costs expensed off for a higher number of ongoing projects in FY2019 as compared to FY2018, and the amortisation of finance cost on lease liabilities with the adoption of SFRS(I) 16 Leases with effect from 1 January 2019.

The Group's share of results of associates decreased by 58% from S$20.1 million in FY2018 to S$8.5 million in FY2019, mainly due to the absence of fair value gains from an investment property, 117 Clarence Street (Sydney, Australia), which was divested in FY2018. In FY2019, the Group's share of profits of associates was mainly contributed by the Group's Wisma Infinitum property, and fair value gains from investment properties at St Kilda Road (Melbourne, Australia), 33 Argyle Street (Paramatta, Australia), and Ginza (Japan), partially offset by share of losses from Wilshire Residences (Singapore) and Neu at Novena (Singapore) due to the showflat expenses incurred.

The Group achieved a higher net profit after tax attributable to equity holders of the Company of S$30.3 million in FY2019, a 42% increase from S$21.3 million in FY2018.

FY2020 vs FY2019

For FY2020, the Group recorded revenue of S$198.4 million, which was 55% lower than the S$444.0 million achieved in FY2019, mainly due to lower revenue from the property development and hotel ownership segments. Revenue from the Group's property development segment decreased from S$385.9 million in FY2019 to S$165.8 million in FY2020, largely due to an absence of revenue recognition from two projects, namely The Hensley (Sydney, Australia) and The Navian (Singapore), which were completed in 2019, and from a third project, namely West End Glebe (Sydney, Australia), where most of the units' settlement occurred in 2019. Delay in construction for development projects due to the closure of construction sites as a result of the COVID-19 pandemic also contributed to lower recognition of revenue in FY2020. Revenue from the Group's hotel ownership segment decreased from S$50.4 million in FY2019 to S$25.2 million in FY2020, as the Group's hotel operations were affected by the COVID-19 outbreak arising from the border control measures imposed by many countries which impacted the global tourism industry.

Gross profit margin decreased from approximately 24% in FY2019 to approximately 17% in FY2020 mainly due to lower gross profit margin across the Group's property development, hotel ownership and property investment segments, as a result of lower profit margins for some of the Group's projects in Singapore and unexpected project cost escalation for Octavia Killara (Sydney, Australia), lower profit margin from overseas hotels, and rental rebates given to tenants, respectively. The Group's FY2020 gross profit decreased to S$33.3 million from S$106.2 million in FY2019.

Other operating income increased 129% from S$7.2 million in FY2019 to S$16.4 million in FY2020, mainly due to government grants received by the Group, higher foreign exchange gain and higher fair value gain from investment property at Roxy Square, partially offset by the fair value loss from investment property at NZI Centre.

Operating expenses decreased by 40% from S$22.9 million in FY2019 to S$13.6 million in FY2020 mainly due to distribution and selling expenses as a result of lower showflats expenses incurred for projects as compared to FY2019 and lower administrative expenses as no provision for directors and staff bonuses was made in FY2020.

Other operating expenses increased by 28% from S$29.2 million in FY2019 to S$37.4 million in FY2020 mainly due to the provision of impairment for Noku Osaka Hotel (Osaka, Japan) and Noku Maldives, and the write-off of sunk costs incurred in the Group's hotel development project, namely, 360 Little Bourke Street (Melbourne, Australia), due to a change in development plan.

Finance costs decreased by 7% from S$25.2 million in FY2019 to S$23.4 million in FY2020 mainly due to lower interest rates as compared to FY2019.

The Group's share of results of associates and joint ventures decreased to a loss of S$6.8 million in FY2020 as compared to a profit of S$8.5 million in FY2019, mainly due to additional tax expenses for the divested investment in 8 Russell Street, Hong Kong, in FY2020, and the provision of impairment loss on the Group's properties in the overseas associated companies, partially offset by the profit from the sale of property at Ginza, Tokyo, Japan, in the first half of FY2020.

The Group recorded a net loss after tax attributable to equity holders of the Company of S$29.5 million in FY2020, as compared to a net profit of S$30.3 million in FY2019.

1H2021 vs 1H2020

The Group's revenue increased from S$118.1 million in 1H2020 to S$141.2 million in 1H2021, mainly due to higher revenue from the property development and property investment segments. Revenue from the Group's property development segment increased from S$99.3 million in 1H2020 to S$126.5 million in 1H2021 due to a higher percentage of revenue recognised from the Group's properties, namely RV Altitude, View at Kismis and 120 Grange, partially offset by the absence of revenue recognition from two other properties, namely Octavia Killara (Sydney, Australia) and West End Glebe (Sydney, Australia) which obtained temporary occupancy permit in FY2020. Revenue from the Group's hotel segment decreased from S$15.1 million in 1H2020 to S$10.7 million in 1H2021, as the Group's hotel operations continue to be affected by the COVID-19 pandemic, due to the border control measures imposed by many countries which impacted the tourism industry.

Gross profit margin increased from approximately 15% in 1H2020 to approximately 18% in 1H2021, mainly due to higher contribution from the Group's property development segment with an improved gross profit margin. In line with the higher revenue and higher gross profit margin, gross profit increased from S$17.8 million in 1H2020 to S$25.4 million in 1H2021.

Other operating income increased from S$5.1 million in 1H2020 to S$10.3 million in 1H2021, mainly due to higher fair value gain from the Group's investment property at NZI Centre and higher foreign exchange gain.

Finance costs decreased from S$12.7 million in 1H2020 to S$9.6 million in 1H2021 mainly due to lower interest rate. Finance costs were higher in 1H2020 mainly due to borrowing cost expensed off in 1H2020 for an ongoing project which had not commenced construction due to the closure of the construction site during the circuit breaker in Singapore.

The Group's share of results of associates and joint ventures decreased from S$11.9 million in 1H2020 to S$2.4 million in 1H2021, mainly due to the absence of profit from the sale of property at Ginza, Tokyo, Japan, which was recorded in 1H2020.

The Group achieved a higher net profit after tax attributable to equity holders of the Company of S$5.9 million in 1H2021, a 110% increase from S$2.8 million in 1H2020.

We noted that, in unaudited first half year financial statements of the Group for the financial period ended 30 June 2021 as announced by the Company on 5 August 2021, it was stated that "*Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2021.*"

Consolidated Statement of Financial Position

S$'000	**31 Dec 2020 Audited**	**30 Jun 2021 Unaudited**
ASSETS		
Non-Current Assets		
Property, plant and equipment	263,859	260,468
Intangible assets	119	100
Investment properties	132,236	135,538
Investment in associates	216,461	218,222
Investment in joint venture	39,812	42,493
Right-of-use assets	28,132	27,875
Deferred tax assets	–	1,900
	680,619	**686,596**
Current Assets		
Financial assets at fair value through profit or loss	12,950	4,215
Development properties for sale	440,333	460,283
Inventories	1,105	1,157
Trade receivables	13,283	18,500
Contract assets	30,936	63,387
Contract costs	17,789	23,751
Other receivables	23,688	6,810
Cash and bank balances	395,553	390,954
	935,637	**969,057**
Total Assets	**1,616,256**	**1,655,653**

S$'000	31 Dec 2020 Audited	30 Jun 2021 Unaudited
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	47,399	47,399
Treasury shares	(3,954)	(3,954)
Fair value reserve	(5,583)	(2,535)
Revaluation reserve	533	533
Other reserves	(2,279)	(6,526)
Retained earnings	445,974	451,840
Equity attributable to owners of the Company	482,090	486,757
Non-controlling interests	(4,620)	(2,636)
	477,470	**484,121**
Liabilities		
Non-Current Liabilities		
Borrowings	341,673	340,536
Lease Liability	28,584	28,934
Deferred tax liabilities	10,225	11,486
	380,482	**380,956**
Current Liabilities		
Trade and other payables	96,342	95,495
Contract liabilities	27,625	5,171
Lease liabilities	228	206
Current tax liabilities	3,488	2,245
Borrowings	630,621	687,459
	758,304	**790,576**
Total Liabilities	1,138,786	1,171,532
Total Equity and Liabilities	**1,616,256**	**1,655,653**

Source: The Company's annual report for FY2020 and the Company's financial results announcement for 1H2021

1H2021 vs FY2020

Total assets increased from S$1,616.3 million as at 31 December 2020 to S$1,655.7 million as at 30 June 2021, mainly due to the increase in development properties for sale, trade receivables, contract assets and contract costs, and partially offset by the decrease in financial assets at fair value through profit or loss and other receivables.

Development properties for sale increased from S$440.3 million as at 31 December 2020 to S$460.3 million as at 30 June 2021, mainly due to the completion of acquisition of development land at Jalan Molek, Singapore, in 1H2021, partially offset by progress billing from the Group's ongoing projects.

Trade receivables increased from S$13.3 million as at 31 December 2020 to S$18.5 million as at 30 June 2021, due to the progress billing for one of the Group's development properties for sale, namely RV Altitude, Singapore.

Contract assets increased from S$30.9 million as at 31 December 2020 to S$63.4 million as at 30 June 2021, mainly due to 120 Grange (Singapore), Harbour View Gardens (Singapore) and Bukit 828 (Singapore), where the work completed exceeded the percentage billed while yet to reach the next billing stage.

Contract costs increased from S$17.8 million as at 31 December 2020 to S$23.8 million as at 30 June 2021, mainly due to sales commission incurred for RV Altitude, View at Kismis and Fyve Derbyshire, partially offset by contract costs recognition for 120 Grange, Harbour View Gardens and Bukit 828.

Financial assets at fair value through profit or loss decreased from S$13.0 million as at 31 December 2020 to S$4.2 million as at 30 June 2021, due to the partial return of investment fund from the Group's fund manager.

Other receivables decreased from S$23.7 million as at 31 December 2020 to S$6.8 million 30 June 2021, mainly due to the reclassification of deposit paid for the acquisition of development land at Jalan Molek to properties for sale under development after its completion in 1H2021.

Total liabilities increased from S$1,138.8 million as at 31 December 2020 to S$1,171.5 million as at 30 June 2021, mainly due to the increase in borrowings and partially offset by the decrease in contract liabilities. Total borrowings increased from S$972.3 million as at 31 December 2020 to S$1,028.0 million as at 30 June 2021. Contract liabilities decreased from S$27.6 million as at 31 December 2020 to S$5.2 million as at 30 June 2021, mainly due to construction progress from the Group's development properties, namely Fyve Derbyshire and View at Kismis, during 1H2021.

Consolidated Statement of Cash Flows

S$'000	**FY2018 Audited**	**FY2019 Audited**	**FY2020 Audited**	**1H2020 Unaudited**	**1H2021 Unaudited**
Net cash (used in)/generated from operating activities	(165,007)	251,696	68,821	64,559	(54,320)
Net cash generated from/(used in) investing activities	3,442	(35,599)	(29,354)	(5,822)	(2,128)
Net cash generated from/(used in) financing activities	152,669	(185,295)	(59,292)	(101,821)	64,691

S$'000	FY2018 Audited	FY2019 Audited	FY2020 Audited	1H2020 Unaudited	1H2021 Unaudited
Net (decrease)/increase in cash and cash equivalents	(8,896)	30,802	(19,825)	(43,084)	8,243
Cash and cash equivalents at beginning of year/period	234,295	220,332	249,674	249,674	236,905
Effect of exchange fluctuations on cash held	(5,067)	(1,460)	7,056	2,850	1,090
Cash and cash equivalents (excluding fixed deposits pledged to banks and financial institutions) at end of year/period	**220,332**	**249,674**	**236,905**	**209,440**	**246,238**

Source: The Company's annual report for FY2019 and FY2020 and the Company's financial results announcements for 1H2021

FY2018

Net cash used in operating activities of S$165.0 million comprised operating profit before working capital changes of S$23.1 million, offset by net working capital outflow of S$166.2 million and income tax paid of S$21.9 million. Net working capital outflow was mainly due to changes in properties for sale under development of S$245.0 million, partially offset by changes in contract assets of S$21.2 million, changes in contract liabilities of S$28.3 million and changes in operating receivables of S$17.4 million.

Net cash generated from investing activities of S$3.4 million was mainly due to dividend received from associates of S$41.4 million and repayment of loans from associates of S$21.6 million, partially offset by loans to associates of S$43.5 million and acquisition of property, plant and equipment of S$16.9 million.

Net cash generated from financing activities of S$152.7 million was mainly due to proceeds from bank loans of S$393.8 million and partially offset by repayment of bank loans of S$216.5 million.

FY2019

Net cash generated from operating activities of S$251.7 million comprised operating profit before working capital changes of S$69.7 million and net working capital inflow of S$197.9 million, partially offset by income tax paid of S$15.9 million. Net working capital inflow was mainly due to changes in properties for sale under development of S$255.6 million, partially offset by changes in developed properties for sale of S$58.2 million.

Net cash used in investing activities of S$35.6 million was mainly due to investments in associates of S$13.9 million, loans to associates of S$14.0 million and purchase of equity investment of S$10.0 million.

Net cash used in financing activities of S$185.3 million was mainly due to repayment of bank loans of S$223.9 million, partially offset by proceeds from bank loans of S$98.2 million.

FY2020

Net cash generated from operating activities of S$68.8 million comprised operating profit before working capital changes of S$15.4 million and net working capital inflow of S$69.1 million, partially offset by income tax paid of S$15.7 million. The net working capital inflow was mainly due to changes in properties for sale under development of S$48.1 million and changes in properties for sale under development of S$65.2 million, partially offset by changes in operating receivables of S$24.2 million.

Net cash used in investing activities of S$29.4 million was mainly due to investments in joint ventures of S$38.0 million and acquisition of property, plant and equipment of S$18.9 million, partially offset by advances from associates of S$15.5 million.

Net cash used in financing activities of S$59.3 million was mainly due to repayment of bank loans of S$54.1 million, increase in fixed deposits pledged to financial institutions of S$77.4 million and partially offset by proceeds from bank loans of S$109.9 million.

1H2021

Net cash used in operating activities of S$54.3 million comprised operating profit before working capital changes of S$16.1 million, offset by working capital outflow of approximately S$67.4 million and income tax paid of S$3.0 million. Net working capital outflow was mainly due to changes in properties for sale under development of S$19.3 million, changes in contract asset of S$32.5 million and changes in contract liabilities of S$22.5 million.

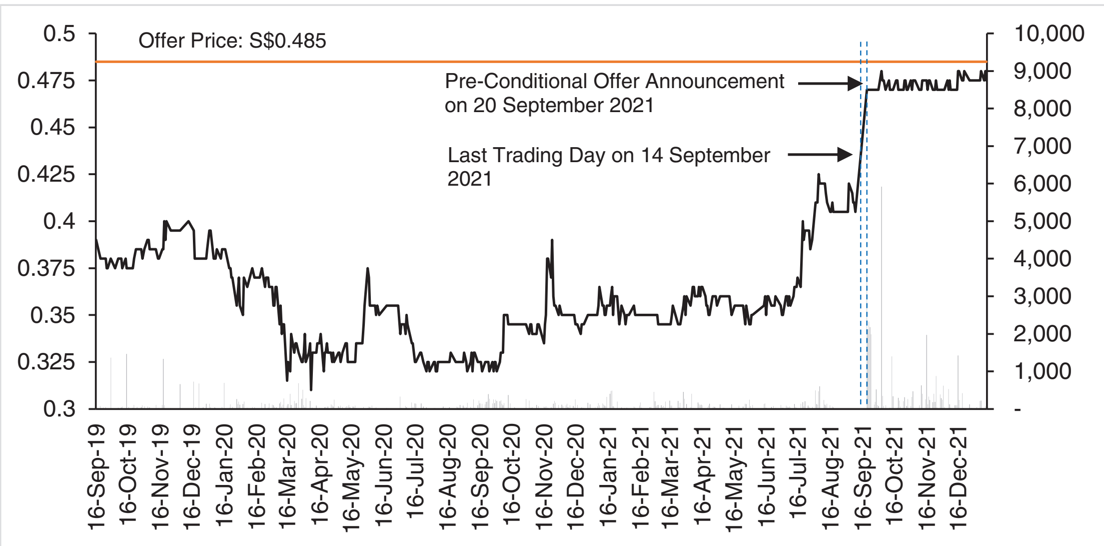
Net cash used in investing activities of S$2.1 million was mainly due to acquisition of property, plant and equipment of S$6.3 million and investment in associates of S$8.0 million, partially offset by proceeds from disposal of financial assets of S$10.5 million.

Net cash generated from financing activities of S$64.7 million was mainly due to proceeds from borrowings of S$90.4 million, partially offset by repayment of borrowings of S$30.7 million.

9.2 **Market quotation and historical trading activity of the Shares**

We set out below a chart showing the daily closing prices of the Shares and the number of Shares traded on a daily basis for the period from two years prior to 14 September 2021 (being the last trading day where shares were traded on SGX-ST immediately preceding the trading halt on 15 September 2021 and before the Pre-Conditional Offer Announcement or the "**Last Trading Day**") and up to the Latest Practicable Date.

Daily closing prices and trading volume of the Shares from 15 September 2019 to the Latest Practicable Date



Source: Bloomberg L.P.

From the above chart, we note the following:

(a) From 15 September 2019 to the Last Trading Day before the Pre-Conditional Offer Announcement, the daily closing prices of the Shares were at a range of S$0.310 to S$0.425, which is below the Offer Price of S$0.485;

(b) From the Pre-Conditional Offer Announcement Date to the Offer Announcement Date, the daily closing prices of the Shares were at a range of S$0.470 to S$0.480; and

(c) From 16 December 2021 (a day after the Offer Announcement Date) to the Latest Practicable Date, the daily closing prices of the Shares were in a range of S$0.475 to S$0.480, which is marginally below the Offer Price.

In addition to the daily closing prices and trading volume chart above, we have set out below additional information on the volume-weighted average price ("**VWAP**") and other trading statistics of the Shares:

Reference Period	VWAP (S$)	Premium of Offer Price over VWAP (%)	Highest transacted price (S$)	Lowest transacted price (S$)	Average daily traded volume[2]	Average daily traded volume as percentage of free float[3] (%)
Prior to and including the Last Trading Day prior to the Pre-Conditional Offer Announcement						
Last 1 year	0.3541	37.0%	0.500	0.315	84,482	0.03%
Last 6 months	0.3723	30.3%	0.500	0.340	71,976	0.03%
Last 3 months	0.3928	23.5%	0.500	0.345	69,959	0.03%
Last 1 month	0.4008	21.0%	0.420	0.390	11,377	<0.01%
Last Transaction Day[1]	0.4054	19.6%	0.410	0.405	2,400	<0.01%
From the Pre-Conditional Offer Announcement Date up to and including the Offer Announcement Date						
From the Pre-Conditional Offer Announcement Date to the Offer Announcement Date	0.4712	2.9%	0.480	0.470	518,587	0.19%
Offer Announcement Date	0.4700	3.2%	0.475	0.470	100,100	0.04%
After the Offer Announcement Date						
After the Offer Announcement Date up to the Latest Practicable Date	0.4784	1.4%	0.485	0.475	143,005	0.05%
Latest Practicable Date	0.4752	2.1%	0.480	0.475	18,800	0.01%

Source: Bloomberg L.P.

Notes:

(1) As there were no trades on the Last Trading Day, the VWAP on 9 September 2021, which is the last Market Day in which the Shares were traded on the SGX-ST prior to the Pre-Conditional Offer Announcement is used (the "**Last Transaction Day**").

(2) The average daily traded volume of the Shares was computed based on the total volume of the Shares traded during the relevant periods divided by the number of Market Days which the SGX-ST was open for the trading of securities for the relevant periods.

(3) Free float refers to the Shares other than those held by the Directors, substantial Shareholders and their associates (as defined in the SGX-ST Listing Manual), which is approximately 276.6 million Shares or 21.2% of the issued Shares of the Company as at the Pre-Conditional Offer Announcement Date as provided by Management.

From the table above, we note the following:

(a) the Offer Price represents premiums of approximately 37.0%, 30.3%, 23.5% and 21.0% over the VWAPs of the Shares for the periods 1 year, 6 months, 3 months and 1 month prior to and including the Last Trading Day before the Pre-Conditional Offer Announcement;

(b) the Offer Price represents a premium of approximately 19.6% over the VWAP of the Shares on the Last Transaction Day;

(c) the Offer Price represents a premium of approximately 2.9% over the VWAP of the Shares for the period from the Pre-Conditional Offer Announcement Date up to and including the Offer Announcement Date and a premium of approximately 3.2% over the VWAP of the Shares on the Offer Announcement Date;

(d) the Offer Price represents a premium of approximately 1.4% over the VWAP of the Shares for the period after the Offer Announcement Date to the Latest Practicable Date; and

(e) the Offer Price represents a premium of approximately 2.1% over the VWAP of the Shares as at the Latest Practicable Date.

With regards to the trading liquidity of the Shares, we note the following:

(a) the average daily traded volume of the Shares for the periods 1 year, 6 months, 3 months and 1 month prior to and including the Last Trading Day before the Pre-Conditional Offer Announcement represents approximately 0.03%, 0.03%, 0.03% and less than 0.01% of the Company's free float respectively;

(b) the traded volume of the Shares on the Last Transaction Day represents approximately less than 0.01% of the Company's free float;

(c) the average daily traded volume of the Shares for the period from the Pre-Conditional Offer Announcement Date up to and including the Offer Announcement Date represents approximately 0.19% of the Company's free float, and the traded volume of the Shares on the Offer Announcement Date represents approximately 0.04% of the Company's free float; and

(d) the average daily traded volume of the Shares for the period after the Offer Announcement Date to the Latest Practicable Date represents approximately 0.05% of the Company's free float, and the traded volume of the Shares on the Latest Practicable Date represents approximately 0.01% of the Company's free float.

Based on the above analysis, it appears likely that the market price and the trading volume of the Shares have been supported by the Offer subsequent to the Pre-Conditional Offer Announcement Date. However, we wish to highlight that the analysis on the historical trading performance of the Shares, particularly for the period after the Pre-Conditional Offer Announcement Date, serves only as an illustrative guide. There is no assurance that the market price and trading volume of the Shares will be maintained at the level prevailing as at the Latest Practicable Date after the close or lapse of the Offer. **Shareholders are advised that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.**

9.3 **The Group's NAV and RNAV**

Companies which are primarily in the real estate business are often valued using an asset-based approach. Additionally, the reported earnings of such companies may fluctuate over time due to factors including the timings of project launches and project completions, redevelopment of properties and the periodic revaluation of properties. Given the property business of the Group and the asset-intensive nature of the Group's property development, property investment and hotel operations, we have primarily considered the asset-based valuation approach for the purpose of assessing the financial terms of the Offer as opposed to other valuation approaches.

The NAV based approach in valuing a company or group is based on the aggregate value of all the assets of the company in their existing condition, after deducting the sum of all liabilities of the company and non-controlling interests. The NAV based approach shows the extent to which the value of each share is backed by both tangible and intangible assets and would be relevant in the event that the company or group decides to realise or convert the use of all or most of its assets. The NAV based approach in valuing a company may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets (including any intangible assets such as goodwill, trademarks and brand names) in an orderly manner over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, non-controlling interests and other obligations of the company or group with the balance to be distributed to its shareholders. However, the NAV based approach does not take into account the hypothetical sale of assets in a non-orderly manner or over a short period of time. It also does not illustrate the values of which assets may actually be realized or disposed of.

9.3.1 **NAV of the Group**

The Group's unaudited consolidated statement of financial position as at 30 June 2021 comprised mainly the following:

S$'000	**30 Jun 2021 Unaudited**
Non-Current Assets	
Property, plant and equipment	260,468
Intangible assets	100
Investment properties	135,538
Investment in associates	218,222
Investment in joint venture	42,493
Right-of-use assets	27,875
Deferred tax assets	1,900
Total Non-Current Assets	**686,596**

S$'000	30 Jun 2021 Unaudited
Current Assets	
Financial assets at fair value through profit or loss	4,215
Development properties for sale	460,283
Inventories	1,157
Trade receivables	18,500
Contract assets	63,387
Contract costs	23,751
Other receivables	6,810
Cash and bank balances	390,954
Total Current Assets	**969,057**
Total assets	**1,655,653**
Non-Current Liabilities	
Borrowings	340,536
Lease Liability	28,934
Deferred tax liabilities	11,486
Total Non-Current Liabilities	**380,956**
Current Liabilities	
Trade and other payables	95,495
Contract liabilities	5,171
Lease liability	206
Current tax liabilities	2,245
Borrowings	687,459
Total Current Liabilities	**790,576**
Total Liabilities	**1,171,532**
Total Equity/ NAV	**484,121**
Non-controlling interests	(2,636)
Total equity/ NAV attributable to owners of the Company	**486,757**
Number of Shares as at 30 June 2021 (unit)	1,303,979,944
NAV attributable to owners of the Company per Share (S$)	**0.3733**
Premium to NAV as implied by the Offer Price	**29.9%**

Source: The Company's financial results announcement for 1H2021

As at 30 June 2021, the unaudited NAV attributable to owners of the Company was approximately S$486.8 million. From the above, we note that the assets of the Group mainly comprised property, plant and equipment, investment properties, investment in associates, development properties for sale, and cash and bank balances, which represented approximately 15.7%, 8.2%, 13.2%, 27.8% and 23.6% respectively of the total assets of the Group as at 30 June 2021. The liabilities of the Group mainly comprised borrowings, and trade and other payables, which represented approximately 87.7% and 8.2% respectively of the total liabilities of the Group as at 30 June 2021.

We note that the Offer Price of S$0.485 per Offer Share represents a premium of approximately 29.9% to the NAV attributable to owners of the Company per Share of S$0.3733 (or 1.30 times the NAV) based on the unaudited consolidated statement of financial position of the Group as at 30 June 2021.

Adjusted NAV ("**ANAV**")

For the purpose of reporting its audited financial statements, the Group measures its property, plant and equipment at cost less depreciation and impairment loss. If the Group had measured its property, plant and equipment (which comprise hotel properties, namely, Grand Mercure Roxy Hotel in Singapore, Noku Kyoto Hotel in Kyoto, Japan, Noku Osaka Hotel in Osaka, Japan, Noku Maldives and hotel property in Phuket, Thailand, and own use premises) at fair value, a revaluation surplus would arise as a result of the excess of the fair value of these properties, over their carrying amounts. The Directors estimated the fair value of these properties to be S$679.6 million based on the valuation carried out by independent valuers on 31 December 2020, using the direct comparison methods, for the purpose of reporting the financial statements of the Group in the annual report for the financial year ended 31 December 2020. The revaluation surplus is estimated to be approximately S$463.4 million. Had this revaluation surplus been recorded, the Group's unaudited ANAV per Share as at 30 June 2021 would have been S$0.7287.

We note that the Offer Price of S$0.485 per Offer Share represents an implied discount of approximately 33.4% to the ANAV per Share of S$0.7287 (or 0.67 time the ANAV) as at 30 June 2021.

9.3.2 RNAV of the Group

In our assessment of the financial terms of the Offer, we have also considered whether there is any asset which should have been valued at an amount that is materially different from that which was recorded in the consolidated statement of financial position of the Group as at 30 June 2021 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV of the Group as at 30 June 2021.

For the purposes of the Offer, the Company has appointed the Valuers to conduct independent valuations of some of the Group's development properties for sale, property, plant and equipment and investment properties (being the Subject Properties as set out in Appendix 8 to the Circular) as at 31 December 2021. As we are not experts in the evaluation or appraisal of assets, we have not made any independent evaluation or appraisal of the Group's development properties for sale, property, plant and equipment, and investment properties, and have relied solely on the independent valuations on these properties compiled and provided to us by the Company for the fair value of these assets. The Valuation Reports and/or Certificates are set out as Appendix 8 to the Circular. Shareholders are advised to refer to the respective Valuation Reports and/or Certificates for full details of the valuation.

For the purposes of assessing the market valuation of certain other property, plant and equipment, and investment properties of the Group, namely Noku Kyoto Hotel in Kyoto, Japan, Noku Osaka Hotel in Osaka, Japan, Vivel Shibuya in Shibuya, Japan, Little Bourke in Melbourne, Australia, 64 Peel Street and 9 Cordelia Street in South Brisbane, Australia, 350 Queen Street in Melbourne, Australia, and 312 St Kilda Road in Melbourne, Australia ("**Selected PPE and Investment Properties**"), we have relied on the fair value determined by the Management (who have based their assessment on valuations by independent valuers performed for these properties as at 31 December 2021 for the FY2021 financial reporting purposes). For the avoidance of doubt, the reports for the valuations of these Selected PPE and Investment Properties do not form part of the Valuation Reports and/or Certificates.

We note that the principal approaches taken by the Valuers for the Subject Properties are:-

(a) Investment properties – capitalisation of net income method/discounted cash flows method/direct comparison method;

(b) Property, plant and equipment – income capitalisation method/discounted cash flows method/direct comparison method/depreciated replacement cost method; and

(c) Development properties for sale – direct comparison method.

Based on the Valuation Reports and/or Certificates, and fair value provided by the Management for the Selected PPE and Investment Properties, we set out below the adjustments which were made in determining the RNAV of the Group:

	S$'000
NAV attributable to owners of the Company as at 30 June 2021	**486,757**
Add: Revaluation surplus arising from the revaluation of the Group's property, plant and equipment	412,765
Less: Potential tax liabilities[(1)]	(619)
Net revaluation surplus arising from the revaluation of the Group's property, plant and equipment	**412,146**
Add: Revaluation deficit arising from the revaluation of the Group's investment properties	(6,017)
Less: Potential tax liabilities[(1)]	(457)
Net revaluation deficit arising from the revaluation of the Group's investment properties	**(6,474)**
Add: Revaluation surplus arising from the revaluation of the Group's development properties for sale	117,322
Less: Potential tax liabilities[(1)]	(20,455)
Net revaluation surplus arising from the revaluation of the Group's development properties for sale	**96,867**

	S$'000
RNAV attributable to owners of the Company (S$'000)	989,296
Number of Shares as at 30 June 2021 (unit)	1,303,979,944
RNAV attributable to owners of the Company per Share (S$)	0.7587
Discount to RNAV as implied by the Offer Price	36.1%

Note:

(1) The potential tax liabilities were provided by Management and pertain to the potential tax liabilities that may be incurred by the Group on the hypothetical disposal of these assets at the valuation ascribed to them in the Valuation Reports and/or Certificates, or by Management in respect of the Selected PPE and Investment Properties. The aforesaid tax liabilities will not crystallise if the Group does not dispose of the properties.

We note that the Offer Price of S$0.485 per Offer Share represents a discount of approximately 36.1% to the RNAV per Share of S$0.7587 (or 0.64 time the RNAV) as at 30 June 2021.

Save for the above and as disclosed in the unaudited financial statements of the Group as at 30 June 2021 and the Circular, the Directors and Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief that:

(a) there are no material events that have or will likely to have a material impact to the financial position of the Group since 30 June 2021;

(b) save for the revaluation surplus/ deficit based on the valuation ascribed by the Valuers in the Valuation Reports and/or Certificates, and the revaluation surplus/ deficit arising from the fair value provided by the Management for the Selected PPE and Investment Properties, there are no material differences between the realisable value of the Group's assets and their respective book values as at 30 June 2021 which would have a material impact on the unaudited NAV of the Group;

(c) the revaluation surplus/ deficit net of potential tax liabilities in respect of the Selected PPE and Investment Properties, provided by Management, is fair and accurate in all material respects;

(d) other than that already provided for or disclosed in the Group's financial statements as at 30 June 2021, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV of the Group as at the Latest Practicable Date;

(e) there is no litigation, claim or proceeding pending or threatened against the Company and any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Group taken as a whole as at 30 June 2021;

(f) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the SFRS(I) and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group as at 30 June 2021; and

(g) there are no material acquisitions or disposals of assets by the Group between 30 June 2021 and the Latest Practicable Date, and the Group does not have any plans for such impending material acquisition or disposal of assets, conversion of the use of its material assets or material changes in the nature of the Group's business.

9.3.3 **Range of values of the Shares**

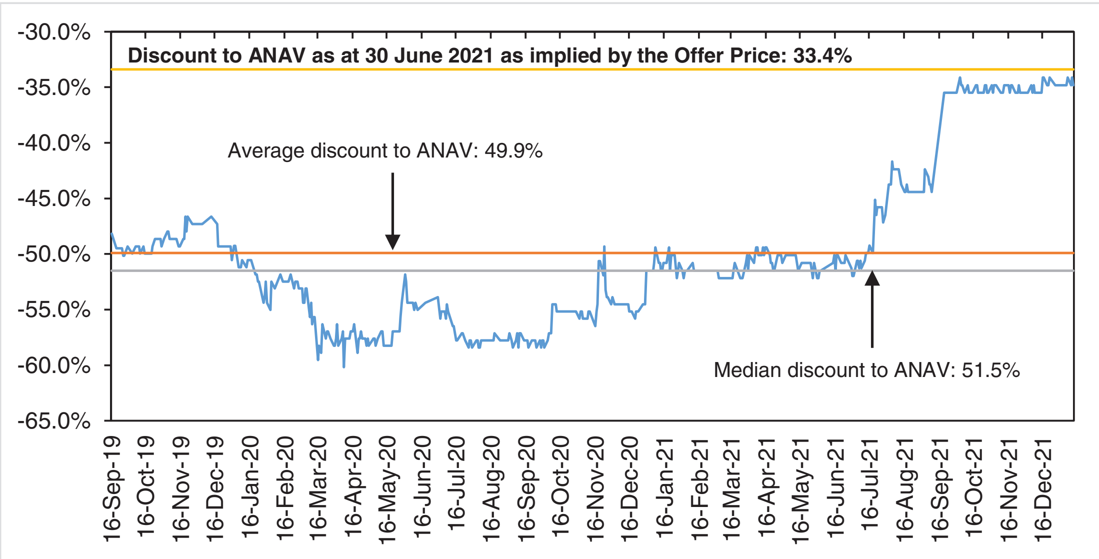
Based on the unaudited financial statements of the Group as at 30 June 2021, the Group's NAV and ANAV per Share were S$0.3733 and S$0.7287, respectively. We have also derived the RNAV for the Shares of S$0.7587 per Share using the asset-based valuation methodology, which we have primarily considered for the purpose of evaluating the financial terms of the Offer as opposed to other valuation approaches, given the asset-intensive nature of the Group's property business.

At the lower end of the valuation range for the Shares, we have considered the NAV of the Company as at 30 June 2021 of S$0.3733. At the upper end of the valuation range for the Shares, we have considered the illustrative RNAV of the Company of S$0.7587, which takes into account adjustments to the Company's assets as set out in paragraph 9.3.2 of this IFA Letter.

Shareholders should note that the analysis above is solely for illustration purposes and the asset-based analysis of the Group only provides an estimate of the value of the Group based on a hypothetical scenario, wherein such scenario does not take into consideration factors including, but not limited to, liquidation costs, taxes, time value of money, prevailing market conditions, legal and professional fees, regulatory requirements, contractual limitations and obligations, and the availability of buyers, which may affect the value that can be realised by the Group.

9.3.4 **Historical share prices of the Shares against the trailing ANAV per Share**

We have compared the historical premiums/discounts to ANAV, based on the daily closing prices of the Shares and the trailing ANAV per Share over a period commencing from 15 September 2019, being the date 2 years prior to the Last Trading Day, and ending on the Latest Practicable Date (the "**Review Period**").



Source: Bloomberg L.P., and trailing NAV as extracted from the Company's results announcements

From the above chart, we note the following:

(a) the Shares had traded at a discount of between 34.1% and 60.2% to ANAV per Share over the Review Period; and

(b) the discount to ANAV as at 30 June 2021 as implied by the Offer Price is 33.4%, which is lower than the average and median discounts to ANAV over the Review Period of 49.9% and 51.5% respectively.

9.4 Comparison with recent privatisation transactions for companies listed on the SGX-ST

In assessing the reasonableness of the Offer Price, we have also reviewed recent privatisation transactions involving listed companies on the SGX-ST, which were announced and completed, and which had resulted in the delisting of such company from the SGX-ST, in the period between 1 January 2019 and the Latest Practicable Date (the "**Precedent Privatisation Transactions**").This analysis serves as a general indication of the premium or discount of the respective offers, without regard to their specific transaction rationale, offeror's intention or other considerations.

We wish to highlight that due to differences in, *inter alia*, composition of business, business activities, scale of operations, geographical spread of activities, risk profile, track record and future prospects, accounting policies, operating and financial leverage, liquidity and market capitalisation, any comparison made with respect to the Precedent Privatisation Transactions are for illustrative purposes only. The Precedent Privatisation Transactions are not directly comparable to the terms and conditions of the Offer. Additionally, the premium any offeror is prepared to pay for in any particular offer transaction depends on various factors, including the prevailing market conditions and general economic and business risks. Therefore, the conclusions drawn from such comparisons may not necessarily reflect the perceived or implied market valuation for the Company. In addition, Shareholders should also note that the list of Precedent Privatisation Transactions is not exhaustive and information relating to the Precedent Privatisation Transactions was compiled from publicly available information.

			Premium/(Discount) of the offer price over/(to) relevant prices prior to announcement(1)				
Company name	**Type(2)**	**Announcement date**	**Last transacted price (%)**	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**	**P/NAV or P/RNAV(3) (times)**
PCI Ltd	SOA	4 Jan 2019	27.9	44.0	47.2	50.9	1.97
Declout Ltd	VCCO	7 Jan 2019	62.5	66.7	66.7	58.5	1.00
Courts Asia Ltd	VCCO	18 Jan 2019	34.9	35.8	34.0	23.5	0.56
Kingboard Copper Foil Holdings Limited	VUCO	4 Apr 2019	9.1	16.1	25.3	27.4	0.88
800 Super Holdings Limited	VCCO	6 May 2019	16.1	30.8	31.2	25.3	2.06
Memtech International Ltd.	VCCO	14 May 2019	23.9	31.5	31.6	35.7	1.09
Boardroom Limited	VUCO	15 May 2019	14.3	18.9	16.1	17.6	2.02
Health Management International Ltd	SOA	17 Jun 2019	14.1	23.9	27.8	29.7	5.62
Hupsteel Limited	VCCO	28 Jun 2019	51.9	58.3	58.6	58.6	0.59

			Premium/(Discount) of the offer price over/(to) relevant prices prior to announcement[1]				
Company name	**Type[2]**	**Announcement date**	**Last transacted price (%)**	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**	**P/NAV or P/RNAV[3] (times)**
Delong Holdings Ltd	VCCO	29 Jul 2019	1.9	8.0	17.9	37.2	0.60
Star Pharmaceuticals Holdings Ltd	MUCO	5 Aug 2019	157.1	160.1	176.1	186.6	0.67
PS Group Holdings Ltd	VCCO	20 Aug 2019	195.0	266.7	267.5	267.5	0.62
San Teh Ltd	VCCO	5 Sep 2019	81.8	90.5	83.0	84.2	0.39
Raffles United Holdings Ltd	VUCO	25 Oct 2019	(1.5)	0.0	10.0	15.9	0.28
United Engineers Ltd	MCCO	25 Oct 2019	1.5	5.3	4.5	5.7	0.82
PACC Offshore Services Holdings Ltd	VCCO	4 Nov 2019	69.3	99.4	93.0	70.2	0.96
CITIC Envirotech Ltd	VD	6 Nov 2019	48.6	61.9	68.5	65.5	1.15
AVIC International Maritime Holdings Ltd	VCCO	11 Nov 2019	37.6	66.7	65.6	65.9	1.18
Breadtalk Group Ltd	VCCO	24 Feb 2020	19.4	30.1	24.0	25.0	2.81
Elec & Eltek International Company Ltd	VCCO	3 Apr 2020	93.0	61.3	43.8	48.4	1.00
Dynamic Colours Ltd	VCCO	1 Jun 2020	13.6	22.8	29.1	26.8	0.95
Perennial Real Estate Holdings Ltd	VCCO	12 Jun 2020	88.1	105.2	124.1	112.7	0.57
Luzhou Bio-Chem Technology Ltd	VCCO	30 Jun 2020	100.0	87.5	130.8	150.0	n.m[4]
Teckwah Industrial Corporation Ltd	VCCO	12 Aug 2020	17.8	23.1	25.0	32.4	0.81
China Jishan Holdings Ltd	VCCO	20 Aug 2020	84.2	101.3	106.4	116.7	0.78
SK Jewellery Group Ltd	VCCO	2 Sep 2020	70.5	90.2	94.8	93.7	1.31
Sunningdale Tech Ltd	SOA	9 Sep 2020	32.0	39.1	45.0	58.2	0.83
LCT Holdings Ltd	VCCO	16 Sep 2020	39.5	60.8	61.7	61.5	0.91
Sunvic Chemical Holdings Ltd	VCCO	20 Nov 2020	27.3	40.0	(3.4)	16.7	0.16
Hi-P International Ltd	VUCO	18 Dec 2020	13.6	23.2	42.3	50.6	2.60
GL Ltd	VCCO	15 Jan 2021	42.9	46.6	52.4	45.8	0.74
CEI Ltd	VCO	11 Jan 2021	16.2	18.1	20.5	23.6	2.56
International Press Softcom Ltd	VCO	28 Jan 2021	12.5	25.3	32.0	21.6	1.08
World Class Global Ltd	SOA	12 Mar 2021	128.3	107.9	107.9	89.2	0.83
Singapore Reinsurance Corporation Ltd	VCCO	19 Mar 2021	17.8	20.6	20.8	21.8	0.79
Neo Group Ltd	VCCO	30 Mar 2021	20.0	17.9	14.5	15.4	1.59

Company name	Type[(2)]	Announcement date	Premium/(Discount) of the offer price over/(to) relevant prices prior to announcement[(1)]				P/NAV or P/RNAV[(3)] (times)
			Last transacted price (%)	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**	
Sin Ghee Huat Corporation Ltd	VCCO	29 Apr 2021	25.6	68.2	68.2	68.8	0.57
Top Global Ltd	VCCO	30 Apr 2021	122.9	133.6	146.8	148.7	0.32
Cheung Woh Technologies Ltd	VCO	6 May 2021	90.0	90.0	92.6	109.6	1.10
Dutech Holdings Ltd	VUCO	31 May 2021	74.0	73.3	74.7	73.3	0.74
Fragrance Group Ltd	VUCO	9 Jul 2021	16.9	19.0	19.0	20.0	0.70
Singhaiyi Group Ltd[(5)]	VCCO	9 Nov 2021	8.3	7.0	10.7	18.3	0.60
Max			**195.0**	**266.7**	**267.5**	**267.5**	**5.62**
Average			**48.1**	**57.1**	**59.7**	**61.3**	**1.14**
Median			**30.0**	**42.0**	**44.4**	**49.5**	**0.83**
Min			**(1.5)**	**0.0**	**(3.4)**	**5.7**	**0.16**
The Company – Implied by the Offer Price			19.8	21.0	23.5	30.3	0.64

Source: SGX-ST announcements and circulars to shareholders in relation to the respective Precedent Privatisation Transactions

Notes:

(1) The premium/(discount) is calculated based on the share price on either the last trade date or unaffected day for the given periods, as defined in the respective circulars. Where the offer price was revised, the revised or final offer price is used.

(2) SOA – Scheme of Arrangement, VCCO – Voluntary Conditional Cash Offer, VUCO – Voluntary Unconditional Cash Offer, MUCO – Mandatory Unconditional Cash Offer, MCCO – Mandatory Conditional Cash Offer, VD – Voluntary Delisting, VCO – Voluntary Conditional Offer.

(3) Based on NAV per share, pro forma NAV per share, adjusted NAV per share, RNAV per share, adjusted RNAV per share, or revalued NTA per share, where available, as published in the respective circulars of the companies.

(4) Luzhou Bio-Chem Technology Ltd was in a net liability position as at 31 December 2019. Hence, offer price to NAV ratio is not meaningful.

(5) On 12 January 2022, Singhaiyi Group Ltd. announced that the SGX-ST has no objections to the proposed delisting of the company from the Official List of the SGX-ST.

Based on the above, we note the following:

(a) the premium of 19.8% implied by the Offer Price over the last transacted price of the Shares on the Last Transaction Day is within the range of premiums/discounts, but is below the average and median premiums for the Precedent Privatisation Transactions;

(b) the premiums of 21.0%, 23.5% and 30.3% implied by the Offer Price over the 1-month, 3-months, and 6-months VWAPs of the Shares prior to the Last Trading Day are within the range of premiums/discounts, but are below the average and median premiums of the Precedent Privatisation Transactions; and

(c) the P/RNAV as implied by the Offer Price of 0.64 time, is within the range of but is below the average and median P/NAV or P/RNAV ratios of the Precedent Privatisation Transactions.

9.5 **Comparison with recent privatisation transactions for real estate companies listed on the SGX-ST**

In assessing the reasonableness of the Offer Price, we have also reviewed recent similar privatisation transactions involving listed real estate companies on the SGX-ST, which were announced and completed, and which had resulted in the delisting of such company from the SGX-ST, in the period between 1 January 2019 and the Latest Practicable Date (the "**Precedent Real Estate Privatisation Transactions**"). This analysis serves as a general indication of the premium or discount of the respective offers, without regard to their specific transaction rationale, offeror's intention or other considerations.

We wish to highlight that due to differences in, *inter alia*, composition of business, business activities, scale of operations, geographical spread of activities, risk profile, track record and future prospects, accounting policies, operating and financial leverage, liquidity and market capitalisation, any comparison made with respect to the Precedent Real Estate Privatisation Transactions are for illustrative purposes only. The Precedent Real Estate Privatisation Transactions are not directly comparable to the terms and conditions of the Offer. Additionally, the premium any offeror is prepared to pay for in any particular offer transaction depends on various factors, including the prevailing market conditions and general economic and business risks. Therefore, the conclusions drawn from such comparisons may not necessarily reflect the perceived or implied market valuation for the Company. In addition, Shareholders should also note that the list of Precedent Real Estate Privatisation Transactions is not exhaustive and information relating to the Precedent Real Estate Privatisation Transactions was compiled from publicly available information.

			Premium/(Discount) of the offer price over/(to) relevant prices prior to announcement[1]				
Company name	**Type[2]**	**Announcement date**	**Last transacted price (%)**	**1-month VWAP (%)**	**3-month VWAP (%)**	**6-month VWAP (%)**	**P/RNAV[3] (times)**
Perennial Real Estate Holdings Ltd[4]	VCCO	12 Jun 2020	88.1	105.2	124.2	112.7	0.57
GL Limited	VCCO	15 Jan 2021	42.9	46.6	52.4	45.8	0.74
World Class Global Ltd	SOA	12 Mar 2021	128.3	107.9	107.9	89.2	0.83
Top Global Ltd[4]	VCCO	30 Apr 2021	122.9	133.6	146.8	148.7	0.32
Fragrance Group Ltd	VUCO	9 Jul 2021	16.9	19.0	19.0	20.0	0.70
Singhaiyi Group Ltd[4][5]	VCCO	9 Nov 2021	8.3	7.0	10.7	18.3	0.60
Max			**128.3**	**133.6**	**146.8**	**148.7**	**0.83**
Average			**67.9**	**69.9**	**76.8**	**72.5**	**0.63**
Median			**65.5**	**75.9**	**80.2**	**67.5**	**0.65**
Min			**8.3**	**7.0**	**10.7**	**18.3**	**0.32**
The Company – Implied by the Offer Price			19.8	21.0	23.5	30.3	0.64

Source: SGX-ST announcements and circulars to shareholders in relation to the respective Precedent Real Estate Privatisation Transactions

Notes:

(1) The premium/(discount) is calculated based on the share price on either the last trade date or unaffected day for the given periods, as defined in the respective circulars. Where the offer price was revised, the revised or final offer price is used.

(2) VCCO – Voluntary Conditional Cash Offer, SOA – Scheme of Arrangement, VUCO – Voluntary Unconditional Cash Offer.

(3) Based on the adjusted RNAV per share or RNAV per share, where applicable, as published in their respective circulars of the companies.

(4) The opinions of the independent financial advisers to the VCCO of Perennial Real Estate Holdings Ltd. and the SOA of World Class Global Ltd. were that the respective financial terms of the offer and the scheme were fair and reasonable. For GL Ltd., Top Global Ltd., Fragrance Group Ltd., and Singhaiyi Group Ltd., the opinions of the respective independent financial advisers to these offers were that the financial terms of the offers were not fair but reasonable.

(5) On 12 January 2022, Singhaiyi Group Ltd. announced that the SGX-ST has no objections to the proposed delisting of the company from the Official List of the SGX-ST.

Based on the above, we note the following:

(a) the premium of 19.8% implied by the Offer Price over the last transacted price of the Shares on the Last Transaction Day is within the range of premiums, but is below the average and median premiums for the Precedent Real Estate Privatisation Transactions;

(b) the premiums of 21.0%, 23.5% and 30.3% implied by the Offer Price over the 1-month, 3-months and 6-months VWAPs of the Shares prior to the Last Trading Day are within the range of premiums, but are below the average and median premiums of the Precedent Real Estate Privatisation Transactions; and

(c) P/RNAV as implied by the Offer Price of 0.64 time is within the range of and is above the average but below the median P/RNAV ratios of the Precedent Real Estate Privatisation Transactions.

9.6 **Comparison of valuation statistics of the Company against selected listed comparable companies**

In assessing the financial terms of the Offer, we have considered the valuation statistics of selected companies listed on the SGX-ST that may be broadly comparable to the Group for comparison (the "**Comparable Companies**") after discussion with the Management.

We wish to highlight that there may not be any company listed on the SGX-ST that is directly comparable to the Group in terms of composition of business, business activities, scale of operations, risk profile, geographical spread of activities, track record, future prospects, operating and financial leverage, accounting policies, liquidity, market capitalisation and other relevant criteria. In addition, we wish to highlight that the list of Comparable Companies is by no means exhaustive. Hence, any comparison made herein is necessarily limited and serves only as an illustrative guide, and any conclusion drawn from the comparison may not necessarily reflect the perceived or implied market valuation (as the case may be) of the Group as at the Latest Practicable Date.

The Independent Directors and Shareholders should also note that the prices at which shares are traded at include factors other than historical financial performance, and some of these, *inter alia*, include prospects real or perceived of the financial performance, the historical share price performance, the demand/supply conditions of the shares, the relative liquidity of the shares, the relative sentiments of the market for the shares, as well as the market capitalisation.

A brief description of the selected Comparable Companies, as extracted from their respective company websites and/or their annual reports, is set out below:

Name of Comparable Company	Business Activities/Description
Ho Bee Land Limited ("**Ho Bee Land**")	Ho Bee Land develops and invests in real estate properties in Singapore, China, United Kingdom and Australia.
Oxley Holdings Limited ("**Oxley**")	Oxley develops properties for sale, leases commercial properties and operates hotels. Oxley operates in Singapore, United Kingdom, Ireland, Cambodia, Malaysia and Australia.
Chip Eng Seng Limited ("**Chip Eng Seng**")	Chip Eng Seng engages in construction activities, development of properties and management of development projects, leasing and management of investment properties, hotel operations, and provision of education services.
Hiap Hoe Limited ("**Hiap Hoe**")	Hiap Hoe develops residential, industrial and commercial properties for sale, rents out investment properties and property, plant and equipment, provides leisure and recreational facilities, operates hotels, and invests in quoted and unquoted investments.
Sing Holdings Limited ("**Sing Holdings**")	Sing Holdings develops residential, commercial, and industrial properties, and owns and leases investment property.
Heeton Holdings Limited ("**Heeton**")	Heeton engages in the leasing of residential, retail and commercial properties. Heeton also develops and sells private residential properties, and is also involved in hotel operations and related services.
SLB Development Limited ("**SLB**")	SLB engages in the development and sale of residential, commercial and industrial properties, and provides development management services. SLB also operates as a fund manager through joint ventures and strategic alliance with third parties and invests in funds managed by fund managers.

Source: Respective company websites and annual reports of the Comparable Companies

In our evaluation, we have considered the following widely used valuation ratios:

Valuation Ratio	Description
Price-to-earnings Ratio ("**PER**")	The PER is an earnings-based valuation methodology that illustrates the market price of a company's shares relative to its historical consolidated earnings per share. The PER multiple is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to revenue recognition, depreciation and amortization of intangible assets.
Enterprise value-to-earnings before interest, tax, depreciation and amortisation expenses ("**EV/EBITDA**")	EV or enterprise value is the sum of the company's market capitalization, preferred equity, perpetual bonds, minority interests, short and long term debt (inclusive of finance leases) less its cash and cash equivalents. EBITDA refers to the historical consolidated earnings before interest, tax, depreciation and amortization, inclusive of the share of associates' and joint ventures' income. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting policy decisions. The historical EV/EBITDA ratio illustrates the market value of a company's business relative to its historical consolidated pre-tax operating cash flow performance, and provides an indication of current market valuation relative to operating performance. Unlike the PER, the EV/EBITDA ratio does not take into account the capital structure of a company, its interest, taxation, depreciation and amortization expenses.
Price-to-NAV ("**P/NAV**")	The NAV refers to consolidated net asset value, which is the total assets less total liabilities of a company. The NAV of a company or group provides an estimate of its value assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NAV, with the balance being available for distribution to its shareholders after the repayment of all the liabilities and obligations of the company or group. The P/NAV therefore illustrates the extent that the value of each share is backed by assets. P/RNAV or price to revalued net asset value illustrates the extent that the value of each share is backed by assets, taking into account their market or realisable values which have been revalued. RNAV is typically used to revalue property-related assets that are held by property investors and developers, which may be carried in the accounts at either historical cost or on a revalued basis, depending on the relevant accounting standards adopted.

The following table sets out the valuation ratios of the Comparable Companies in comparison with the valuation ratios of the Group implied by the Offer Price:

Comparable Company	**Market Capitalisation[(1)] (S$'million)**	**EV/EBITDA[(2)] (times)**	**PER[(3)] (times)**	**P/NAV[(4)] (times)**
Ho Bee Land	1,885.8	18.40	12.41	0.51
Oxley	805.0	13.07	15.16	0.80
Chip Eng Seng	333.0	43.43	n.m.	0.42
Hiap Hoe	303.5	26.64	n.m.	0.41
Sing Holdings	152.4	24.23	12.67	0.49
Heeton	146.3	86.55	43.98	0.33
SLB	107.7	15.69	8.07	0.63
Max		**86.55**	**43.98**	**0.80**
Average		**32.57**	**18.46**	**0.51**
Median		**24.23**	**12.67**	**0.49**
Min		**13.07**	**8.07**	**0.33**
The Company – Implied by the Offer Price	632.4	719.19	n.m.	0.64

Source: Bloomberg L.P., annual reports and latest publicly available financial information on the Comparable Companies

Notes:

(1) Market capitalisation for the Comparable Companies is based on the outstanding number of shares and the closing price as at the Latest Practicable Date, or the last closing price if there are no trades on the Latest Practicable Date, as extracted from Bloomberg L.P. Market capitalisation for the Company is approximately S$632.4 million based on the Offer Price of S$0.485 per Share and the total outstanding Shares of 1,303,979,944 as at the Latest Practicable Date.

(2) For the Comparable Companies, EV is computed based on the latest available consolidated financial results as at the Latest Practicable Date, except for market capitalisation which is as at the Latest Practicable Date. EBITDA is computed based on a trailing 12-month basis from the latest available audited and/or unaudited consolidated financial results as at the Latest Practicable Date. EV of the Company is based on the market capitalisation of S$632.4 million implied by the Offer Price, and the Company's latest unaudited consolidated financial results as at 30 June 2021. EBITDA of the Company is computed on a trailing 12-month basis based on the Company's audited and unaudited consolidated financial results for FY2020 and the six-month period ended 30 June 2021 respectively.

(3) Net profit attributable to shareholders/ owners of the Comparable Companies and the Company are computed on a trailing 12-month basis from the companies' latest available audited and/or unaudited consolidated financial results as at the Latest Practicable Date and the Company's latest audited and unaudited consolidated financial results for FY2020 and for the six-month period ended 30 June 2021 respectively.

(4) P/NAV is computed based on the company's share price as at the Latest Practicable Date divided by its consolidated net asset value per share from the latest available financial results as at the Latest Practicable Date. P/RNAV of the Company is computed based on the RNAV as at 30 June 2021 as set out in paragraph 9.3.2 of this IFA Letter.

From the above, we note the following:

(a) while the EV/EBITDA ratio of the Group of 719.19 times is above the range of EV/EBITDA ratios of the Comparable Companies, we note that such comparison may not be entirely meaningful as the losses incurred by the Group for the financial period from 1 July 2020 to 31 December 2020 had contributed to a lower EBITDA for the trailing 12-month period to 30 June 2021;

(b) the PER of the Group is not meaningful as the Company was loss-making during the trailing 12-month period; and

(c) the P/RNAV ratio of the Group of 0.64 time as implied by the Offer Price is within the range of the P/NAV ratios of the Comparable Companies, and above the average and median P/NAV ratios of the Comparable Companies.

The NAV of the Comparable Companies did not take into account the revaluation surplus arising from the revaluation of their properties and the RNAV figures of these Comparable Companies are also not normally published by the respective Comparable Companies. The P/RNAV ratio of the Group is lower than its P/NAV ratio as a result of the uplift from the net revaluation surplus of the Group's properties. We wish to highlight that comparing the P/RNAV ratio of the Group with the P/NAV ratios of the Comparable Companies may not be a like-to-like comparison.

We have also considered the P/RNAV of the Group before the Pre-Conditional Offer Announcement. We note that the P/RNAV ratio of the Group of 0.53 time, based on the last transacted price of the Shares before the Pre-Conditional Offer Announcement, is within the range of P/NAV ratios of the Comparable Companies, and above the average and median P/NAV ratios of the Comparable Companies.

We also note that the average traded volume of the Shares as a percentage of free float of the Company for the 1-year period prior to and including the Last Trading Day is within that for the Comparable Companies[1] for the 1-year period prior to and including the Latest Practicable Date, but below the average and median percentages of the Comparable Companies. Given that the trading volume of the Shares is generally lower than that of the Comparable Companies, the Offer provides an exit option for Shareholders who wish to realise their investments in the Shares.

9.7 **Other relevant considerations**

9.7.1 **Dividend track record of the Company**

We set out below the dividend per Share as declared by the Company for the last three financial years from FY2018 to FY2020 and up to 1H2021:

Dividend Declared (S$)	**FY2018**	**FY2019**	**FY2020**	**1H2021**
Interim dividend per Share	0.00195	0.00195	–	–
Final dividend per Share	0.00705	0.01090	–	NA
Total dividend per Share	**0.00900**	**0.01285**	**–**	**–**
Average share price$^{(1)}$ (S$)	0.4628	0.3917	NA	NA
Dividend yield$^{(2)}$ (%)	1.94%	3.28%	NA	NA

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

Notes:

(1) Based on the average of the daily closing prices of the Shares in each of the respective financial years.

(2) Computed based on the total dividend per Share divided by the average price per Share, for the respective financial years.

[1] The respective free floats of the Comparable Companies were extracted from the latest annual reports of the Comparable Companies.

In the last 3 financial years ended 31 December 2020, the Company declared and paid dividends in respect of FY2018 and FY2019, but not for FY2020. For FY2018 and FY2019, the dividend paid per Share was S$0.00900 and S$0.01285 respectively and dividend yields were 1.94% and 3.28% respectively. The Company had also not declared interim dividends for 1H2021.

As disclosed in the Company's annual report for FY2020, the Company has adopted a dividend policy with a view of paying dividends, on a half-yearly basis, of at least 50% of the net operating profits attributable to the Company's business of hotel ownership and provision of hotel accommodation services, subject to factors such as the level of cash and retained earnings, the net profits of the Company, the actual and projected overall financial performance of the Company and its subsidiaries (taking into account all of the Company's businesses and operations), the projected levels of capital expenditure and other investment plans and restrictions on payment of dividend that may be imposed by financing arrangements (if any).

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy.

9.7.2 **Intention of the Offeror regarding the Company**

We note that, from section 10 of the Letter to Shareholders in the Offer Document and section 5 of the Letter to Shareholders from the Board in the Circular, the Offeror intends for the Company to continue with its existing activities and has no intention to (i) introduce any major changes to the business of the Company; (ii) re-deploy the fixed assets of the Company; or (iii) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business. However, the directors of the Offeror retain the flexibility at any time to consider any options in relation to the Company and its subsidiaries which may present themselves and which they may regard to be in the interest of the Offeror.

9.7.3 **Minimum Acceptance Condition**

According to section 2.6 of the Letter to Shareholders in the Offer Document and section 2 of the Letter to Shareholders from the Board in the Circular, the Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been validly withdrawn) 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 parties acting in concert with it before or during the Offer, will result in the Offeror and its concert parties holding Offer Shares representing not less than 90% of the total number of Shares in issue (excluding treasury shares) as at the close of the Offer.

As disclosed by the Offeror in the Offer Document, as at 27 December 2021, the Offeror and persons acting in concert with the Offeror, own, control or have agreed to acquire an aggregate of 1,023,525,583 Shares, representing approximately 78.49% of the total number of issued Shares.

9.7.4 **Listing status and Compulsory Acquisition**

As set out in section 11 of the Letter to Shareholders in the Offer Document and section 6 of the Letter to the Shareholders from the Board in the Circular, in the event that as a result of the Offer or otherwise, the Offeror and its concert parties own or control more than 90% of the Shares in issue and the Company is no longer able to comply with the Free Float Requirement and/or 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 does not intend to preserve the listing status of the Company and has no intention of undertaking or supporting any action to satisfy the Free Float Requirement or for any such trading suspension by the SGX-ST to be lifted.

Additionally, in the event the Offeror receives valid acceptances (which have not been validly withdrawn) pursuant to the Offer or otherwise acquires Shares following the date of despatch or publication of the Offer Document, being 5 January 2022 ("**Commencement Date**") other than through valid acceptances of the Offer in respect of not less than 90% of the total number of issued Shares (other than treasury shares and those already held by the Offeror, its related corporations or their respective nominees as at the Commencement Date), the Offeror intends to exercise its right to compulsorily acquire all the Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

9.7.5 **No revision of Offer Price**

As set out in section 2.3 of the Letter to Shareholders in the Offer Document and section 2 of the Letter to Shareholders from the Board in the Circular, the **Offer Price is final and the Offeror does not intend to revise the Offer Price**.

9.7.6 **Likelihood of competing offers and irrevocable undertakings**

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no competing offer or proposal has been received by the Company.

As at 27 December 2021, certain shareholders (which includes the shareholders of the Offeror), holding in aggregate 1,004,089,059 Shares, representing approximately 77.00% of the total number of issued Shares (excluding treasury shares), have irrevocably undertaken to accept the Offer in respect of all Shares held by each of them prior to and up to the close of the Offer. It is therefore highly unlikely that there will be any competing offer from a third party.

As set out in section 1.1 of Appendix 1 to the Offer Document and in section 2.3 of the Letter to Shareholders from the Board in the Circular, the Offer will close at 5.30 p.m. (Singapore time) on 3 February 2022 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

9.7.7 **Transaction costs in connection with the disposal of the Shares**

The Offer presents an opportunity for Shareholders to dispose of their Shares for cash without any transaction costs as opposed to the sale of the Shares in the open market which will incur expenses such as brokerage or other trading costs.

10. OUR OPINION

In arriving at our opinion, we have considered the views and representations made by the Directors and Management, and reviewed and deliberated on the factors which we consider to be relevant and to have a significant bearing on our assessment of the financial terms of the Offer. We have carefully considered factors which we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

In determining the fairness of the Offer, we have considered, *inter alia*, the following factors:

(a) the P/RNAV of 0.64 time, as implied by the Offer Price, and the implied discount of the Offer Price to the RNAV per Share as at 30 June 2021 is 36.1%; and

(b) the P/RNAV of 0.64 time, as implied by the Offer Price is within range but below the average and median P/NAV or P/RNAV ratios of the Precedent Privatisation Transactions.

In determining the reasonableness of the Offer, we have considered, *inter alia*, the following factors:

(a) the Offer Price represents premiums of approximately 37.0%, 30.3%, 23.5% and 21.0% over the VWAPs of the Shares respectively for the periods 1 year, 6 months, 3 months and 1 month prior to and including the Last Trading Day before the Pre-Conditional Offer Announcement. The Offer Price also represents a premium of 19.6% over the VWAP of the Shares on the Last Transaction Day before the Pre-Conditional Offer Announcement;

(b) the trading volume of the Shares had generally been low in the past 12 months prior to and including the Last Trading Day before the Pre-Conditional Offer Announcement, and the Offer will provide an exit option for Shareholders who wish to realise their investments in the Shares but face difficulties to do so due to the low trading activity;

(c) the P/RNAV as implied by the Offer Price of 0.64 time is within range and higher than the average but below the median P/RNAV of the Precedent Real Estate Privatisation Transactions;

(d) the P/RNAV as implied by the Offer Price of 0.64 time is within range and higher than the average and median P/NAV of the Comparable Companies;

(e) the Company had not declared dividends in FY2020 and in 1H2021;

(f) the Offeror had stated that in the event the Company does not meet the Free Float Requirement, it does not intend to preserve the listing status of the Company, and when entitled to, intends to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares not acquired under the Offer; and

(g) as at the Latest Practicable Date, there is no alternative offer or proposal received by the Company. Given that the Undertaking Parties holding in aggregate 1,004,089,059 Shares, representing approximately 77.00% of the total number of issued Shares of the Company (excluding treasury shares), have irrevocably undertaken to accept the Offer, it is highly unlikely that there will be any competing offer from a third party.

Having considered carefully the information available to us as at the Latest Practicable Date, and based on our analyses, we are of the opinion that the financial terms of the Offer are, on balance, not fair but reasonable. Accordingly, we advise the Independent Directors to recommend that Shareholders accept the Offer.

In arriving at our opinion, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, we recommend that any Shareholder who may require specific advice in relation to his/her investment objectives or portfolio should consult his/her legal, financial, tax or other professional adviser immediately.

In rendering our advice, we have relied on, *inter alia*, relevant statements contained in the Circular, confirmations, advice and representations by the Directors and Management, and the Company's announcements in relation to the Offer. We wish to emphasise that we have arrived at our opinion based on information made available to us prior to and including the Latest Practicable Date. We assume no responsibility to update, review or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date.

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendation made by the Independent Directors in respect of the Offer shall remain their sole responsibilities. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for the purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of ZICO Capital.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan	Karen Soh-Tham
Chief Executive Officer	Managing Director

APPENDIX 2: ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and descriptions of the directors of the Company as at the Latest Practicable Date are as follows:

Name	Address	Description
Mr. Teo Hong Lim	c/o 50 East Coast Road #B1-18 Roxy Square Singapore 428769	Executive Chairman and Chief Executive Officer
Mr. Chris Teo Hong Yeow	c/o 50 East Coast Road #B1-18 Roxy Square Singapore 428769	Executive Director and Deputy Chief Executive Officer
Mr. Koh Seng Geok	c/o 50 East Coast Road #B1-18 Roxy Square Singapore 428769	Executive Director, Deputy Chief Executive Officer and Company Secretary
Mr. Tong Din Eu	c/o 50 East Coast Road #B1-18 Roxy Square Singapore 428769	Lead Independent Director
Mr. Yeo Wee Kiong	c/o 50 East Coast Road #B1-18 Roxy Square Singapore 428769	Independent Director
Mr. Ng Kok Wee Charles	c/o 50 East Coast Road #B1-18 Roxy Square Singapore 428769	Independent Director

2. HISTORY AND PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 24 May 1967 and has been listed on the Mainboard of the SGX-ST since 12 March 2008.

The Company is part of an established property and hospitality group principally engaged in the development and sale of residential and commercial properties, as well as property investment and hotel ownership.

3. SHARE CAPITAL

3.1 Issued Shares

Based on the business profile of the Company extracted from ACRA on the Latest Practicable Date, the Company has an issued and paid-up share capital of S$47,590,007 comprising 1,312,904,844 Shares (of which 8,924,900 are Shares in treasury).

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 December 2020, being the date to which the Company's last published audited financial statements were made up.

There is no restriction in the Constitution on the right to transfer any Shares, which have the effect of requiring the holders of Offer Shares, before transferring them, to offer them to members of the Company or to any other person.

3.2 **Convertible Securities**

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

3.3 **Rights in Respect of Capital, Dividends and Voting**

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution. For ease of reference, selected extracts of the Constitution in respect of capital, dividends and voting have been extracted and reproduced in **Appendix 3** to this Circular. Capitalised terms and expressions not defined in the extract shall have the meanings ascribed to them in the Constitution.

4. DISCLOSURE OF INTEREST

4.1 **Interests of the Company in the Offeror Securities**

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

4.2 **Dealings in the Offeror Securities by the Company**

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

4.3 **Interests of the Directors in the Offeror Securities**

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

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	Percentage of Total no. of Shares (%)(1)	No. of Shares	Percentage of Total no. of Shares (%)(1)
Mr. Teo Hong Lim	6,892	32.50	–	–
Mr. Chris Teo Hong Yeow	3,101	14.62	–	–

Note:

(1) Calculated based on a total of 21,206 issued shares of the Offeror as at the Latest Practicable Date and rounded to the nearest two decimal places.

4.4 **Dealings in the Offeror Securities by the Directors**

Save as disclosed in the Offer Document, none of the Directors has dealt for value in the Offeror Securities during the period commencing three (3) months prior to the Pre-Conditional Offer Announcement Date, and ending on the Latest Practicable Date.

4.5 **Interests of the Directors in the Company Securities**

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

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	Percentage of Total no. of Shares (%)	No. of Shares	Percentage of Total no. of Shares (%)
Mr. Teo Hong Lim	154,499,097	11.85	675,381,670	51.79
Mr. Chris Teo Hong Yeow	31,627,062	2.43	20,625	*
Mr. Koh Seng Geok	–	–	6,948,000	0.53
Mr. Tong Din Eu	33,000	*	–	–

* Less than 0.01%

4.6 **Dealings in Company Securities by the Directors**

Save as disclosed below and in any information on the Group which is publicly available (including without limitation the announcements, financial statements and annual reports released by the Company on SGXNET), none of the Directors has dealt for value in the Company Securities during the period commencing three (3) months prior to the Pre-Conditional Offer Announcement Date, and ending on the Latest Practicable Date:

Name of Director	Date of Transaction	No. of Shares	Transaction Price per Share (S$)	Nature of Transaction
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	22 September 2021	1,442,200	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	24 September 2021	1,500,000	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	4 October 2021	1,800,000	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	14 October 2021	310,000	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror

Name of Director	Date of Transaction	No. of Shares	Transaction Price per Share (S$)	Nature of Transaction
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	15 October 2021	340,000	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	18 October 2021	300	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	19 October 2021	2,000	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	20 October 2021	299,400	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	21 October 2021	220,500	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	22 October 2021	65,400	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	2 November 2021	105,300	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	3 November 2021	370,600	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	3 December 2021	35,400	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim[(1)] Mr. Chris Teo Hong Yeow[(2)]	7 December 2021	475,300	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror

Name of Director	Date of Transaction	No. of Shares	Transaction Price per Share (S$)	Nature of Transaction
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	8 December 2021	117,600	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	9 December 2021	30,800	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	10 December 2021	12,300	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	13 December 2021	100,500	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror
Mr. Teo Hong Lim(1) Mr. Chris Teo Hong Yeow(2)	14 December 2021	100,000	0.470	Shares acquired by Sen Lee Development Private Limited, a concert party of the Offeror

Notes:

(1) Mr. Teo Hong Lim is deemed to have an interest in indirect dealings in the Company Securities by the Offeror and its concert parties.

(2) Mr. Chris Teo Hong Yeow is deemed to have an interest in indirect dealings in the Company Securities by the Offeror and its concert parties.

As at the Latest Practicable Date, each of the Independent Directors who has an interest in the Shares, being Mr. Koh Seng Geok and Mr. Tong Din Eu, has informed the Company that they have accepted the Offer in respect of all the Shares held directly by each of them or for which each of them is deemed interested in.

4.7 Company Securities owned or controlled by the IFA

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

4.8 Dealings in Company Securities by the IFA

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

4.9 **Offeror Securities owned or controlled by the IFA**

As at the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis owns or controls any Offeror Securities.

4.10 **Dealings in Offeror Securities by the IFA**

During the period commencing three (3) months prior to the Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date, none of the IFA or any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in any Offeror Securities.

4.11 **Directors' Intentions**

The Directors who hold Shares have, taking into account their respective personal investment objectives, indicated their intentions in respect of accepting or rejecting the Offer in respect of their Shares as follows:

(a) as set out in the Offer Document, each of Mr. Teo Hong Lim and Mr. Chris Teo Hong Yeow has given Irrevocable Undertakings to accept the Offer in respect of all the Shares held by each of them.

(b) as of the Latest Practicable Date, Mr. Koh Seng Geok, a Director who holds Shares, has informed the Company that he has accepted the Offer in respect of all the Shares which he is deemed interested in.

(c) as of the Latest Practicable Date, Mr. Tong Din Eu, a Director who holds Shares, has informed the Company that he has accepted 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, 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 twelve (12) months to run and which are not terminable by the employing company within the next twelve (12) months without paying any compensation, other than payments in lieu of 9 months' notice under the service contracts, if applicable. In addition, there are no such contracts entered into or amended by the Company or any of its subsidiaries during the period commencing six (6) months prior to the Pre-Conditional Offer Announcement Date, and ending on the Latest Practicable Date.

5.2 **Arrangements Affecting Directors**

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) save for the Irrevocable Undertakings provided by the Undertaking Parties as disclosed in the Offer Document and this Circular, 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 contracts entered into by the Offeror.

6. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, 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 Pre-Conditional Offer Announcement Date and ending on the Latest Practicable Date.

7. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor its subsidiaries are engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Group, taken as a whole. As at the Latest Practicable Date, 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 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 Introduction

Rule 24.4 of the Code requires the Company to disclose, *inter alia*, the following information in this Circular:

(a) details, for the last three (3) financial years, of turnover, exceptional items, net profit or loss before and after tax, minority interests, net earnings per share and net dividends per share;

(b) a statement of the assets and liabilities shown in the last published audited accounts;

(c) particulars of all known material changes in the financial position of the Company subsequent to the last published audited accounts or a statement that there are no such known material changes;

(d) details relating to items referred to in (a) in respect of any interim statement or preliminary announcement made since the last published audited accounts;

(e) significant accounting policies together with any points from the notes of the accounts which are of major relevance for the interpretation of the accounts; and

(f) where, because of a change in accounting policy, figures are not comparable to a material extent, this should be disclosed and the approximate amount of the resultant variation should be stated.

As at the Latest Practicable Date, the latest published audited accounts of the Group are that for FY2020. The Audited FY2020 Results are reproduced in **Appendix 4** to this Circular.

8.2 Waiver of Rule 705(1) of the Listing Manual

The Company is the subject of the Offer and pursuant to Rule 22.8 of the Code, consent from the SIC is required for announcement of trading results after the 39th day following the posting of the initial Offer Document. The Company had made an application but did not obtain the consent of the SIC to release the audited consolidated financial statements of the Group for the financial year ended 31 December 2021 ("**FY2021 Results**") after the 39th day. Shareholders are to note that the initial Offer Document is dated 5 January 2022, and the 39th day of the Offer falls on 13 February 2022.

Under Rule 705(1) of the Listing Manual, the Company would have to announce the FY2021 Results not later than 60 days after the financial year ended 31 December 2021 (the "**60-Day Period**").

With reference to the announcement made by the Company on 14 January 2022, in connection with the Offer, the Company made an application to the SGX-ST to seek a waiver of compliance by the Company of Rule 705(1) of the Listing Manual (the "**Waiver**"). The Waiver was sought in relation to the following:

(i) in the event that the Offer becomes or is declared unconditional, the requirement to release the FY2021 Results will be waived;

(ii) in the event that the Offer does not become unconditional and closes only after the expiry of the 60-Day Period, the 60-Day Period under Rule 705(1) of the Listing Manual will be extended so that the Company may release its FY2021 Results after the close of the Offer.

The SGX-ST has in its letter dated 13 January 2022 advised that it has no objection to granting the Waiver, subject to the following conditions which have been met:

(A) an announcement via SGXNET of the Waiver granted, the reasons for seeking the Waiver and the conditions as required under Rule 107 of the Listing Manual and if the conditions to the Waiver have been satisfied; and

(B) submission of a written confirmation from the Company that the Waiver does not contravene any laws and regulations governing the Company and the constitution of the Company.

Accordingly, Shareholders are advised to note that the FY2021 Results of the Group will not be announced if the Offer becomes or is capable of being declared unconditional as to acceptances.

8.3 **Consolidated Income Statement**

Certain financial information extracted from the annual reports of the Company for the past three (3) financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 is set out below. The summary set out below should be read together with the audited consolidated financial statements for the Group for the relevant financial periods and the accompanying notes thereto, contained in the annual reports of the Company for the relevant financial periods. Copies of these are available for inspection at the registered office of the Company. Please refer to **paragraph 11 of Appendix 2** to this Circular for further information.

	← Audited →		
	FY2020 S$'000	**FY2019 S$'000**	**FY2018 S$'000**
Turnover	198,431	444,030	132,855
Exceptional Items	–	–	–
Net (loss)/profit before tax	(31,500)	44,565	25,210
Net (loss)/profit after tax	(32,607)	29,139	21,056
Non-controlling interests	(3,118)	(1,180)	(236)
Net (loss)/earnings per Share (cents)	(2.26)	2.33	1.63
Net dividends per Share (cents)	–	1.285	0.900

8.4 **Consolidated Statements of Financial Position**

A summary of the audited consolidated statements of financial position of the Group as at 31 December 2020 and as at 31 December 2019 is set out below. The following summary should be read in conjunction with the Audited FY2020 Results and the accompanying notes thereto, which are reproduced in **Appendix 4** to this Circular.

	Group FY 2020 $'000	**Group FY 2019 $'000**
ASSETS		
Current assets	935,637	984,055
Non-current assets	680,619	613,279
Total assets	1,616,256	1,597,334
LIABILITIES		
Current liabilities	758,304	859,755
Non-current liabilities	380,482	227,046
Total liabilities	1,138,786	1,086,801
NET ASSETS	477,470	510,533

	Group FY 2020 $'000	Group FY 2019 $'000
EQUITY		
Share capital	47,399	47,399
Treasury Shares	(3,954)	(3,954)
Other Reserves	(7,329)	(22,469)
Retained earnings	445,974	489,676
Non-controlling interests	(4,620)	(119)
Total equity	477,470	510,533

8.5 **Material Changes in Financial Position**

As at the Latest Practicable Date, save as disclosed in this Circular and any other information on the Group which is publicly available (including without limitation the announcements released by the Company on the SGX-ST, or which may be released by the Company subsequent to the despatch date of this Circular), there are no known material changes in the financial position of the Group since 31 December 2020, being the date of the Group's last published audited financial statements.

8.6 **Significant Accounting Policies**

The summary of significant accounting policies of the Company is disclosed in Note 2 of the Audited FY2020 Results, which is reproduced in **Appendix 4** to this Circular. Save as disclosed in Note 2 of the Audited FY2020 Results, there are no significant accounting policies or any points from such notes, which are of any major relevance for the interpretation of the accounts of the Group referred to in this Circular.

8.7 **Changes in Accounting Policies**

Save as disclosed in Note 2 of the Audited FY2020 Results, as at the Latest Practicable Date, there is no change in the accounting policies of the Company which will cause the figures disclosed in this Circular not to be comparable to a material extent.

8.8 **Statement of Prospects**

The following statement of prospects (the "**Statement of Prospects**") set out in italics below has been extracted from the unaudited first half year financial statements of the Group for the financial period ended 30 June 2021 as announced by the Company on SGXNET on 5 August 2021:

"Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2021."

Shareholders should note that the bases and assumptions for the Statement of Prospects are set out in **Appendix 7** to this Circular. The IFA and the Auditors have each issued their letter in relation to the Statement of Prospects, as set out in Appendices 5 and 6 to this Circular, respectively. Shareholders are urged to read Appendices 5, 6 and 7 to this Circular carefully.

9. VALUATION REPORTS AND/OR CERTIFICATES

The Company has commissioned independent valuations of the Subject Properties. As disclosed in the Valuation Reports and/or Certificates, the basis of valuation is market value. Copies of the Valuation Reports and/or Certificates are set out in **Appendix 8** to this Circular. The Valuation Reports and/or Certificates in respect of the Subject Properties are available for inspection at the registered office of the Company at 50 East Coast Road, #B1-18 Roxy Square, Singapore 428769.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liabilities which would arise if the Subject Properties, which are the subject of a valuation given in connection with the Offer, were to be sold at the amount of the valuation. The management of the Company estimates the potential tax liabilities on a hypothetical sale of the Subject Properties (which includes development properties held for sale) to be approximately S$21.1 million, of which the potential tax liabilities on the hypothetical sale of the Subject Properties which are development properties held for sale are approximately S$20.5 million. The Company expects the aforesaid tax liabilities in respect of the development properties to crystallise (if any) as and when the Company disposes of its interests in the Subject Properties. Otherwise, for the Subject Properties which are for the Group's own use and not intended for sale, the management of the Company expects the likelihood of such potential tax liability crystallising to be minimal.

10. GENERAL

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

10.2 The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name and all references thereto, the IFA Letter as set out in **Appendix 1** to this Circular, and the IFA SOP Letter as set out in **Appendix 5** to this Circular, in the form and context in which they appear in this Circular.

10.3 The Auditors have given and have not withdrawn their written consent to the issue of this Circular with the inclusion of its name in this Circular, the Auditors SOP Letter and all references thereto, in the form and context in which they appear in this Circular.

10.4 Savills Valuation and Professional Services (S) Pte. Ltd., named as the valuer in respect of Grand Mercure Singapore Roxy, Harbour View Gardens, RV Altitude, Fyve Derbyshire, Dunearn 386, Mori, 120 Grange, Bukit 828, View at Kismis, Arena Residences, Neu at Novena, Wilshire Residences, and 10A, 10B and 11, Institution Hill, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10.5 CBRE Pte. Ltd., named as the valuer in respect of Noku Maldives, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10.6 Edmund Tie & Company (Thailand) Co., Ltd., named as the valuer in respect of Noku Phuket, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10.7 CBRE Valuations Pty Limited, named as the valuer in respect of Bracks Street, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10.8 KJPP Susan Widjojo & Rekan, named as the valuer in respect of Kramat, Jakarta, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10.9 Knight Frank Pte. Ltd., named as the valuer in respect of Roxy Square, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10.10 Jones Lang LaSalle Limited, named as the valuer in respect of NZI Centre and 205 Queen Street, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10.11 Jones Lang LaSalle Advisory Services Pty Ltd, named as the valuer in respect of 33 Argyle Street, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

10.12 VPC Alliance (KL) Sdn. Bhd., named as the valuer in respect of Wisma Infinitum, 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 respective Valuation Reports and/or Certificates set out in **Appendix 8** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours for the period during which the Offer remains open for acceptance:

(a) the Constitution;

(b) the Annual Reports for FY2018, FY2019, and FY2020;

(c) the unaudited consolidated financial statements of the Group for the 6-months ended 30 June 2021 as announced by the Company on SGXNET on 5 August 2021;

(d) the IFA Letter as set out in **Appendix 1** to this Circular;

(e) the IFA SOP Letter as set out in **Appendix 5** to this Circular;

(f) the Auditors SOP Letter as set out in **Appendix 6** to this Circular;

(g) the Valuation Reports and/or Certificates as set out in **Appendix 8** to this Circular; and

(h) the letters of consent referred to in **paragraphs 10.2 to 10.12 of Appendix 2** to this Circular, as set out above.

APPENDIX 3: EXTRACTS FROM THE CONSTITUTION

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, dividends and voting are extracted from the Constitution and reproduced as follows:

1. RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL

SHARES

Company's shares as security

6. Save to the extent permitted by the Act, none of the funds or assets of the Company or of any subsidiary thereof shall be directly or indirectly employed in the purchase or subscription of or in loans upon the security of the Company's shares (or its holding company, if any) and the Company shall not, except as permitted by law, give any financial assistance for the purpose of or in connection with any purchase of shares in the Company (or its holding company, if any).

Issue of New Shares

7. (1) Subject to the Act and these Articles, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Regulation 51, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors, provided always that:–

(i) the proportion of the total issued capital represented by all issued preference shares shall not exceed the proportion of the total issued capital represented by all issued ordinary shares at any time, and all other restrictions or limitations in respect of the issue of preference shares as may be imposed by law or required by the listing rule of the Exchange (as so modified, amended or supplemented from time to time) shall be complied with;

(ii) no shares shall be issued which results in a transfer of a controlling interest in the Company without the prior approval of the Members in a General Meeting; (iii) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same; and

(iii) subject to any direction to the contrary which may be given by the Company in General Meeting, any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the second sentence of Article 52(1) with such adaptations as are necessary shall apply.

(2) Notwithstanding Regulation 51 and subject to Regulation 51(2), the Company may 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:

(a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including without limitation, the creation and issue of (as well as adjustments to) warrants, debentures or other Instruments convertible into shares; and

(b) (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:

(aa) 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) shall be subject to such limits and manner of calculation as may be prescribed by the Exchange;

(bb) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Exchange for the time being in force (unless such compliance is waived by the Exchange) and this Constitution; and

(cc) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force 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 of the Company 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); and

(dd) any other issue of shares, the aggregate of which would exceed the limits of the authority conferred by the Ordinary Resolution as referred to in this Regulation, shall be subject to the approval of the Company in general meeting.

Rights attached to certain shares

8. (1) *Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which shares in the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending 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 or winding up or sanctioning a sale of the undertaking of the Company or where the proposition 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.*

(2) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares from time to time already issued or about to be issued.*

Treasury Shares

9. *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 and/or deal with its treasury shares in any manner authorised or prescribed by the Act.*

Variation of rights

10. (1) *If at any time the share capital is divided into different classes, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the total voting rights of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll whereupon any holder of such shares, present in present or by proxy, shall be entitled to one vote for each share of the class in respect of which he is a holder of such shares. If at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of such shares of the class who are personally present shall be a quorum. Provided always that where the necessary majority for the aforesaid Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the total voting rights of the issued shares of the class concerned within two months of the Meeting shall be as valid and effectual as a Special Resolution carried at the Meeting. 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 Accounting and Corporate Regulatory Authority. Where all the issued shares of the class are held by one person, the necessary quorum shall be one person.*

Variation of rights of Preference Shareholders		*(2) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the 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.*
Creation or issue of further shares with special rights	*11.*	*The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by these Articles as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith.*
Power to pay commission and brokerage	*12.*	*(1) The Company may pay such commissions or brokerage as may be lawful on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares, or partly in one way and partly in the other.*
Payment of expenses in issue of shares		*(2) Any expenses (including brokerage or commission) incurred directly by the Company in issue of new shares may be paid out of the proceeds of the issue or the Company's share capital. Such payment shall not be taken as reducing the amount of share capital in the Company.*
Power to charge interest on capital	*13.*	*If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital (except treasury shares) as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision.*

No trust recognised 14. *Except as required by law, no person other than the Depository shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (where the person entered in the Register of Members as the registered holder of a share is the Depository) the person whose name is entered in the Depository Register in respect of that share. Nothing contained herein in this Article relating to the Depository or the Depositors or in any depository agreement made by the Company with any common depository for shares or in any notification of substantial shareholding to the Company or in response to a notice pursuant to Section 92 of the Act or any note made by the Company of any particulars in such notification or response shall derogate or limit or restrict or qualify these provisions; and any proxy or instructions on any matter whatsoever given by the Depository or Depositors to the Company or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust.*

Joint holders 15. *(1) The Company and the Depository 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.*

(2) If two or more persons are registered as joint holders of any share any one of such person may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share and the joint holders of a share shall, subject to the provisions of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares.

(3) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders. Only the person whose name stands first in the Depository Register shall be entitled to receive notices from the Company and any notice given to such person shall be deemed notice to all the joint holders.

Fractional part of a share 16. *No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share.*

Payment of instalments

17. If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.

Share certificates

18. The certificate of title to shares or debentures in the capital of the Company shall be issued under the Seal (or by the signature of authorised persons in the manner set out under the Act as an alternative to sealing) in such form as the Directors shall from time to time prescribe and may bear the autographic or facsimile signatures of at least two Directors, or by one Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, and shall specify the name of the Company and the authority under which the Company is constituted, the address of the registered office of the Company (or, where the certificate is issued by a branch office, the address of that branch office), number and class of shares to which it relates, whether the shares are fully or partly paid up, and such other information as required by law. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Auditors of the Company. No certificate shall be issued representing shares of more than one class.

Entitlement to certificate

19. (1) Shares must be allotted and certificates despatched within 10 Market Days (or such other period as may be prescribed or approved by the Exchange from time to time) of the final closing date for an issue of shares unless the Exchange shall agree to an extension of time in respect of that particular issue. The Depository must despatch statements to successful investor applicants confirming the number of shares held under their Securities Accounts. Persons entered in the Register of Members as registered holders of shares shall be entitled to certificates within 10 Market Days (or other such period as may be prescribed or approved by the Exchange from time to time) after lodgement of any transfer. Every registered shareholder shall be entitled to receive share certificates in reasonable denominations for his holding and where a charge is made for certificates, such charge shall not exceed S$2 (or such other sum as may be approved by the Exchange from time to time). Where a registered shareholder transfers part only of the shares comprised in a certificate or where a registered shareholder requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the registered shareholder shall pay a fee not exceeding S$2 (or such other sum as may be approved by the Exchange from time to time) for each such new certificate as the Directors may determine. Where the member is a Depositor the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.

Retention of certificate

(2) *The retention by the Directors of any unclaimed share certificates (or stock certificates as the case may be) shall not constitute the Company a trustee in respect thereof. Any share certificate (or stock certificate as the case may be) unclaimed after a period of six years from the date of issue of such share certificate (or stock certificate as the case may be) may be forfeited and if so shall be dealt with in accordance with Regulations 40, 44, 48 and 49, mutatis mutandis.*

Issue of replacement certificates

20. (1) *Subject to the provisions of the Act, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Exchange or on behalf of its or their client or clients as the Directors of the Company shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S$1 (or such other sum as may be approved by the Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.*

New certificate in place of one not surrendered

(2) *When any shares under the powers in these Articles herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.*

TRANSFER OF SHARES

Form of transfer of shares

21. *Subject to the restrictions of this Constitution and any restrictions imposed by law or the Exchange or the Depository, any Member may transfer all or any of his shares, but every transfer by any Member must either be by means of:–*

(a) *an instrument in the form approved by the Exchange, which must be left at the Office or such other place or places as the Directors may appoint from time to time for registration and accompanied by the certificates of the shares to be transferred, and such other evidence (if any) as the Directors may require to prove the title of the intending transferor or his right to transfer the shares ("a registered transfer"). Shares of different classes shall not be comprised in the same instrument of transfer; or*

(b) *book-entry in the Depository Register in accordance with the Act.*

Execution — 22. *The instrument of transfer of a share which is the subject of a registered transfer shall be signed by or on behalf of the transferor and the transferee and be witnessed and the transferor shall be deemed to remain the holder of the share concerned until the name of the transferee is entered in the Register of Members in respect thereof. The Depository may transfer any share in respect of which its name is entered in the Register of Members by means of a registered transfer. The Depository shall not be required as transferee to sign any form of transfer for the transfer of shares to it. The Directors may dispense with the execution of the instrument of transfer by the transferee and the requirement that the instrument of transfer be witnessed in any case in which they think fit in their discretion to do so. Shares of different classes shall not be comprised in the same instrument of transfer. This Regulation 22 shall not apply to any transfer of shares by way of book-entry in compliance with the Act.*

Person under disability — 23. *No share shall in any circumstances be transferred to any infant, bankrupt, or person who is mentally disordered and incapable of managing himself or his affairs but nothing herein contained shall be construed as imposing on the Company any liability in respect of the registration of such transfer if the Company has no actual knowledge of the same.*

Directors' power to decline to register — 24. *(1) Subject to this Constitution, the Act or as required by the Exchange, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules, bye-laws or listing rules of the Exchange or of any other stock exchange upon which the shares in the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee to whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall within ten Market Days after the date on which the transfer was lodged with the Company send to the transferor and the transferee written notice of the refusal as required by the Act and the Exchange, and the precise reasons therefor.*

Terms of registration of transfers — *(2) The Directors may decline to register any instrument of transfer unless:–*

(i) in the case of registered transfers, such fee not exceeding S$2 (or such other sum as may be prescribed or approved by the Exchange from time to time) as the Directors may from time to time require, is paid to the Company for the registration of each transfer (except that the Depository shall not be liable to pay any fee in respect of the registration of a transfer);

(ii) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

(iii) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and

(iv) the instrument of transfer is in respect of only one class of shares.

Retention of transfers

25. (1) In the case of registered transfers, all instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall (except in the case of fraud) be returned to the person depositing the same.

(2) Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall be conclusively presumed in the favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other documents so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company. PROVIDED that:–

(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any circumstances which would not attach to the Company in the absence of this Regulation; and

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

Closing of Register 26. *The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty days in the aggregate in any year. Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange, stating the period and purpose or purposes for which the closure is made.*

Renunciation of allotment 27. (1) *Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.*

Indemnity against wrongful transfer (2) *Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. In every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.*

TRANSMISSION OF SHARES

Transmission on death 28. (1) *In case of the death of a registered shareholder, the survivor or survivors, where the deceased was a joint holder, and the legal representatives of the deceased, where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased registered shareholder (whether sole or joint) from any liability in respect of any share held by him.*

(2) *In the case of the death of a Depositor, the survivor or survivors, where the deceased was a joint holder, and the legal personal representatives of the deceased, where he was a sole holder and where such legal representatives are entered in the Depository Register in respect of any shares of the deceased, shall be the only persons recognised by the Company as having any title to his interests in the share; but nothing herein contained shall release the estate of a deceased Depositor (whether sole or joint) from any liability in respect of any share held by him.*

Persons becoming entitled on death or bankruptcy of Member may be registered

29. *(1)* *Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member or by virtue of a vesting order by a court of competent jurisdiction and recognised by the Company as having any title to that share may, upon producing such evidence of title as the Directors shall require, be registered himself as holder of the share upon giving to the Company notice in writing or transfer such share to some other person. If the person so becoming entitled shall elect to be registered himself, he shall send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. The Directors shall have, in respect of a transfer so executed, the same power of refusing registration as if the event upon which the transmission took place had not occurred, and the transfer were a transfer executed by the person from whom the title by transmission is derived.*

Notice to unregistered executors and trustees

(2) *The Directors may at any time give notice requiring any such person to elect whether to be registered himself as a Member in the Register of Members or (as the case may be), entered in the Depository Register in respect of the share or to transfer the share and if the notice is not complied with within 60 days 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.*

(3) *In the case of any person becoming entitled to the interest of a Depositor in respect of a share in consequences of the death of the Depositor, Section 81SQ of the SFA shall apply.*

Rights of unregistered executors and trustees

30. *A person entitled to a share by transmission shall be entitled to receive, and may give a discharge for, any dividends or other moneys payable in respect of the share, but he shall not be entitled in respect of it to receive notices of, or to attend or vote at meetings of the Company, or, save as aforesaid, to exercise any of the rights or privileges of a Member, unless and until he shall become registered as a shareholder or have his name entered in the Depository Register as a Depositor in respect of. the share.*

Fee for registration of probate, etc.

31. *There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share, such fee not exceeding S$2 (or such other sum as may be prescribed or approved by the Exchange from time to time) as the Directors may from time to time require or prescribe.*

CALL ON SHARES

Calls on shares	*32.*	*The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.*
Time when made	*33.*	*A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*
Interest on calls	*34.*	*If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent per annum as the Directors may determined, and shall also pay all costs, charges and expenses which the Company may have incurred or become liable for in order to recover payment of or in consequence of non-payment of such call, but the Directors shall be at liberty to waive payment of such interest, costs, charges and expenses wholly or in part.*
Sum due to allotment	*35.*	*Any sum which by the terms of issue and allotment of a share becomes payable upon allotment or at any fixed date shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Constitution as to payment of interest, costs, charges and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
Power to differentiate	*36.*	*The Directors may on the issue of shares between the holders as to the amount of calls to be paid and the times of payments.*
Payment in advance of calls	*37.*	*The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish (so far as the same shall extend) the liability upon the shares in respect of which it is made, and upon the money so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned, the Company may pay interest at such rate not exceeding without the sanction of the Company in General Meeting eight per cent per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits and until appropriated towards satisfaction of any call shall be treated as a loan to the Company and not as part of its capital and shall be repayable at any time if the Directors so decide.*

FORFEITURE AND LIEN

Notice requiring payment of calls

38. *If any Member fails to pay in full any call or instalment of a call on or before the day appointed for payment thereof, the Directors may at any time thereafter serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest and expense which may have accrued by reason of such non-payment.*

Notice to state time and place

39. *The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited.*

Forfeiture on non-compliance with notice

40. *If the requirements of any such notice as aforesaid are not complied with any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest 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 share and not actually paid before the forfeiture. The forfeiture or surrender of a share shall involve the extinction at the time of forfeiture or surrender of all interest in and all claims and demands against the Company in respect of the share, and all other rights and liabilities incidental to the share as between the Member whose share is forfeited or surrendered and the Company, except only such of those rights and liabilities as are by this Constitution expressly saved, or as are by the Act given or imposed in the case of past Members. The Directors may accept a surrender of any share liable to be forfeited hereunder.*

Notice of forfeiture to be given and entered

41. *When any share has been forfeited in accordance with this Constitution, notice of the forfeiture shall forthwith be given to the holder of the share or to the person entitled to the share by transmission, as the case may be, and an entry of such notice having been given, and of the forfeiture with the date thereof, shall forthwith be made in the Register of Members or in the Depository Register (as the case may be) opposite to the share; but the provisions of this Regulation are directory only, and no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.*

Directors may allow forfeited share to be redeemed

42. *Notwithstanding any such forfeiture as aforesaid, the Directors may, at any time before the forfeited share has been otherwise disposed of, annul the forfeiture, upon the terms of payment of all calls and interest due thereon and all expenses incurred in respect of the share and upon such further terms (if any) as they shall see fit.*

Sale of shares forfeited

43. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such person as aforesaid.*

Rights and liabilities of Members whose shares have been forfeited or surrendered

44. *A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at ten per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part.*

Company's lien

45. *The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all unpaid calls and instalments due on any such share and interest and expenses thereon but such lien 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.*

Member not entitled to privileges until all calls paid

46. *No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether solely or jointly with any other person, together with interest and expenses (if any).*

Sale of shares subject to lien

47. *The Directors may sell in such manner as the Directors think fit any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of seven days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the Member for the time being in relation to the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof.*

Application of proceeds of such sale

48. The net proceeds of sale, whether of a share forfeited by the Company or of a share over which the Company has a lien, after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the unpaid call and accrued interest and expenses and the residue (if any) paid to the Member entitled to the share at the time of sale or his executors, administrators or assigns or as he may direct.

Title to shares forfeited or surrendered or sold to satisfy a lien

49. A statutory declaration in writing by a Director of the Company that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof, together with the certificate under Seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing) for the share delivered to a purchaser or allottee thereof, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be entered in the Register of Members as the holder of the share or (as the case may be) in the Depository Register in respect of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the forfeiture, surrender, sale, re-allotment or disposal of the share.

ALTERATION OF CAPITAL

Rights and privileges of new shares

50. Subject to the Act and any special rights for the time being attached to any existing class of shares, any new shares in the Company may be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Company may from time to time by Ordinary Resolution direct and if no direction be given as the Directors shall determine; subject to the provisions of this Constitution and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.

Issue of new shares to Members

51. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Exchange's listing rules, 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 far as the circumstances admit, to the amount of the existing shares to which they are entitled. 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 a manner as they think most beneficial to the Company. The Directors may likewise 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 under this Regulation.

(2) Notwithstanding Regulation 51(1) above but subject to the Act, the Directors shall not be required to offer any new shares to members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.

New shares otherwise subject to provision of Articles

52. Except so far as otherwise provided by the conditions of issue or by this Constitution, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of the Act and this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

Power to consolidate, cancel and subdivide shares

53. (1) The Company may by Ordinary Resolution (or as otherwise permitted by the applicable laws and regulations):–

(i) consolidate and/or divide all or any of its share capital;

(ii) subdivide its shares or any of them (subject, nevertheless, to the provisions of the Act and this Constitution), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

(iii) cancel any shares which, at the date of the passing of the resolution, have been forfeited and diminish its share capital in accordance with the Act; and

(iv) subject to the provisions of this Constitution, the Act and the applicable laws and regulations, and subject to the provisions of this Constitution, convert any class of shares into any other class of shares.

(2) The Company may by special resolution or as otherwise permitted under the applicable laws and regulations, and subject to the provisions of this Constitution, convert any class of shares into any other class of shares.

Power to purchase or acquire its issued shares

(3) Subject to and in accordance with the provisions of the Act, the listing rules of the Exchange, and other written law, the Company may purchase or otherwise acquire ordinary shares, stocks, preference shares, options, debentures, debenture stocks, bonds, obligations, securities, and all other equity, derivative, debt and financial instruments issued by it on such terms as the Company may think fit and in the manner prescribed by the Act. Any shares so purchased by the Company shall, unless held by the Company as treasury shares in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold and/or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.

Power to reduce capital

54. The Company may by Special Resolution reduce its share capital or any other undistributable reserve in any manner and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon the cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution or the Act, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

STOCK

Power to convert into stock

55. The Company may by Ordinary Resolution convert any or all its paid up shares into stock and may from time to time by resolution reconvert any stock into paid up shares.

Transfer of stock

56. The holders of stock may transfer the same or any part thereof in the same manner and subject to this Constitution as and subject to which the shares from which the stock arose might previous to conversion have been transferred or as near thereto as circumstances admit but no stock shall be transferable except in such units as the Directors may from time to time determine.

Rights of stockholders

57. The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of stock units which would not if existing in shares have conferred that privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

Interpretation

58. All provisions of this Constitution applicable to paid up shares shall apply to stock and the words "share" and "shareholder" or similar expression herein shall include "stock" or "stockholder".

2. RIGHTS OF SHAREHOLDERS IN RESPECT OF VOTING

GENERAL MEETINGS

Annual General Meeting

59. (1) Subject to the provisions of the Act, the rules of the Exchange, any other applicable laws and regulations, and Regulation 146, the Company shall in each year hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next except in accordance with the Act. The Annual General Meeting shall be held in Singapore or such other jurisdiction as permitted and/or required by the Act, at such time and place as may be determined by the Directors.

Extraordinary General Meetings

(2) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.

Calling of Extraordinary General Meetings

60. *The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. Subject to the provisions of the Act, the rules of the Exchange, and any other applicable laws and regulations, Extraordinary General Meetings shall be held in Singapore or such other jurisdiction as permitted and/or required by the Act, at such time and place as may be determined by the Directors.*

NOTICE OF GENERAL MEETINGS

Notice of meetings

61. *(1) Subject to the provisions of the Act (including those regarding the calling of General Meetings at short notice) and the listing rules of the Exchange, any General Meeting at which it is proposed to pass a Special Resolution or a resolution of which special notice has been given to the Company, shall be called by twenty-one clear days' notice at least and any other General Meeting by fourteen clear days' notice at least (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given). Every notice calling a General Meeting shall specify the place and the day and the hour of the meeting and be given in a manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions of this Constitution and the Act entitled to receive such notices of General Meetings from the Company. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen days' notice of all General Meetings shall be given by advertisement in the daily press and in writing to the Exchange and to such other stock exchanges on which the Company is listed.*

(2) The accidental omission to give notice to, the non-receipt by any person entitled thereto or the calling of a General Meeting at short notice, shall not invalidate the proceedings or any resolution passed at any General Meeting.

Contents of notice

62. *(1) 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 to vote instead of him and that a proxy need not be a Member of the Company.*

Notice of Annual General Meeting

(2) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.

Nature of special business to be specified	*(3)*	*In the case of any General Meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.*
Special business	*63.*	*All business shall be deemed special that is transacted at any Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of sanctioning a dividend, receiving and adopting the financial statements and Directors' statement, the Auditor's report and other documents required by law to be attached to the financial statements, electing Directors in place of those retiring by rotation or otherwise and the fixing of the Directors' remuneration and the appointment, re-appointment and fixing of the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.*

PROCEEDINGS AT GENERAL MEETINGS

Quorum	*64.*	*No business shall be transacted at any General Meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two Members present in person or by proxy shall form a quorum. For the purpose of this Regulation, "Member" includes a person attending by proxy or by attorney or as representing a corporation or a limited liability partnership which is a Member but shall, as required by the Act, exclude the Company where it is a Member by reason of its holding of treasury shares. Provided that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum.*
Adjournment if quorum not present	*65.*	*If within half an hour from the time appointed for the holding of the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday, the next business day following that public holiday) at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within half an hour from the time appointed for holding the Meeting, the Meeting shall be dissolved.*
Resolutions in writing	*66.*	*Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a General Meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members.*

Chairman 67. *The Chairman of the Directors or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every General Meeting. If there is no such Chairman or Deputy Chairman or if at any Meeting he is not present within fifteen minutes after the time appointed for holding the Meeting or is unwilling to act, the Members present shall choose some other Director to be Chairman of the Meeting or, if no Director is present or if all the Directors present decline to take the Chair, one of themselves to be Chairman of the Meeting.*

Adjournment 68. *The Chairman of the Meeting 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 except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, at least three days' notice of the place and hour of such adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting.*

Method of voting 69. *(1) If required by the listing rules of any securities exchange upon which the shares of the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waved by such securities exchange).*

(2) Subject to Regulation 69(1), at any 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 or by proxy and entitled to vote, unless a poll is (before or on the declaration of the result of the show of hands) demanded:–

(i) by the Chairman of the meeting; or

(ii) by at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative and entitled to vote thereat; or

(iii) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than 5 per cent of the total voting rights of all the Members having the right to vote at the Meeting; or

(iv) by a Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than 5 per cent of the total sum paid up on all the shares conferring that right.

Provided always that no poll shall be demanded on the election of a Chairman of a Meeting (or any other Director as the Chairman may appoint to chair the Meeting from time to time) or on a question of adjournment. Unless a poll is so demanded (and the demand is not withdrawn) or is required pursuant to Regulation 69(1), a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll made pursuant to Regulation 69(2) may be withdrawn.

Taking a poll

70. If a poll is duly demanded (and the demand is not withdrawn) or is required pursuant to Regulation 69(1), it shall be taken in such manner (including the use of ballot, voting papers or tickets or electronic means) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was taken. The Chairman may, and if so requested or required by the listing rules of any securities exchange upon which the shares of the Company may be listed shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. The number of scrutineer(s), qualifications and duties shall be in accordance with the listing rules of such securities exchange. The appointed scrutineer(s) shall be independent of the persons undertaking the polling process. Where the appointed scrutineer is interested in the resolution(s) to be passed at the general meeting, it shall refrain from acting as the scrutineer for such resolution(s). The appointed scrutineer shall exercise the following duties:

(i) ensuring that satisfactory procedures of the voting process are in place before the General Meeting; and

(ii) before the General Meeting; and (ii) directing and supervising the count of the votes cast through proxy and in person.

Votes counted in error

71. If any votes are 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 is 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.

Chairman's casting vote

72. Subject to the Act and the requirements of the Exchange, in the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands or poll takes place shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member.

Time for taking a poll

73. A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need to be given of a poll not taken immediately.

Continuance of business after demand for a poll

74. The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded.

VOTES OF MEMBERS

Voting rights of Members

75. (1) Subject and without prejudice to any special privileges or restrictions 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 and to Regulation 9, each Member entitled to vote may vote in person or by proxy or attorney, and (in the case of a corporation) by a representative. On a show of hands every Member who is present in person or by proxy or attorney, or in the case of a corporation by a representative, shall have one vote provided that if a Member is not a relevant intermediary and is represented by two proxies, only one of the two proxies as determined by their appointor shall vote on a show of hands and in the absence of such determination, only one of the two proxies as determined by the Chairman (or by a person authorised by him) shall vote on a show of hands and if a Member is a relevant intermediary and is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands. On a poll, every Member who is present in person or by proxy, attorney or representative shall have one vote for each share which he holds or represents. Provided Always That notwithstanding anything contained in this Constitution, a Depositor shall not be entitled to attend any General Meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register as at 72 hours before that General Meeting (the "cut-off time") as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to hold or represent that number of shares entered in the Depositor's Securities Account at the cut-off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut-off time between two proxies, to apportion the said number of shares between the two proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut-off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant General Meeting, if the instrument is dealt with in such manner as aforesaid.

Voting in respect of shares of different monetary denominations		*(2) Where the capital of the Company consists of shares of different monetary denominations, voting rights may, at the discretion of the Board of Directors, 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 rights of joint holders	*76.*	*Where there are joint holders of any share any one of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation by a representative as if he were solely entitled thereto but if more than one of such joint holders is so present at any meeting then the person present whose name stands first in the Register of Members or the Depository Register (as the case may be) in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.*
Voting rights of mentally disordered Members	*77.*	*If a Member be mentally disordered and incapable of managing himself or his affairs, he may vote whether on a show of hands or on a poll by his committee, curator bonis or such other person as properly has the management of his estate and any such committee, curator bonis or other person may vote by proxy or attorney, provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than seventy-two hours before the time appointed for holding the Meeting.*
Right to vote	*78.*	*Subject to the provisions of this Constitution, every Member either personally or by attorney or in the case of a corporation by a representative and every proxy shall be entitled to be present and to vote at any General Meeting and to be reckoned in the quorum thereat in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.*
Objections	*79.*	*No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive.*
Votes on a poll	*80.*	*On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation by its representative 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.*
Appointment of proxies	*81.*	*(1) Save as otherwise provided in the Act, a Member who is not a relevant intermediary may appoint not more than two proxies to attend and vote at the same General Meeting and a Member who is a relevant intermediary may.*

(2) If the Member is a Depositor, the Company shall be entitled:–

(i) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered in its Securities Account as at the cut-off time as certified by the Depository to the Company; and

(ii) to accept as validly cast by the proxy or proxies appointed by the Depositor on a poll that number of votes which corresponds to or is less than the aggregate number of shares entered in its Securities Account of that Depositor as at the cut-off time as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

(3) Where a Member who is not a relevant intermediary appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the form of proxy. If no such proportion or number is specified the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.

(4) Where a Member who is a relevant intermediary appoints more than two proxies, each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(5) Voting right(s) attached to any shares in respect of which a Member has not appointed a proxy may only be exercised at the relevant General Meeting by the Member personally or by his attorney, or in the case of a corporation by its representative.

(6) Where a Member appoints a proxy in respect of more shares than the shares standing to his name in the Register of Members, or in the case of a Depositor, standing to the credit of that Depositor's Securities Account, such proxy may not exercise any of the votes or rights of the shares not registered to the name of that Member in the Register of Members or standing to the credit of that Depositor's Securities Account as at the cut-off time, as the case may be.

(7) A Member who has deposited an instrument appointing any number of proxies to vote on his behalf at a General Meeting shall not be precluded from attending and voting in person at that General Meeting. Any such appointment of all the proxies concerned shall be deemed to be revoked upon the attendance of the Member appointing the proxy/proxies at the relevant General Meeting.

Proxy need not be a Member

82. A proxy or attorney need not be a Member, and shall be entitled to vote on a show of hands on any question at any General Meeting.

Instrument appointing a proxy

83. Any instrument appointing a proxy shall be in writing in the common form approved by the Directors:

(i) if the appointer is an individual Member:

(a) under the hand of the appointor or his attorney duly authorised in writing if the instrument of proxy is delivered personally or sent by post; or

(b) subject always to Regulation 152, authorised by that Member through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

(ii) if the appointor is a corporation:

(a) under seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing) or under the hand of its attorney duly authorised if the instrument of proxy is delivered personally or sent by post; or

(b) subject always to Regulation 152, authorised by that Member through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of Regulations 83(i)(b) and 83(ii)(b), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

83A. The Directors may, in their absolute discretion:

(i) approve the method and manner for an instrument appointing a proxy to be authorised; and

(ii) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in Regulations 83(i)(b) and 83(ii)(b) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 83(i)(a) and/or (as the case may be) Regulation 83(ii)(a) shall apply.

The Company shall accept as valid in all respects the form of proxy approved by the Directors for use at the date relevant to the General Meeting in question.

To be left at Company's office

84. *The instrument appointing a proxy, together with the power of attorney or other authority, if any, under which the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy and, if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting or, subject always to Regulation 152, if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting, and in either case, not less than 72 hours before the time appointed for the holding of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which it is to be used failing which the instrument may be treated as invalid. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates. An instrument of proxy shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor to move any resolution or amendment thereto and to speak at the Meeting. Unless otherwise instructed, a proxy shall vote as he thinks fit. The signature on, or authorisation of, an instrument appointing a proxy need not be witnessed. Where an instrument appointing a proxy is signed or authorized on behalf of a Member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to this Regulation, failing which the instrument of proxy may be treated as invalid.*

The Directors may, in their absolute discretion:–

(i) approve the method and manner for an instrument appointing a proxy to be authorised; and

(ii) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in Regulations 83(i)(b) and 83(ii)(b) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 83(i)(a) and/or (as the case may be) Regulation 83(ii)(a) shall apply.

Intervening death or insanity of principal not to revoke proxy

85. *A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used.*

Corporations acting by representatives

86. *Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purpose of this Constitution and subject to the Act, be deemed to be present in person at any such Meeting if a person so authorised is present thereat. The Company shall be entitled to treat a certificate under the seal of the corporation or executed as a deed in accordance with applicable laws and regulations as conclusive evidence of the appointment or revocation of appointment of a representative under this Regulation.*

3. RIGHTS OF SHAREHOLDERS IN RESPECT OF DIVIDENDS

DIVIDENDS AND RESERVES

Payment of dividends

128. *The Directors may, with the sanction of the Company, by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company. No dividend shall exceed the amount recommended by the Directors and a declaration by the Directors as to the amount of profits at any time available for dividends shall be conclusive.*

Apportionment of dividends

129. *Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act, all dividends in respect of shares shall be declared and paid in proportion to the number of shares held by a Member but where shares are partly paid, all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid up shares. For the purposes of this Regulation only, no amount paid or credited as paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly.*

Interim dividend *130.* *(1) The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies.*

(2) Notwithstanding Regulation 129, if, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit.

Dividends not to bear interest *131.* *No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.*

Deduction from dividend *132.* *The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or expenses in connection therewith, or any other account which the Company is required by law to withhold or deduct.*

Retention of dividends on shares subject to lien *133.* *The Directors may retain any dividend or other moneys payable on or in respect of a share 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.*

Retention of dividends on shares pending transmission *134.* *The Directors may retain the dividends payable on shares in respect of which any person is under this Constitution, as to the transmission of shares, entitled to become a Member, or which any person under this Constitution is entitled to transfer, until such person shall become a Member in respect of such shares or shall duly transfer the same.*

Unclaimed dividends *135.* *Subject to the applicable laws and regulations:–*

(a) All dividends (other than dividends paid to the Depository for distribution to Depositors) and other moneys payable on or in respect of a share that are unclaimed after first being payable may be invested or otherwise made use of by the Directors solely for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable shall be forfeited and if so shall revert to the Company.

(b) If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years have elapsed from the date of declaration of such dividend or the date on which such other moneys are first payable.

(c) Notwithstanding the other provisions in this Regulation 135, the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture.

Payment of dividend in specie

136. The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of wholly or partly paid up shares or debentures of the Company or 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 such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members 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 as may seem expedient to the Directors.

Dividends payable by cheque or warrant

137. Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the Member or person entitled thereto or, if several persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons or to such person and such address as such persons may by writing direct Provided that where the Member is a Depositor, the payment by the Company to the Depository of any dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment. Every such cheque and warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque and warrant shall be sent at the risk of the person entitled to the money represented thereby.

Effect of transfer

138. A transfer of shares shall not pass the right to any dividend declared on such shares before the registration of the transfer or the entry of the transfer in the Depository Register, as the case may be.

Scrip Dividend Scheme

138A. (1) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on shares of a particular class in the capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of shares of that class credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:

(a) the basis of any such allotment shall be determined by the Directors;

(b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of shares of the relevant class credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation 138A;

(c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded, Provided always that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and

Ranking of shares

(d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on the shares of the relevant class in respect whereof the share election has been duly exercised (the "elected shares") and, in lieu and in satisfaction thereof, shares of the relevant class shall be allotted and credited as fully paid to the holders of the elected shares on the basis of allotment determined as aforesaid. For such purpose and notwithstanding the provisions of Regulation 140, the Directors shall (i) capitalise and apply out of the amount standing to the credit of any of the Company's reserve accounts or any amount standing to the credit of the profit and loss account or otherwise available for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of shares for allotment and distribution to and among the holders of the elected shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected shares towards payment of the appropriate number of shares of the relevant class for allotment and distribution to and among the holders of the elected shares on such basis.

Record date

(2) *The share of the relevant class allotted pursuant to the provisions of Regulation 138A(1) shall rank pari passu in all respects with the shares of that class then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*

(3) *The Directors may, on any occasion when they resolve as provided in Regulation 138A(1), determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of shares in the Register or (as the case may be) in the Depository Register, or in respect of shares, the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of Regulation 138A shall be read and construed subject to such determination.*

Eligibility

(4) *The Directors may, on any occasion when they resolve as provided in Regulation 138A(1), further determine that:*

(a) *no allotment of shares or rights of election for shares under Regulation 138A shall be made available or made to Members whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlement of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared; and*

(b) *no allotment of shares or rights of election for shares under Regulation 138A(1) shall be made available or made to a person, or any persons, if such allotment or rights of election would in the opinion of the Directors cause such person, or such persons, to hold or control voting shares in excess of any shareholding or other limits which may from time to time be prescribed in any laws and regulations, without the approval of the applicable regulatory or other authority as may be necessary.*

Disapplication

(5) *Notwithstanding the foregoing provisions of this Regulation, if at any time after the Directors' resolution to apply the provisions of Regulation 138A(1) in relation to any dividend but prior to the allotment of shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their discretion and as they deem fit in the interest of the Company and without assigning any reason therefor, cancel the proposed application of Regulation 138A(1).*

Fractional entitlements

(6) *The Directors may do all acts and things considered necessary or expedient to give effect to the provisions of Regulation 138A(1), with full power to make such provisions as they think fit in the case of shares of the relevant class becoming distributable in fractions (including, notwithstanding any provision to the contrary in this Constitution, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).*

RESERVES

Power to carry profit to reserve

139. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund, any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits which they may think it not prudent to divide.*

BONUS ISSUE AND CAPITALISATION OF PROFITS AND RESERVES

Power to capitalise profits and reserves

140. (1) *The Directors may, with the sanction of the Company by way of an Ordinary Resolution, including any Ordinary Resolution passed pursuant to Regulation 7:–*

(a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:*

(i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*

(ii) *(in the case of an Ordinary Resolution passed pursuant to Regulation 7) such other date as may be determined by the Directors,*

in proportion to their then holding of shares; and *(b) capitalise any sum for the time being standing to the credit of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:*

(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided;) or

(ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 7) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

(2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under Regulation 140(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter, on behalf of all the Members interested, into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(3) In addition and without prejudice to the powers provided for by Regulations 140(1) and 140(2), the Directors shall have the power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

APPENDIX 4: AUDITED FY2020 RESULTS

The information set out in this **Appendix 4** is a reproduction of selected financial information extracted from the annual report of the Company for FY2020, and was not specifically prepared for inclusion in this Circular.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

We are pleased to submit this statement to the members together with the audited consolidated financial statements of Roxy-Pacific Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2020 and statement of financial position of the Company as at 31 December 2020.

In our opinion:

(a) the financial statements are drawn up so as to give a true and fair view of the financial positions of the Company and of the Group as at 31 December 2020 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors in office at the date of this report are:

Teo Hong Lim	(Executive Chairman and Chief Executive Officer)
Chris Teo Hong Yeow	(Executive Director and Deputy Chief Executive Officer)
Koh Seng Geok	(Executive Director and Deputy Chief Executive Officer)
Tong Din Eu	(Lead Independent Director)
Winston Tan Tien Hin	(Independent Director)
Cecilia Tan Hong Lye	(Independent Director)
Yeo Wee Kiong	(Independent Director) (appointed on 1 October 2020)

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement of which the object was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other body corporate other than as disclosed in this statement.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the following directors who held office at the end of the financial year were interested in shares of the Company and its related corporations as follows:

	Holdings registered in the name of director or nominee			Holdings in which director is deemed to have an interest		
	As at 1.1.2020	As at 31.12.2020	As at 21.1.2021	As at 1.1.2020	As at 31.12.2020	As at 21.1.2021
The Company						
Roxy-Pacific Holdings Limited			Number of ordinary shares			
Teo Hong Lim	154,499,097	154,499,097	**154,499,097**	665,636,820	668,054,070	**668,054,070**
Chris Teo Hong Yeow	31,627,062	31,627,062	**31,627,062**	12,375	12,375	**12,375**
Koh Seng Geok	7,026,800	6,948,000	**6,948,000**	–	–	**–**
Tong Din Eu	33,000	33,000	**33,000**	–	–	**–**
Winston Tan Tien Hin	35,000	250,000	**250,000**	9,822,562	11,589,362	**11,614,362**
The Holding Company						
Kian Lam Investment Pte Ltd			Number of ordinary shares			
Teo Hong Lim	6,892	6,892	**6,892**	–	–	**–**
Chris Teo Hong Yeow	3,101	3,101	**3,101**	–	–	**–**
Related company						
Sen Lee Development Private Limited			Number of ordinary shares			
Teo Hong Lim	3,390	3,390	**3,390**	182,000	182,000	**182,000**
Chris Teo Hong Yeow	3,390	3,390	**3,390**	–	–	**–**

Mr Teo Hong Lim, by virtue of the provisions of Section 7 of the Act, is deemed to have an interest in the other subsidiaries of the Company of which all but seven are wholly-owned.

Mr Winston Tan Tien Hin is deemed to have interest in the shares of the Company held by Winmark Investments Pte Ltd, a company wholly-owned by Mr Winston Tan Tien Hin and his wife.

The changes to the above shareholdings as of 21 January 2021 are disclosed above.

Share options

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

No shares were issued during the financial year to which this report relates by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

Audit Risk Management Committee

The Audit Risk Management Committee comprises the following members:

Tong Din Eu (Chairman)
Winston Tan Tien Hin
Cecilia Tan Hong Lye
Yeo Wee Kiong (appointed on 1 October 2020)

The Audit Risk Management Committee performs the functions set out in Section 201B (5) of the Act, the SGX Listing Manual and the Code of Corporate Governance including the following:

– reviewed the audit plans of the internal auditor and external auditor, assistance given by the Company's officers to the internal auditor and external auditor and results of the internal and external auditor's audit procedures;

– reviewed the internal and external auditor's evaluation of the Company's system of internal accounting controls;

– reviewed the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, information technology controls and risk management systems via reviews carried out by the internal auditor;

– met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the Audit Risk Management Committee;

– reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

– reviewed the cost effectiveness and the independence and objectivity of the external auditor;

– reviewed the nature and extent of non-audit services provided by the external auditor;

– reviewed half yearly financial information and annual financial statements of the Group and the Company before submission to the directors of the Company for approval; and

– reviewed interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange).

The Audit Risk Management Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or key management personnel to attend its meetings. The Audit Risk Management Committee also recommends the appointment of the external auditor and reviews the level of audit and non-audit fees.

The Audit Risk Management Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

Full details regarding the Audit Risk Management Committee are provided in the Statement of Corporate Governance.

In appointing our auditors of the Company, subsidiaries and significant associated companies, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

....
TEO HONG LIM

....
KOH SENG GEOK

Dated: 24 March 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Roxy-Pacific Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Revenue recognition of development properties (Refer to Note 3 to the financial statements)</u>

Risk:

Revenue from sale of development properties approximate $165.8 million for the financial year ended 31 December 2020.

Revenue recognition of development properties requires management's use of estimates in identification of performance obligations, assessment of the number of performance obligations and whether they are satisfied over time or at a point in time, and determination of an appropriate method to measure progress of the property development project for revenue recognition.

Revenue on development properties that have been sold in Singapore is recognised using the percentage of completion ("POC") method. The stage of completion is certified by independent architects or quantity surveyors and measured by reference to the value of the main contractor costs incurred to date to the estimated total main contractor costs to complete the property development. Significant judgements are required to determine the total construction costs which include estimation for variation works and any other claims from contractors. Any changes to the estimated total development costs will have an impact on the POC method.

Our response:

We read the sales and purchase agreements for sale of properties and engaged management to obtain an understanding of the performance obligations of the Group as the developer, and its contractual rights. We discussed with management to assess whether the criteria for recognising revenue over time or at a point in time are met, taking into consideration the contractual terms.

Procedures performed in our audit included reviewing the terms of sales and purchase agreement of development properties, assessing appropriateness of methods of revenue recognition for the types of development properties sold, reviewing the estimates involved in the methods applied for revenue recognition, testing the revenue billings and accrued costs and reviewing any cancellation of sales after the year end.

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Key Audit Matters (Continued)

Revenue recognition of development properties (Refer to Note 3 to the financial statements) (Continued)

We also reviewed management's estimated total construction costs for each of the significant development projects, and assessed the reasonableness of the assumptions and estimates applied by management which included key elements such as construction costs and variation works. We ascertained that any effects of significant or unusual events that occurred during the year leading to cost increase had been factored into the estimated total construction costs. We used the value of the main contractor costs incurred to date as certified by third party architects or quantity surveyors, compared to the estimated total main contractor costs and performed arithmetic computations of the POC method and revenue to be recognised for the year.

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions in the estimates.

Impairment of property, plant and equipment (Refer to Note 4 to the financial statements)

Risk:

Property, plant and equipment represents 16.3% of the total assets of the Group, with a carrying value of $263.9 million as at 31 December 2020.

We have identified the impairment assessment of property, plant and equipment as a key audit matter due to the significance of the carrying amount of the assets and the use of management judgment and a range of estimates in determining the recoverable amount of the property, plant and equipment. In addition, there was an increase in the level of estimation uncertainty in determining the recoverable amount of the property, plant and equipment arising from the changes in market and economic conditions brought on by the Coronavirus Disease ("COVID-19") pandemic.

In view of the significant losses incurred by certain subsidiaries, the Group has assessed that there are triggers of impairment for these identified subsidiaries. Each subsidiary has been identified as a specific cash generating unit ("CGU") given that it has the ability to operate independently and generate its own cash inflows from business activities. Accordingly, these are tested for impairment. Management has engaged independent external valuers to assist the Group in determining the recoverable amount of the property, plant and equipment to which the CGU has been identified.

The determination of the recoverable amount of the identified property, plant and equipment, based on the higher of fair value less cost to sell and value in use, involves significant judgement and estimation in determining the appropriate valuation methodology to be used, and in evaluating the reasonableness of the underlying assumptions to be applied. These key assumptions used include price per room of market comparables, capitalisation and discount rates, terminal yield, occupancy rate and average daily rate.

The valuation reports obtained from the external valuers also highlighted that given the unprecedented set of circumstances due to COVID-19 pandemic on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the industry, the external valuers have also recommended to keep the valuation of these property, plant and equipment under frequent review.

Our response:

We assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We read the terms of engagement of the external valuers to consider the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

We also engaged the auditor's expert and evaluated that the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the appropriateness of the valuation methodologies used by the external valuers in the determination of recoverable amount of the identified property, plant and equipment for each specific CGU. We discussed with management and the external valuers on the results of the valuation and obtained an understanding on how they have considered the implications of COVID-19 and market uncertainty in the valuations. We also compared the key assumptions used in their valuations by reference to internal historical data and available benchmarks and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosure in the financial statements, describing the methodologies used, degree of subjectivity and key assumptions used in the estimates.

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Key Audit Matters (Continued)

Valuation of investment properties (Refer to Note 6 to the financial statements)

Risk:

Investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement and estimation in determining the appropriate valuation methodology to be used, and in evaluating the underlying assumptions to be applied. These key assumptions used include floor level, size, location, capitalisation and discount rates, terminal yield, expected rental growth, renewal probability and capital expenditure.

The valuation reports obtained from the external valuers also highlighted that given the unprecedented set of circumstances due to COVID-19 pandemic on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 pandemic might have on the industry, the external valuers have also recommended to keep the valuation of these properties under frequent review.

Our response:

We assessed the Group's processes for the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We read the terms of engagement of the external valuers to consider the objectivity and independence of the external valuers, and also considered the qualification and competency of the external valuers engaged.

We also engaged the auditor's expert and evaluated that the auditor's expert has the necessary competence, capabilities and objectivity for our purposes. Through our appointed auditor's expert, we considered the appropriateness of the valuation techniques used by the external valuers for the respective investment properties, taking into account the profile and type of these properties. We discussed with management and the external valuers on the results of the valuation and obtained an understanding on how they have considered the implications of COVID-19 and market uncertainty in the valuations. We also compared the key assumptions used in their valuations by reference to internal historical data and available benchmarks and considered whether these assumptions are consistent with the current market environment.

We also considered the adequacy of the disclosure in the financial statements, regarding the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between key unobservable inputs and fair values.

Net realisable value of development properties for sale (Refer to Note 12 to the financial statements)

Risk:

Development properties for sale represent the largest category of assets on the balance sheet, with a carrying value of $440.3 million as at 31 December 2020.

Development properties for sale are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price, less estimated costs of completion and selling expenses.

The determination of the estimated net realisable values of these development properties for sale is dependent upon the Group's expectations of estimated selling prices which are affected by macro and micro factors, amongst other things, demand and supply, interest rates, government policies and economic conditions. There is an inherent risk that the estimate of net realisable values exceed future selling prices, resulting in a loss when these properties are sold.

Our response:

We reviewed reasonableness of the inputs used by management in assessing the estimated selling prices of unsold properties under development. The inputs used included recently transacted selling prices of these properties and prices of comparable properties located in the vicinity of these development projects, and management's expectations based on the market and project-specific factors.

We also evaluated the Group's estimated total development costs, taking into consideration costs incurred to date, estimated costs to completion, construction progress and any deviation in project cost components which could lead to cost overruns.

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

To the members of Roxy-Pacific Holdings Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chan Ser.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 24 March 2021

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2020

	Note	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000	The Company 31 December 2020 $'000	The Company 31 December 2019 $'000
ASSETS					
Non-Current					
Property, plant and equipment	4	**263,859**	261,970	**588**	688
Intangible assets	5	**119**	221	**38**	164
Investment properties	6	**132,236**	126,609	**–**	–
Investments in subsidiaries	7	**–**	–	**137,885**	175,454
Investments in associates and joint ventures	9	**256,273**	196,471	**–**	–
Right-of-use assets	10	**28,132**	28,008	**–**	–
		680,619	613,279	**138,511**	176,306
Current					
Financial assets at fair value through profit or loss	11	**12,950**	10,109	**–**	10,109
Development properties for sale	12	**440,333**	552,657	**–**	–
Inventories	13	**1,105**	1,455	**–**	–
Trade receivables	14	**13,283**	6,346	**78**	33
Contract assets	15	**30,936**	25,155	**–**	–
Contract costs	15.1	**17,789**	10,371	**–**	–
Other receivables	16	**23,688**	12,586	**476,537**	428,056
Amounts owing by associates	17	**–**	34,417	**–**	–
Cash and bank balances	18	**395,553**	330,959	**271,774**	134,710
		935,637	984,055	**748,389**	572,908
Total assets		**1,616,256**	1,597,334	**886,900**	749,214
EQUITY					
Capital and Reserves					
Share capital	19	**47,399**	47,399	**47,399**	47,399
Treasury shares	20	**(3,954)**	(3,954)	**(3,954)**	(3,954)
Other reserves	21	**(7,329)**	(22,469)	**–**	–
Retained earnings		**445,974**	489,676	**210,531**	272,521
Equity attributable to owners of the Company		**482,090**	510,652	**253,976**	315,966
Non-controlling interests	7	**(4,620)**	(119)	**–**	–
Total equity		**477,470**	510,533	**253,976**	315,966
LIABILITIES					
Non-Current					
Borrowings	22	**341,673**	189,118	**–**	–
Lease liabilities	23	**28,584**	27,985	**–**	–
Deferred tax liabilities	24	**10,225**	9,943	**618**	851
		380,482	227,046	**618**	851
Current					
Trade and other payables	25	**96,342**	89,901	**528,778**	359,334
Lease liabilities	23	**228**	240	**–**	–
Contract liabilities	26	**27,625**	25,563	**–**	–
Current tax liabilities		**3,488**	18,103	**629**	706
Borrowings	22	**630,621**	725,948	**102,899**	72,357
		758,304	859,755	**632,306**	432,397
Total liabilities		**1,138,786**	1,086,801	**632,924**	433,248
Total equity and liabilities		**1,616,256**	1,597,334	**886,900**	749,214

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Revenue	3	**198,431**	444,030
Cost of sales		**(165,137)**	(337,840)
Gross profit		**33,294**	106,190
Other income			
– Interest income	28	**2,216**	2,757
– Others	28	**14,210**	4,428
Distribution and selling expenses		**(5,520)**	(8,881)
Administrative expenses		**(8,119)**	(13,980)
Other operating expenses		**(37,364)**	(29,237)
Finance costs	29	**(23,376)**	(25,190)
Share of results of associates and joint ventures	9	**(6,841)**	8,478
(Loss)/Profit before taxation	30	**(31,500)**	44,565
Tax expense	31	**(1,107)**	(15,426)
(Loss)/Profit for the year		**(32,607)**	29,139
Attributable to:			
– Owners of the Company		**(29,489)**	30,319
– Non-controlling interests		**(3,118)**	(1,180)
		(32,607)	29,139
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cash flow hedge		**(8,314)**	(9)
Net change in fair value of cash flow hedge reclassified to profit or loss		**1,562**	(7)
Currency translation differences arising from consolidation		**20,618**	(4,466)
Other comprehensive income/(loss), net of tax		**13,866**	(4,482)
Total comprehensive (loss)/income for the year		**(18,741)**	24,657
Attributable to:			
– Owners of the Company		**(14,349)**	25,875
– Non-controlling interests		**(4,392)**	(1,218)
		(18,741)	24,657
(Loss)/Earnings per share – Basic/Diluted (cents)	32	**(2.26)**	2.33

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

	Attributable to owners of the Company								
	Share capital $'000	Treasury shares $'000	Hedging reserve $'000	Revaluation reserve $'000	Translation reserve $'000	Retained earnings $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2019	47,399	(3,954)	–	533	(18,558)	470,881	496,301	4,533	500,834
Total comprehensive income for the year									
Profit for the year	–	–	–	–	–	30,319	30,319	(1,180)	29,139
Other comprehensive loss									
Effective portion of changes in fair value of cash flow hedge	–	–	(5)	–	–	–	(5)	(4)	(9)
Net change in fair value of cash flow hedge reclassified to profit or loss	–	–	(5)	–	–	–	(5)	(2)	(7)
Foreign currency translation differences	–	–	–	–	(4,434)	–	(4,434)	(32)	(4,466)
Total other comprehensive loss	–	–	(10)	–	(4,434)	–	(4,444)	(38)	(4,482)
Total comprehensive income for the year	–	–	(10)	–	(4,434)	30,319	25,875	(1,218)	24,657
Transactions with owners, directly recognised in equity									
Contributions by and distributions to owners									
Acquisition of additional equity interest in a subsidiary	–	–	–	–	–	212	212	(1,150)	(938)
Dividend to shareholders (Note 38)	–	–	–	–	–	(11,736)	(11,736)	(2,284)	(14,020)
Total transactions with owners	–	–	–	–	–	(11,524)	(11,524)	(3,434)	(14,958)
At 31 December 2019	47,399	(3,954)	(10)	533	(22,992)	489,676	510,652	(119)	510,533
At 1 January 2020	**47,399**	**(3,954)**	**(10)**	**533**	**(22,992)**	**489,676**	**510,652**	**(119)**	**510,533**
Total comprehensive income for the year									
Loss for the year	–	–	–	–	–	**(29,489)**	**(29,489)**	**(3,118)**	**(32,607)**
Other comprehensive income									
Effective portion of changes in fair value of cash flow hedge	–	–	**(6,664)**	–	–	–	**(6,664)**	**(1,650)**	**(8,314)**
Net change in fair value of cash flow hedge reclassified to profit or loss	–	–	**1,091**	–	–	–	**1,091**	**471**	**1,562**
Foreign currency translation differences	–	–	–	–	**20,713**	–	**20,713**	**(95)**	**20,618**
Total other comprehensive income	–	–	**(5,573)**	–	**20,713**	–	**15,140**	**(1,274)**	**13,866**
Total comprehensive loss for the year	–	–	**(5,573)**	–	**20,713**	**(29,489)**	**(14,349)**	**(4,392)**	**(18,741)**
Transactions with owners, directly recognised in equity									
Contributions by and distributions to owners									
Return of capital in a liquidated subsidiary	–	–	–	–	–	–	–	**(100)**	**(100)**
Dividend to shareholders (Note 38)	–	–	–	–	–	**(14,213)**	**(14,213)**	**(9)**	**(14,222)**
Total transactions with owners	–	–	–	–	–	**(14,213)**	**(14,213)**	**(109)**	**(14,322)**
At 31 December 2020	**47,399**	**(3,954)**	**(5,583)**	**533**	**(2,279)**	**445,974**	**482,090**	**(4,620)**	**477,470**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Cash Flows from Operating Activities			
(Loss)/Profit before taxation		**(31,500)**	44,565
Adjustments for:			
Depreciation of property, plant and equipment	4	**8,666**	8,478
Depreciation of right-of-use assets	10	**713**	700
Amortisation of intangible assets	5	**194**	188
Impairment of trade receivables, net	14	**133**	275
Impairment of property, plant and equipment	4	**7,009**	3,338
Property, plant and equipment written off	4	**5,015**	–
Impairment of net investment loan to associate	9	**1,428**	–
Dividend income from investments in equity securities	28	**(21)**	(110)
Fair value gain on investment properties	6	**(2,055)**	(737)
Fair value gain on financial assets at fair value through profit or loss	11	**(859)**	(224)
Share of results of associates	9	**7,378**	(8,478)
Share of results of joint ventures	9	**(537)**	–
Interest income	28	**(2,216)**	(2,757)
Interest expense on bank loans	29	**20,094**	23,157
Interest expense on lease liabilities	29	**1,659**	1,675
Net change in fair value of cash flow hedge reclassified to profit or loss	29	**1,562**	(7)
Foreign exchange gain (unrealised)		**(1,218)**	(339)
Operating profit before working capital changes		**15,445**	69,724
Changes in properties for sale under development		**48,149**	255,560
Changes in developed properties for sale		**65,249**	(58,237)
Changes in contract assets		**(5,781)**	(4,745)
Changes in contract liabilities		**2,061**	(5,370)
Changes in contract costs		**(7,418)**	(4,287)
Changes in inventories		**350**	(369)
Changes in operating receivables		**(24,243)**	25,571
Changes in operating payables		**(9,290)**	(10,264)
Cash generated from operations		**84,522**	267,583
Income tax paid		**(15,701)**	(15,887)
Net cash generated from operating activities		**68,821**	251,696
Cash Flows from Investing Activities			
Dividend received from associates	9	**12,976**	3,515
Dividend received from investments in equity securities	28	**21**	110
Investments in associates	9	**(782)**	(14,554)
Investments in joint ventures	9	**(37,967)**	–
Acquisition of intangible assets	5	**(92)**	(16)
Advances from/(Loans to) associates		**15,498**	(13,359)
Purchase of equity investment	11	**(12,552)**	(10,021)
Proceeds from disposal of equity investment	11	**10,176**	1,992
Proceeds from liquidation of associates	9	**–**	480
Acquisition of additional equity interest in a subsidiary	7	**–**	(938)
Acquisition of investment properties	6	**(267)**	(99)
Acquisition of property, plant and equipment	4	**(18,889)**	(5,942)
Interest received		**2,524**	3,233
Net cash used in investing activities		**(29,354)**	(35,599)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Cash Flows from Financing Activities			
Proceeds from bank loans (Note A)		**109,927**	98,214
Repayment of bank loans (Note A)		**(54,084)**	(223,852)
Increase in fixed deposits pledged to financial institutions		**(77,363)**	(10,000)
Return of capital to non-controlling shareholder for a liquidated subsidiary		**(100)**	–
Dividend paid to non-controlling shareholders		**(9)**	(2,284)
Dividends paid	38	**(14,213)**	(11,736)
Repayment of lease liabilities (Note A)		**(257)**	(483)
Interest paid (Note A)		**(23,193)**	(35,154)
Net cash used in financing activities		**(59,292)**	(185,295)
Net (decrease)/increase in cash and cash equivalents		**(19,825)**	30,802
Cash and cash equivalents at beginning of year	18	**249,674**	220,332
Effect of exchange fluctuations on cash held		**7,056**	(1,460)
Cash and cash equivalents at end of year	18	**236,905**	249,674

Note A: Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

	As at 1 January 2020 $'000	Non-cash flows – Foreign exchange movement $'000	Non-cash flows – Accrual $'000	Cash flows – Proceeds from loans $'000	Cash flows – Repayment $'000	As at 31 December 2020 $'000
Borrowings (Note 22)						
Bank loans	914,633	1,418	–	109,927	(54,084)	971,894
Accrued interest	433	–	5,057	–	(5,090)	400
Total	915,066	1,418	5,057	109,927	(59,174)	972,294
Accrued interest (Note 25)						
Bank loans	1,841	–	16,346	–	(16,444)	1,743
Total	1,841	–	16,346	–	(16,444)	1,743

	As at 1 January 2020 $'000	Effect of adjustment in incremental borrowing rate $'000	Non-cash flows – Foreign exchange movement $'000	Non-cash flows – Interest expense $'000	Cash flows – Repayment of lease principal $'000	Cash flows – Interest paid $'000	As at 31 December 2020 $'000
Lease Liabilities (Note 23)	28,225	509	335	1,659	(257)	(1,659)	28,812

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	As at 1 January 2019 $'000	Non-cash flows – Foreign exchange movement $'000	Non-cash flows – Accrual $'000	Cash flows – Proceeds from loans $'000	Cash flows – Repayment $'000	As at 31 December 2019 $'000
Borrowings (Note 22)						
Bank loans	1,042,456	(2,185)	–	98,214	(223,852)	914,633
Accrued interest	407	–	5,173	–	(5,147)	433
Total	1,042,863	(2,185)	5,173	98,214	(228,999)	915,066
Accrued interest (Note 25)						
Bank loans	3,860	–	26,313	–	(28,332)	1,841
Total	3,860	–	26,313	–	(28,332)	1,841

	As at 1 January 2019 $'000	Adoption of SFRS(I) 16 $'000	Non-cash flows – Foreign exchange movement $'000	Non-cash flows – Interest expense $'000	Cash flows – Repayment of lease principal $'000	Cash flows – Interest paid	As at 31 December 2019 $'000
Lease Liabilities (Note 23)	–	29,051	(343)	1,675	(483)	(1,675)	28,225

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1 General information

The financial statements of the Group and of the Company for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company was incorporated as a limited liability company and domiciled in Singapore. The registered office and place of business is located at 50 East Coast Road #B1-18, Roxy Square, Singapore 428769.

The Company was listed on the Singapore Exchange Securities Trading Limited on 12 March 2008.

The principal activities of the Company are those relating to investment holding. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

The immediate and ultimate holding Company is Kian Lam Investment Pte Ltd which is incorporated and domiciled in Singapore.

2(a) Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(I)") including related interpretations promulgated by the Accounting Standards Council ("ASC").

The consolidated financial statements have been prepared on the historical cost basis except as otherwise described in the notes below. These financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information has been presented in Singapore dollars and rounded to the nearest thousand ($'000), unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving significant judgement are described below.

Impact of COVID-19

The ongoing and evolving COVID-19 pandemic has a significant impact on the global economy and the economies of the countries in which the Group operates in. There is significant uncertainty as to the duration of the pandemic and its impact on these economies. In regard to the Group, the impact and consideration of COVID-19 have been in the following areas:

- Valuation of investment properties
- Impairment of property, plant and equipment

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(a) Basis of preparation (Continued)

Significant judgements in applying accounting policies

(a) Carrying amount of development properties for sale (Note 12)

The Group pre-sells properties under development. When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. Net realisable value in respect of development properties for sale is assessed with reference to pre-sale proceeds received less estimated costs to complete construction. Significant judgement is required in determining total costs of properties, including construction costs and variation works. The Group estimates total construction costs based on contracts awarded, past experience and specialists. Net realisable value of completed properties for sale is determined based on management's estimates of the selling price which takes into account projected timing of sales and prevailing customer demand and market conditions, less applicable variable selling expenses. Revisions to estimates are made when there is a change in market conditions.

The Group's carrying amount of development properties for sale at the reporting date amounted to $440,333,000 (2019 – $552,657,000).

(b) Impairment of financial assets and contract assets (Notes 14, 15, 16 and 17)

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision rates are based on days past due for groupings of customer with similar credit risk pattern. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is an estimate. The amount of ECLs is sensitive to changes in circumstances and forecast of economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables, contract assets and amounts owing by associates is disclosed in Note 35. ECLs on trade receivables and other receivables are disclosed in Notes 14 and 16, respectively. A reasonably possible change in key assumptions also indicates that the impact is insignificant.

The Group applies the 3-stage general approach to determine ECL for other receivables and amounts owing by associates. ECL is measured as an allowance equal to 12-month ECL for Stage-1 assets or lifetime ECL for Stage-2 or Stage-3 assets. An asset moves from Stage-1 to Stage-2 when its credit risk increases significantly and subsequently to Stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group considers qualitative and quantitative reasonable and supportable forward looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The Group's and the Company's carrying amount of financial assets (excluding cash and bank balances) and contract assets at the reporting date amounted to $64,094,000 (2019: $74,439,000) and $476,478,000 (2019: $428,024,000) respectively.

(c) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

(d) Income taxes (Note 31)

Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(a) Basis of preparation (Continued)

Significant judgements in applying accounting policies (Continued)

(e) Deferred taxation on investment properties (Note 24)

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time; instead the investment properties are recovered through sale. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption of the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of investment properties held in the Republic of Singapore as gain on disposal of investment properties is not subject to tax.

(f) Consolidation (Note 7)

Entities are included within the financial statements of the Group where the Group has control over the entities. Control arises from exposure, or rights, to variable returns from involvement with an entity, where the Group has the ability to affect those returns through its power over the entity. Judgement is applied by management in assessing whether control exists. Judgement is applied in determining the relevant activities of each entity and determining whether the Group has power over these activities. This involves assessment of the purpose and design of the entity, identification of the activities which significantly affect that entity's returns and how decisions are made about those activities. In assessing how decisions are made, management considers voting and veto rights, contractual arrangements with the entity or other parties, and any rights or ability to appoint, remove or direct key management personnel or entities that have the ability to direct the relevant activities of the entity. Consideration is also given to the practical ability of other parties to exercise their rights.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. Although the Group owns less than half of the equity interest in Roxy Chalong Resort Co. Ltd, the Group controls this entity through its 98.97% voting rights (Note 7).

Critical accounting estimates and assumptions used in applying accounting policies

(a) Revenue recognition (Note 3)

The Group recognised revenues of $93,628,000 (2019: $106,465,000) from its Singapore residential properties and mixed development properties (combination of residential units and commercial units) as construction progresses using the percentage-of-completion method. The percentage of completion is estimated by reference to the stage of completion based on the value of the main contractor costs incurred to date as certified by third party architects or quantity surveyors and the estimated total main contractor costs on completion. Significant judgement is required in determining the estimated total development costs which include contracts awarded, estimation of variation works, if any, and the experience of qualified project managers.

If contract costs to be incurred increased 10% from management's estimates, the Group's result would have decreased by $2,746,000 (2019: $1,004,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(a) Basis of preparation (Continued)

Critical accounting estimates and assumptions used in applying accounting policies (Continued)

(b) Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Group's management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If depreciation on the Group's property, plant and equipment changes by 5% (2019: 5%) from management's estimates, this would result in approximately 1.3% (2019: 1.5%) variance in the Group's result for the financial year. The Group's and the Company's carrying amount of property, plant and equipment at the reporting date amounted to $263,859,000 (2019: $261,970,000) and $588,000 (2019: $688,000), respectively.

(c) Valuation of investment properties (Note 6)

The Group's investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers using various valuation methods, including the direct comparison method, discounted cash flows method and income capitalisation method. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

A 5% (2019: 5%) difference in the change to the fair value of investment properties from management's estimates would result in approximately 20.3% (2019: 21.7%) variance in the Group's result for the financial year. The Group's carrying amount of investment properties at the reporting date amounted to $132,236,000 (2019: $126,609,000).

(d) Impairment of non-financial assets (Note 4, 5, 7, 9 and 10)

Property, plant and equipment, intangible assets, investments in subsidiaries, associates and joint ventures and right-of use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash generating units, have been determined based on the higher of fair value less cost to sell and value-in-use calculations. These calculations require the use of estimates. Estimating the recoverable amount requires the Group to make estimates of the expected future cash flows from the cash-generating unit and use estimates and assumptions such as future market growth, forecast revenue and costs, utilisation period of the assets, discount rates and other factors.

The carrying amounts of the Group's property, plant and equipment, intangible assets and right-of-use assets at the reporting date amounted to $263,859,000 (2019: $261,970,000), $119,000 (2019: $221,000) and $28,132,000 (2019: $28,008,000). The carrying amounts of the Company's property, plant and equipment and intangible assets at the reporting date amounted to $588,000 (2019: $688,000) and $38,000 (2019: $164,000), respectively.

The Company's investments in subsidiaries and the Group's investment in associates and joint ventures at the reporting date amounted to $137,885,000 (2019: $175,454,000) and $256,273,000 (2019: $196,471,000), respectively. Allowance for impairment loss on investment in subsidiaries is disclosed in Note 7. If the recoverable amount of the investment in subsidiaries decrease/increase by 10% from management's estimates, the Group's allowance for impairment of investment in subsidiaries will increase/decrease by $2,585,000 (2019: $1,026,000 and $4,898,000 respectively).

(e) Impairment of amounts due from subsidiaries (Note 16)

The Company held non-trade receivables due from its subsidiaries of $476,117,000 (2019: $427,537,000) as at the end of the reporting period. The impairment of the amounts due from its subsidiaries are based on the expected credit loss model using general approach which considers the availability of highly accessible liquid assets of the subsidiaries to repay these amounts if demanded at the end of the reporting period. Allowance for impairment loss on non-trade receivables due from its subsidiaries is disclosed in Note 16.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2020, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods:

Reference	Description	Effective date (Annual periods beginning on or after)
Revised Conceptual Framework for Financial Reporting		1 January 2020
Amendments to SFRS(I) 3	Definition of a Business	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	Definition of Material	1 January 2020
Amendments to SFRS(I) 7, SFRS(I) 9 and SFRS(I) 1-39	Interest Rate Benchmark Reform	1 January 2020

Revised Conceptual Framework for Financial Reporting

The purpose of the Conceptual Framework is to assist in developing financial reporting standards. The Conceptual Framework is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the Conceptual Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the Conceptual Framework in the absence of specific SFRS(I) requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.

Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the Conceptual Framework. The Amendments to References to the Conceptual Framework in SFRS(I), issued together with the revised Conceptual Framework, sets out updates to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised Conceptual Framework. These amendments are effective for annual periods beginning on or after 1 January 2020.

There is no material impact to the Group's consolidated financial statements upon adoption.

Amendments to SFRS(I) 3 Definition of a Business

The amendments clarify that, while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

There is no impact to the Group's consolidated financial statements as there is no business combinations or asset acquisitions during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Continued)

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material

The amendments include clarifications to the definition of 'material' and the related guidance:

- the threshold of 'could influence' has been replaced with 'could reasonably be expected to influence';
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in SFRS(I) 1-1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There is no material impact to the Group's consolidated financial statements upon adoption.

Amendments to SFRS(I) 7, SFRS(I) 9 and SFRS(I) 1-39 Interest Rate Benchmark Reform

To address uncertainties related to the market-wide reform of interbank offered rates (IBOR reform), the amendments provide targeted relief for financial instruments qualifying for hedge accounting under SFRS(I) 9 or SFRS(I) 1-39.

The amendments are mandatory and apply to all hedging relationships directly affected by uncertainties related to IBOR reform. The amendments include:

- The 'highly probable' requirement: entities are required to assume that the interest rate benchmark on which hedged cash flows are based is not altered as a result of IBOR reform when assessing whether the future cash flows are highly probable. Also, for discontinued hedging relationships, the same assumption is applied for determining whether the hedged future cash flows are expected to occur.
- Prospective assessments: entities are required to assess whether the economic relationship between the hedged item and the hedging instrument exists based on the assumptions that the interest rate benchmark on which the hedged item and the hedging instrument are based is not altered as a result of IBOR reform.
- Retrospective assessments (for SFRS(I) 1-39): entities are required to not discontinue a hedging relationship during the period of uncertainty arising from IBOR reform solely because the actual results of the hedge are outside the range of 80-125 per cent.
- Eligibility of certain risk components (for a hedge of a non-contractually specified benchmark component of interest rate risk): entities are required to apply the separately identifiable requirement only at the inception of the hedging relationship. A similar exception is also provided for redesignation of hedged items in hedges where dedesignation and redesignation take place frequently – e.g. macro hedges.
- End of application: entities are required to prospectively cease applying the exceptions at the earlier of: (a) when the uncertainty regarding the timing and the amount of interest rate benchmark-based cash flows is no longer present; and (b) the discontinuation of the hedging relationship (or reclassification of all amounts from the cash flow hedge reserve).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Continued)

Amendments to SFRS(I) 7, SFRS(I) 9 and SFRS(I) 1-39 Interest Rate Benchmark Reform (Continued)

The assessment of uncertainty should be performed on an item-by-item basis for hedges involving groups of items.

- Disclosure (for hedging relationships directly affected by IBOR reform): entities are required to disclose:
  - the significant interest rate benchmarks to which hedging relationships are exposed;
  - the extent of risk exposure that is affected by IBOR reform;
  - how the transition to alternative benchmark interest rates is being managed;
  - a description of significant assumptions or judgements made in applying the amendments; and
  - the nominal amount of the hedging instruments in those hedging relationships.

There is no material impact to the Group's consolidated financial statements upon adoption.

2(c) Standards issued but not yet effective

The following are the new or amended SFRS(I) and SFRS(I) INT issued in 2020 that are not yet effective but may be early adopted for the current financial year:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendment to SFRS(I) 16	COVID-19 Related Rent Concessions	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to SFRS(I) 3	Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16	Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to SFRS(I) 1-1	Classification of Liabilities as Current or Non-current	1 January 2023

Amendment to SFRS(I) 16 COVID-19 Related Rent Concessions

The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying SFRS(I) 7 to accompany the amendments regarding modifications and hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(c) Standards issued but not yet effective (Continued)

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2 (Continued)

On modification of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current SFRS(I) requirements. A similar practical expedient is provided for lessee accounting applying SFRS(I) 16. SFRS(I) 4 is also amended to require insurers that apply the temporary exemption from SFRS(I) 9 to apply the amendments in accounting for modifications directly required by the reform.

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying SFRS(I) 1-39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to SFRS(I) 7 outline disclosure requirements to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted. The amendments apply retrospectively but provide relief from restating comparative information. An entity may restate prior period figures if, and only if, it is possible to do so without the use of hindsight.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

Amendments to SFRS(I) 3 Reference to the Conceptual Framework

The amendments update SFRS(I) 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework. According to the amendments, for obligations within the scope of SFRS(I) 1-37, the acquirer shall apply SFRS(I) 1-37 to determine whether a present obligation exists at the acquisition date as a result of past events, and for a levy within the scope of SFRS(I) INT 21 Levies, the acquirer shall apply SFRS(I) INT 21 to determine whether the obligating event giving rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer shall not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if the entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with SFRS(I) 1-2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(c) Standards issued but not yet effective (Continued)

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use (Continued)

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current

The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

2(d) Significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses, and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Consolidation (Continued)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Specifically, income and expenses of a subsidiary or an investee acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, the Group controls an investee if, and only if, the Group has all of the following:

– power over the investee;

– exposure, or rights to variable returns from its involvement with the investee; and

– the ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

– the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

– potential voting rights held by the Group, other vote holders or other parties;

– rights arising from other contractual arrangements; and

– any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in ownership interests in subsidiaries without change of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Consolidation (Continued)

Changes in ownership interests in subsidiaries resulting in loss of control

When the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

A gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Goodwill

Goodwill represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed.

Goodwill arising in a business combination is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisition prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Freehold land and asset under construction are not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Land	40 years
Buildings	20 to 50 years
Other assets	3 to 10 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal, respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

Intangible assets

Intangible assets are accounted for using the cost model. Capitalised costs are amortised on a straight-line basis, which is their estimated useful life for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing, more often if there are any indicators of impairment. Estimated useful lives of intangible assets are as follows:

Websites	5 years
Computer software	3 years

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Investment properties

Investment properties, principally comprising shop and office units, are held for long-term rental yields and are not occupied by the Group.

Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at fair value, representing open market value on the highest and best use basis determined on annual basis by independent professional valuers. Gross changes in fair values and the related tax impact are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvement is charged to profit or loss when incurred.

Investment properties are de-recognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers

Transfers to, or from, investment properties are made when there is a change in use, evidenced by:

– commencement of owner occupation, for a transfer from investment properties to property, plant and equipment;

– commencement of development with a view to sell, for a transfer of investment properties to development properties for sale; or

– end of owner occupation, for a transfer from property, plant and equipment to investment properties.

For transfer from investment property to owner occupied property or development properties for sale, the property's deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is measured at revalued amount and accounted for in accordance with the accounting policy for Property, Plant and Equipment up to the date of change in use.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

In the Company's separate financial statements, investment in subsidiaries are carried at cost less any impairment losses. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Investments in associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in associates or joint ventures are accounted for using the equity method.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the Group's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures are carried in the consolidated statement of financial position at cost plus any borrowings forming part of the net investment and post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of operations of the associates or joint ventures. Distributions received from associates or joint ventures reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint ventures, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and loss resulting from transaction between the Group and the associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures.

When the Group's share of losses in the associates or joint ventures equals or exceeds its interest in the associates or joint ventures, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associates or joint ventures.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associates or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associates or joint ventures is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint ventures and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates or joint ventures are prepared as the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held-for-sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date, and this fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture may be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

If the Group's ownership interest in an associate or a joint venture is reduced, but the Group continues to apply the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Leases

(i) The Group as lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantee;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the consolidated statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Leases (Continued)

(i) The Group as lessee (Continued)

(a) Lease liability (Continued)

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use asset

The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Leasehold building	2 to 68 years
Plant and equipment	5 years
Motor vehicle	2 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Leases (Continued)

(ii) The Group as lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term within "revenue" in profit or loss. Lease incentives if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in profit or loss when incurred.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity

(I) Financial assets

Measurement

Initial recognition and measurement

Financial assets are recognised when and only when the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are "solely payments of principal and interest" ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(I) Financial assets (Continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

– Financial assets at amortised cost (debt instruments).

– Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).

– Financial assets designated as fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

– Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost include trade receivables (excluding Goods and Services Tax receivables), other receivables (excluding prepayments and tax recoverable), amounts owing by associates and cash and bank balances.

Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

Financial assets designated as fair value through other comprehensive income (OCI) (equity instruments)

On initial recognition of an equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at FVOCI (equity instruments) recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(I) Financial assets (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit and loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. Interest income from these financial assets is included in finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes equity investment which the Group had not irrevocably elected to classify at FVOCI. Dividends on equity investment are also recognised as other income in the profit or loss when the right of payment has been established.

De-recognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Group's consolidated statement of financial position) when:

– The rights to receive cash flows from the asset have expired; or

– The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(I) Financial assets (Continued)

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses ("ECLs") associated with its debt instrument assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days overdue. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(I) Financial assets (Continued)

Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates each hedge as either: (i) cash flow hedge; (ii) fair value hedge; or (iii) net investment hedge.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of SFRS(I) 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss. Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of SFRS(I) 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or fair value through profit or loss as appropriate.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than twelve months, and as a current asset or liability if the remaining expected life of the hedged item is less than twelve months. The fair value of a trading derivative is presented as a current asset or liability.

The following hedge qualifies as cash flow hedge under SFRS(I) 9. The Group’s management strategies and hedge documentation are aligned with the requirements of SFRS(I) 9 and are thus treated as continuing hedges.

Interest rate swaps

The Group has entered into interest rate swaps that are cash flow hedges for the Group’s exposure to interest rate risk on its borrowings. These contracts entitle the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The fair value changes on the effective portion of interest rate swaps designated as cash flow hedges are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and presented separately in “finance costs”. The fair value changes on the ineffective portion of interest rate swaps are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(II) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value less directly attributable transaction costs. These financial liabilities comprised loans and borrowings, trade and other payables (excluding Goods and Services Tax payables) and lease liabilities.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Bank borrowings

Borrowings which are due to be settled within twelve months after the end of the reporting period are included in current borrowings in the statement of financial position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of the reporting period. Borrowings to be settled within the Company's and the Group's normal operating cycle are classified as current. Borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

Bank borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Bank borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the bank borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Bank borrowings are de-recognised when the obligation is discharged, cancelled or expired. The difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

When the contractual cash flows of bank borrowings are modified but do not result in derecognition, difference between the recalculated gross carrying amount and the carrying amount before modification is recognised in profit or loss as modification gain or loss, at the date of modification.

Subsequent measurement

Bank borrowings are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

De-recognition

The Group de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On de-recognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Financial instruments (Continued)

(II) Financial liabilities (Continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if the Group currently has a legally enforceable right to offset the recognised amounts and it intends to either settle them on a net basis or to realise the assets and settle the liabilities simultaneously.

(III) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, fixed deposits and monies held in project accounts.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Development properties

Development properties comprise properties in the course of development, developed properties for sale, and land held for development.

<u>Pre-sold and unsold properties for sale under development</u>

Properties for sale under development are recorded as current assets and are stated at specifically identified cost, including capitalised borrowing costs directly attributable to the development of the properties and other related expenditure.

When it is probable that the total development costs will exceed the total revenue, the expected loss is recognised as an expense immediately. The aggregated costs incurred and the profit/loss recognised in each development property that has been sold is compared against progress billings up to the end of financial period.

<u>Developed properties for sale</u>

Developed properties for sale are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

<u>Land held for development</u>

Land held for development and costs attributable to the development activities which are held for future development where no significant development has been undertaken is stated at cost less impairment loss (if any).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customers. If the Group transferred goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional i.e. only the passage of time is required before a payment of the consideration is due.

Contract costs

The Group pays sales commission to its intermediaries for each contract that they obtain for sale of development properties. The Group capitalises such commission as incremental costs to obtain a contract with the customer if these costs are recoverable. The capitalised costs are amortised to profit or loss as the Group recognises the related revenue.

Contract liabilities

Contract liabilities relate primarily to the progress billing issued in excess of the Group's right to the consideration in respect of its property development business.

Inventories

Inventories, comprising food and beverage and other hotel-related consumable stocks, are stated at the lower of cost and net realisable value. Cost is determined on a first-in first-out basis and includes freight and handling charges.

Provision is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction which necessarily takes a substantial period of time to be prepared for its intended use or sale. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction. Borrowing costs are capitalised until the assets are substantially completed or ready for their intended use or sale.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Treasury shares

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Loss/Earnings per share

The Group presents basic and diluted loss/earnings per share data for its ordinary shares. Basic loss/earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted loss/earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, like convertible bonds and warrants.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of constitution of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Income taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax is provided in full, using the liability method, on temporary differences at the statement of financial position between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

– Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss.

– In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and

– In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that future taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Income taxes (Continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale. The carrying amounts of the Group's investment properties are presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

Short-term employee benefits

Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) has control or joint control over the Company;

(ii) has significant influence over the Company; or

(iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) both entities are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of the Group's and the Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Impairment of non-financial assets (Continued)

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

An impairment loss, except for goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in profit or loss.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, net of goods and services tax, rebates and discounts. Revenue is recognised as follows:

Revenue from development properties for sale

The Group enters into sale and purchase agreements with customers of its properties prior to completion of construction.

For sales of residential properties in Singapore, the Group is restricted contractually from readily directing the pre-sold property to another customer and has an enforceable right to payment for performance completed to date. The Group accounts for revenue using the percentage of completion method. The percentage of completion is measured by reference to the stage of completion based on the value of the main contractor costs incurred to date as certified by third party architects or quantity surveyors and the estimated total main contractor costs on completion.

For sales of properties where the Group transfers control of the property to the buyer at a point in time, revenue is recognised when the property is delivered and legal title thereto has passed to the customer upon the customer's payment of the remainder of the purchase price (a majority) after construction is complete.

Rendering of services

Revenue from hotel operations, comprising primarily the rental of rooms, food and beverage sales and other services, is recognised when rooms are occupied, food and beverages are sold and services are performed.

Rental income

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss as `other income' on a systematic basis in the periods in which the expenses are recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2(d) Significant accounting policies (Continued)

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Group and the Company are presented in Singapore dollars, which is also the functional currency of the Company.

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from monetary items that are considered to form part of a net investment in foreign operations, are recognised in other comprehensive income and accumulated in the translation reserves.

Foreign currency gains and losses are reported as either other income or other operating expense depending on whether foreign currency movements are in a gain or loss position.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of the transaction.

Group entities

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the end of the reporting date;

(ii) Income and expenses for each statements presenting profit or loss and other comprehensive income (i.e. including comparatives) shall be translated at exchange rates at the dates of the transactions; and

(iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in translation reserves.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Executive Officer has been identified as the Chief Operating Decision Maker who makes strategic resources allocation decisions and assesses segment performance.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3 Revenue

The Group	31 December 2020 $'000	31 December 2019 $'000
Revenue from contracts with customers		
(i) Revenue from sale of development properties		
– Singapore	**93,628**	106,465
– Australia	**72,161**	279,477
	165,789	385,942
(ii) Hotel ownership		
– Singapore	**20,367**	37,150
– Japan	**1,479**	8,296
– Maldives	**3,401**	4,968
	25,247	50,414
Total revenue from contracts with customers	**191,036**	436,356
Rental income from investment properties		
– Singapore	**1,099**	1,457
– New Zealand	**6,296**	6,217
(Note 6)	**7,395**	7,674
	198,431	444,030
Timing of transfer of goods and services		
– Over time	**111,523**	141,787
– At a point in time	**79,513**	294,569
	191,036	436,356

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Property, plant and equipment

The Group	Land $'000	Buildings $'000	Other assets $'000	Assets under construction $'000	Total $'000
Cost					
At 1 January 2019	62,528	172,836	28,946	19,094	283,404
Transfer from development properties for sale (Note 12)	33,820	–	–	1,550	35,370
Additions	–	1,939	1,826	2,177	5,942
Exchange differences	4	(5)	92	1,351	1,442
At 31 December 2019	**96,352**	**174,770**	**30,864**	**24,172**	**326,158**
Additions	**–**	**211**	**564**	**18,114**	**18,889**
Write-offs (Note 30)	**–**	**–**	**–**	**(5,015)**	**(5,015)**
Exchange differences	**3,332**	**321**	**173**	**(305)**	**3,521**
At 31 December 2020	**99,684**	**175,302**	**31,601**	**36,966**	**343,553**
Accumulated depreciation and impairment loss					
At 1 January 2019	628	36,224	15,524	–	52,376
Depreciation for the year (Note 30)	237	5,651	2,590	–	8,478
Impairment (Note 30)	–	3,338	–	–	3,338
Exchange differences	(10)	4	2	–	(4)
At 31 December 2019	**855**	**45,217**	**18,116**	**–**	**64,188**
Depreciation for the year (Note 30)	**240**	**5,758**	**2,668**	**–**	**8,666**
Impairment (Note 30)	**–**	**7,009**	**–**	**–**	**7,009**
Exchange differences	**(26)**	**(225)**	**82**	**–**	**(169)**
At 31 December 2020	**1,069**	**57,759**	**20,866**	**–**	**79,694**
Net book value					
At 31 December 2020	**98,615**	**117,543**	**10,735**	**36,966**	**263,859**
At 31 December 2019	95,497	129,553	12,748	24,172	261,970

As at 31 December 2020, land and buildings with a net total carrying amount of $216,158,000 (2019 – $225,050,000) are mortgaged to secure bank loans (Note 22).

During the financial year, the Group has written off $5,015,000 of costs previously capitalised as it estimated that it is not probable that future economic benefits of those assets will flow to the Group.

The properties held by the Group as at 31 December 2020 are as follows:

Location	Use of property	Tenure
50 East Coast Road, Singapore	Hotel, Office	Freehold
205-1 Okuracho, Kyoto, Japan	Hotel	Freehold
Kita-Ku, Osaka City, Japan	Hotel	Freehold
360 Little Bourke Street, Melbourne, Australia	Hotel	Freehold
48/13 Moo 6, Chaofa Road, Phuket, Thailand	Resort	Freehold
Island of Kudafunafaru, Noonu Atoll, Maldives	Resort	Leasehold*

* The property has a lease term till year 2056 and it can be further extended by another 49 years subject to certain conditions being met.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Property, plant and equipment (Continued)

Impairment testing of property, plant and equipment

The Group has identified that there are triggers of impairment for Roxy Maldives Resort & Spa Private Limited and Roxy Osaka Hotel Pte Ltd as they are in a loss-making position for the financial year ended 31 December 2020 (2019: Roxy Maldives Resort & Spa Private Limited). Accordingly, the assets were tested for impairment.

Each subsidiary is assessed to be one cash generating unit ("CGU") given that they have the ability to operate independently and generate its own cash inflows from business activities.

Management has engaged external professional valuers to determine the fair value of the identified property, plant and equipment as at 31 December 2020. The recoverable amount of the identified property, plant and equipment was based on its fair value less cost to sell calculation, determined using a combination of direct comparison method, income capitalisation method and discounted cash flows method for Roxy Maldives Resort & Spa Private Limited, and income capitalisation method and discounted cash flows method for Roxy Osaka Hotel Pte Ltd. Accordingly, total impairment losses amounting to $7,009,000 (2019: $3,338,000) were recognised and included under "other operating expenses" for the financial year ended 31 December 2020.

The fair values are within Level 3 of the fair value hierarchy.

The following table shows the valuation techniques and key assumptions used in the calculation:

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement *The estimated fair value would increase (decrease) if:*	Significant unobservable inputs
Roxy Maldives Resort & Spa Private Limited		
Direct comparison method	*Price per room of market comparables was higher (lower):*	**31 December 2020 – US$630,000 – US$690,000** 31 December 2019 – US$710,000 – US$790,000
Income capitalisation method	*Capitalisation rate was lower (higher):*	**31 December 2020 – 7.00%** 31 December 2019 – 7.00%
	Occupancy rate was higher (lower):	**31 December 2020 – 75.0%** 31 December 2019 – 69.7%
	Average daily rate higher (lower):	**31 December 2020 – US$455** 31 December 2019 – US$570
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 7.50% – 8.00%** 31 December 2019 – 7.50% – 8.00%
	Discount rate was lower (higher):	**31 December 2020 – 9.50% – 10.00%** 31 December 2019 – 9.50% – 10.00%
	Occupancy rate was higher (lower):	**31 December 2020 – 30.6% – 75.7%** 31 December 2019 – 58.0% – 70.8%
	Average daily rate higher (lower):	**31 December 2020 – US$331 – US$513** 31 December 2019 – US$306 – US$629
Roxy Osaka Hotel Pte Ltd		
Income capitalisation method	*Capitalisation rate was lower (higher):*	**31 December 2020 – 5.5%**
	Occupancy rate was higher (lower):	**31 December 2020 – 77%**
	Average daily rate higher (lower):	**31 December 2020 – JPY9,700**
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 4.9%**
	Discount rate was lower (higher):	**31 December 2020 – 4.6%**
	Occupancy rate was higher (lower):	**31 December 2020 – 60% – 77%**
	Average daily rate higher (lower):	**31 December 2020 – JPY8,500 – JPY9,700**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4 Property, plant and equipment (Continued)

The Company	Other assets $'000
Cost	
At 1 January 2019	1,421
Additions	76
At 31 December 2019	**1,497**
Additions	**73**
At 31 December 2020	**1,570**
Accumulated depreciation	
At 1 January 2019	647
Depreciation for the year	162
At 31 December 2019	**809**
Depreciation for the year	**173**
At 31 December 2020	**982**
Net book value	
At 31 December 2020	**588**
At 31 December 2019	688

5 Intangible assets

The Group	Websites $'000	Computer software $'000	Total $'000
Cost			
At 1 January 2019	121	491	612
Additions	16	–	16
At 31 December 2019	**137**	**491**	**628**
Additions	**46**	**46**	**92**
Exchange differences	**–**	*****	*****
At 31 December 2020	**183**	**537**	**720**
Accumulated amortisation			
At 1 January 2019	55	164	219
Amortisation for the year (Note 30)	25	163	188
At 31 December 2019	**80**	**327**	**407**
Amortisation for the year (Note 30)	**27**	**167**	**194**
Exchange differences	**–**	*****	*****
At 31 December 2020	**107**	**494**	**601**
Net book value			
At 31 December 2020	**76**	**43**	**119**
At 31 December 2019	57	164	221

* Amount less than $1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5 Intangible assets (Continued)

The Company	Websites $'000	Computer software $'000	Total $'000
Cost			
At 1 January 2019	–	491	491
Additions	–	–	–
At 31 December 2019	–	491	491
Additions	29	13	42
At 31 December 2020	**29**	**504**	**533**
Accumulated amortisation			
At 1 January 2019	–	164	164
Amortisation for the year	–	163	163
At 31 December 2019	–	327	327
Amortisation for the year	2	166	168
At 31 December 2020	**2**	**493**	**495**
Net book value			
At 31 December 2020	**27**	**11**	**38**
At 31 December 2019	–	164	164

6 Investment properties

The Group	31 December 2020 $'000	31 December 2019 $'000
At beginning of year	**126,609**	126,464
Additions	**267**	99
Fair value gain recognised in profit or loss, net (Notes 28 & 30)	**2,055**	737
Effect of movement in exchange rate	**3,305**	(691)
At end of year	**132,236**	126,609

The fair value of the investment property located in Singapore is based on valuations determined by an independent firm of professional valuers who has appropriate recognised professional qualification and recent experience in the location and category of the investment property being valued. The fair value is based on the market value, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction. The valuation is based on direct comparison method which involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment property.

The fair value of the investment property located overseas is based on valuations determined by an independent certified appraiser with recognised and relevant professional qualifications and experience within the local market and the category of properties to be valued. The valuation is based on a combination of the discounted cash flows method and the income capitalisation method. The discounted cash flows method considers the present value of net cash flows to be generated from the property, taking into account capitalisation and discount rates, terminal yield, expected rental growth, renewal probability and capital expenditure.

Investment properties are valued on a highest and best use basis. For all of the Group's investment properties, the current use is considered to be the highest and best use.

The investment properties are leased to third parties under operating leases. As at 31 December 2020, the investment properties with a total carrying amount of $132,236,000 (2019 – $126,609,000) were mortgaged to secure bank loans (Note 22).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

6 Investment properties (Continued)

The following amounts are recognised in profit or loss:

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Rental income (Note 3)	**7,395**	7,674
Direct operating expenses	**(1,378)**	(1,067)
	6,017	6,607

Investment properties as at 31 December 2020 are as follows:

Property name	Location	Description	Total net lettable area (square meter)	Tenure
Roxy Square	50 East Coast Road, Singapore	49 shop units	2,371	Freehold
NZI Centre	1 Fanshawe Street, Auckland	6-storey commercial building	9,446	Leasehold*

* The property has a lease term till 31 December 2037, which is perpetually renewable at an interval of 20 years.

7 Investments in subsidiaries

The Company	**31 December 2020 $'000**	31 December 2019 $'000
Unquoted equity investments, at cost	**53,043**	54,943
Loans to subsidiaries forming part of net investment (Note 8)	**120,327**	126,925
Less: impairment allowance	**(35,485)**	(6,414)
	137,885	175,454

As at 31 December 2020, impairment test on the investment in certain subsidiaries were triggered due to the poor financial performance of these subsidiaries. Each subsidiary is identified as a specific cash-generating unit ("CGU"). The recoverable amounts of these investments are determined based on the revalued net assets of the identified subsidiaries with indicators of impairment at the reporting date. Based on management's assessment, the Company recognised an impairment loss of $29,071,000 (FY2019 – $6,414,000) under "other operating expenses" on these investment in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Investments in subsidiaries (Continued)

In determining the recoverable amount of the investment in subsidiaries, management had considered the financials of the subsidiaries as well as the underlying assets and liabilities of the investees held by the subsidiaries, including the engagement of independent valuers to determine the fair values of property, plant and equipment and land held for development. The fair values are within Level 3 of the fair value hierarchy.

The most significant input into the valuation approach is disclosed below.

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs
	The estimated fair value would increase (decrease) if:	
Roxy Kyoto Hotel Pte Ltd		
Income Capitalisation Method	*Capitalisation rate was lower (higher):*	**31 December 2020 – 5.1%**
	Occupancy rate was higher (lower):	**31 December 2020 – 75%**
	Average daily rate higher (lower):	**31 December 2020 – JPY 20,000**
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 4.5%**
	Discount rate was lower (higher):	**31 December 2020 – 4.2%**
	Occupancy rate was higher (lower):	**31 December 2020 – 55% – 75%**
	Average daily rate higher (lower):	**31 December 2020 – JPY 15,000 – JPY 20,000**
Roxy Osaka Hotel Pte Ltd		
Income capitalisation method	*Capitalisation rate was lower (higher):*	**31 December 2020 – 5.5%**
	Occupancy rate was higher (lower):	**31 December 2020 – 77%**
	Average daily rate higher (lower):	**31 December 2020 – JPY 9,700**
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 4.9%**
	Discount rate was lower (higher):	**31 December 2020 – 4.6%**
	Occupancy rate was higher (lower):	**31 December 2020 – 60% – 77%**
	Average daily rate higher (lower):	**31 December 2020 – JPY 8,500 – JPY 9,700**
Roxy Jakarta Investments Pte Ltd		
Direct comparison method	*Price per square meter ("sqm") of market comparables was higher (lower):*	**31 December 2020 – Indonesian Rupiah ("IDR") 30,000,000 per sqm – IDR 40,000,000 per sqm**
Discounted cash flows method	*Terminal yield was lower (higher):*	**31 December 2020 – 7.03%**
	Discount rate was lower (higher):	**31 December 2020 – 13.08%**
	Occupancy rate was higher (lower):	**31 December 2020 – 50% – 80%**
	Average room rate higher (lower):	**31 December 2020 – IDR 735,158 – IDR 1,100,191**
Roxy NF Pty Ltd		
Direct comparison method	*Price per square meter of market comparables was higher (lower):*	**31 December 2020 – AUD 1,061 per sqm – AUD 3,489 per sqm**

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Investments in subsidiaries (Continued)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interest 2020	2019	Principal activities
Held by the Company				
Roxy-Pacific Developments Pte. Ltd.[1]	Singapore	**100%**	100%	Property investment and investment holdings
Roxy Homes Pte. Ltd. [1]	Singapore	**100%**	100%	Property development
Roxy Land Pte. Ltd. [11]	Singapore	**100%**	100%	Property development
RP Properties Pte. Ltd.[11]	Singapore	**100%**	100%	Property investment and property development
RP North Pte. Ltd.[11]	Singapore	**100%**	100%	Property investment and property development
RH Changi Pte. Ltd.[10]	Singapore	–	100%	Property development
RH Central Pte. Ltd.[1]	Singapore	**100%**	100%	Property development and investment holding
RL Properties Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RP Ventures Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Hotels Pte. Ltd.[1]	Singapore	**100%**	100%	Hotel ownership and development
Roxy Residential Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RL West Pte. Ltd.[11]	Singapore	**100%**	100%	Property development
RH Mount Sophia Pte. Ltd[10]	Singapore	–	90%	Property development
Roxy Capital Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
Roxy Australia Pte. Ltd[1]	Singapore	**100%**	100%	Investment holding
Roxy Hotels and Resorts Pte. Ltd[1]	Singapore	**100%**	100%	Investment holding
RH Eunos Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
Roxy Jakarta Investments Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
RH Orchard Pte. Ltd.[1]	Singapore	**90%**	90%	Property development
RH Developments Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RH Capital Pte. Ltd. [1]	Singapore	**80%**	80%	Property development
RH Capital Two Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RH Developments Two Pte. Ltd.[1]	Singapore	**100%**	100%	Property development
RPV Two Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy-Pacific Development Management Pte. Ltd.[1] [7]	Singapore	**100%**	–	Investment holding
RL East Pte. Ltd. [1] [7]	Singapore	**100%**	–	Property development
Held by Subsidiaries				
RH Rochor Pte. Ltd. [11]	Singapore	**90%**	90%	Property development
RH East Coast Pte. Ltd.[11]	Singapore	**100%**	100%	Property development
RH Tampines Pte. Ltd.[1][12]	Singapore	**90%**	90%	Property development
RPV Properties Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Australia Hotels Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Kyoto Hotel Holdings Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Kyoto Hotel Pte. Ltd.[1]	Singapore	**100%**	100%	Hotel ownership
Roxy Phuket Hotels Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Hotel Management Pte. Ltd.[1]	Singapore	**100%**	100%	Hotel management
Roxy International Hotel Holdings Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 Investments in subsidiaries (Continued)

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interest 2020	2019	Principal activities
Roxy-TE2 Development Pte Ltd.[1]	Singapore	**60%**	60%	Property development
Roxy Kyoto Hotel GK[4] [5]	Japan	**100%**	100%	Hotel operations
Roxy-Pacific Goulburn Pty Ltd[4] [5]	Australia	**100%**	100%	Property investment
Roxy-Pacific Glebe Pty Ltd[3]	Australia	**100%**	100%	Property development
Roxy-Pacific Killara Pty Ltd[3]	Australia	**100%**	100%	Property development
Roxy-Pacific Potts Point Pty Limited[3]	Australia	**100%**	100%	Property development
Roxy-Pacific Developments Pty Ltd[4] [5]	Australia	**100%**	100%	Investment holding
Roxy-Pacific Investments Pty Ltd[4] [5]	Australia	**100%**	100%	Investment holding
Roxy-Pacific Hotels Pty Ltd[4] [5]	Australia	**100%**	100%	Hotel ownership and investment holding
Roxy NF Pty Ltd[4] [5]	Australia	**50.5%**	50.5%	Property investment
Roxy-Pacific Assets Pty Ltd[4] [5]	Australia	**100%**	100%	Property investment
Roxy Chalong Resort Co. Ltd.[2] [6]	Thailand	**49%**	49%	Hotel ownership and development
Roxy Maldives Resort & Spa Private Limited [9]	Maldives	**100%**	100%	Hotel ownership and development
Roxy-Pacific NZ Investments Limited[4][8]	New Zealand	**100%**	100%	Investment holding
Roxy-Pacific NZI Limited[8]	New Zealand	**100%**	100%	Property investment
Roxy-Pacific Melbourne House Pty Ltd [3]	Australia	**100%**	100%	Property investment, hotel ownership and development
Roxy Osaka Hotel Holdings Pte. Ltd.[1]	Singapore	**100%**	100%	Investment holding
Roxy Osaka Hotel Pte. Ltd. [1]	Singapore	**100%**	100%	Hotel ownership
Roxy Osaka Hotel GK.[4] [5]	Japan	**100%**	100%	Hotel operations
Roxy NZ-280Q Limited[4] [5]	New Zealand	**100%**	100%	Property Investment
Roxy-Pacific Development Management (Jervois) Pte. Ltd.[1] [7]	Singapore	**100%**	–	Development Management
Roxy Australia Capital Pte. Ltd.[1] [7]	Singapore	**100%**	–	Investment holding

(1) Audited by Foo Kon Tan LLP, Singapore.

(2) Audited by Foo Kon Tan LLP for consolidation purposes.

(3) Audited by HLB Mann Judd (Australia), a member firm of HLB International for consolidation purposes or local statutory requirement.

(4) The subsidiaries are not significant for consolidation purposes.

(5) Not required to be audited under the laws of the country of incorporation.

(6) Although the Group owns less than half of the equity interest in Roxy Chalong Resort Co. Ltd, the Group controls this entity through its 98.97% voting rights. The shares held by the Group carry one vote for each share whilst the shares held by other shareholders carry one vote for every hundred shares.

(7) The subsidiary is newly incorporated during the year.

(8) Audited by HLB Mann Judd Limited (New Zealand), a member firm of HLB International for consolidation purposes or local statutory requirement.

(9) Audited by Nihal Hettiarachchi & Co, a member firm of HLB International, and its affiliate firm, AIX associates LLP, for consolidation purposes and local statutory requirement.

(10) The subsidiaries have been liquidated during the year.

(11) The subsidiaries are under liquidation.

(12) In the last financial year ended 31 December 2019, the Group acquired an additional 5% interest in RH Tampines Pte. Ltd. ("RH Tampines") for a consideration of $938,000 in cash, increasing its shareholding from 85% to 90% based on the total issued capital of RH Tampines. The net asset value of RH Tampines on the date of the acquisition was approximately $23,000,000. With the increase in its equity interest in RH Tampines, the Group recognised a reduction in non-controlling interests of approximately $1,150,000, and a corresponding increase in retained earnings by $212,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7 **Investments in subsidiaries (Continued)**

Summarised financial information in respect of Group's non-100% owned subsidiaries, all of which have material non-controlling interest (NCI) is set out below:

31 December 2020	**Roxy NF Pty Ltd $'000**	**Roxy-TE2 Development Pte Ltd $'000**	**Other individually immaterial subsidiaries $'000**	**Total $'000**
Current assets	**5**	**169,470**		
Non-current assets	**16,454**	**–**		
Current liabilities	**(12,226)**	**(176,449)**		
Non-current liabilities	**(9,426)**	**–**		
Net liabilities	**(5,193)**	**(6,979)**		
Net assets/(liabilities) attributable to NCI	**(2,571)**	**(2,792)**	**743**	**(4,620)**
Revenue	**–**	**10,846**		
Loss for the year	**(4,571)**	**(2,491)**		
Other comprehensive income ("OCI")	**(191)**	**(2,948)**		
Total comprehensive loss	**(4,762)**	**(5,439)**		
Attributable to NCI:				
– (Loss)/Profit	**(2,263)**	**(996)**	**141**	**(3,118)**
– OCI	**(95)**	**(1,179)**	**–**	**(1,274)**
Total comprehensive income/(loss)	**(2,358)**	**(2,175)**	**141**	**(4,392)**
Cash flows (used in)/generated from operating activities	**(1)**	**9,448**		
Cash flows (used in)/generated from investing activities	**(554)**	**75**		
Cash flows generated from financing activities	**555**	**425**		
Net increase in cash and cash equivalents	**–**	**9,948**		

NOTES TO THE FINANCIAL STATEMENTS

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7 **Investments in subsidiaries (Continued)**

31 December 2019	Roxy NF Pty Ltd $'000	RH Tampines Pte. Ltd. $'000	RH Orchard Pte. Ltd. $'000	Roxy-TE2 Development Pte Ltd $'000	Other individually immaterial subsidiaries $'000	Total $'000
Current assets	20	4,889	57,334	149,179		
Non-current assets	19,084	–	–	–		
Current liabilities	(10,960)	(2,465)	(53,165)	(150,719)		
Non-current liabilities	(8,575)	–	(369)	–		
Net assets/(liabilities)	(431)	2,424	3,800	(1,540)		
Net assets/(liabilities) attributable to NCI	(213)	243	380	(616)	87	(119)
Revenue	–	–	19,372	1,098		
(Loss)/profit for the year	(317)	423	4,092	(3,507)		
Other comprehensive income ("OCI")	(66)	–	–	(16)		
Total comprehensive income/(loss)	(383)	423	4,092	(3,523)		
Attributable to NCI:						
– Profit	(157)	43	409	(1,403)	(72)	(1,180)
– OCI	(32)	–	–	(6)	–	(38)
Total comprehensive income/(loss)	(189)	43	409	(1,409)	(72)	(1,218)
Cash flows (used in)/generated from operating activities	(92)	9,802	(2,605)	(17,584)		
Cash flows (used in)/generated from investing activities	(266)	1	35	18		
Cash flows generated from/(used in) financing activities	358	(34,250)	(3,273)	28,187		
Net (decrease)/increase in cash and cash equivalents	–	(24,447)	(5,843)	10,621		

8 **Loans to subsidiaries**

The Company	**31 December 2020 $'000**	**31 December 2019 $'000**
Loans to subsidiaries (Note 7)	**120,327**	126,925

Loans granted to subsidiaries to fund their operations are unsecured, interest-free and repayable at the discretion of the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures

The Group	31 December 2020 $'000	31 December 2019 $'000
Interests in associates	**216,461**	196,471
Interests in joint ventures	**39,812**	–
	256,273	196,471

(a) Investment in associates

The Group	31 December 2020 $'000	31 December 2019 $'000
Unquoted equity investments, at cost	**24,778**	23,996
Net investment loans to associates[1]	**163,469**	129,275
Impairment loss on net investment loan to associates	**(6,625)**	(5,197)
Share of post-acquisition profits	**136,078**	143,456
Exchange differences	**862**	(5,934)
Dividend income	**(102,101)**	(89,125)
	216,461	196,471

(1) The loans granted to associates to fund their operations are unsecured and interest-free. These loans are in substance, part of the Group's net investment in the associates. The settlement of these loans are neither planned nor likely to occur in the foreseeable future.

Details of the associates are as follows:

Name of associate	Principal place of business/ Country of incorporation	Ownership interest 2020	2019	Principal activities
Held by Subsidiaries				
70 Shenton Pte. Ltd.[1]	Singapore	**20%**	20%	Property development
Mequity (Hillview) Pte. Ltd.[8]	Singapore	**49%**	49%	Property development
Feature-Roxy Pty Ltd[8]	Australia	**50%**	50%	Investment holding and property investment
ACH Head Trust[4]	Australia	**49%**	49%	Trust
ACH Head Operator Pty Ltd[4]	Australia	**49%**	49%	Hotel management
ACH Projects Pty Ltd[4]	Australia	**49%**	49%	Hotel development
Peel Street JV Pty Ltd[3]	Australia	**40%**	40%	Property development
North Fremantle JV Pty Ltd[3]	Australia	**40%**	40%	Property development
Macly Equity Sdn Bhd[5]	Malaysia	**47%**	47%	Property development
Mequity Assets Sdn Bhd[8]	Malaysia	**47%**	47%	Property development
Rolex Investment Ltd[4][7]	Cayman Islands	**30%**	30%	Investment holding and property investment
PT Kramat Roxy Pacific[4]	Indonesia	**49%**	49%	Investment holding and property investment
Roxy-CES (NZ) Limited[6]	New Zealand	**50%**	50%	Property investment
RH Guillemard Pte. Ltd.[1]	Singapore	**50%**	50%	Property development
TE2 Roxy Australia Pty Ltd[3]	Australia	**45%**	45%	Investment holding and property investment
RH Novena Pte. Ltd.[1]	Singapore	**50%**	50%	Property development
TE2KS-RH Pte. Ltd.[1]	Singapore	**40%**	40%	Property development
PhilRoxy Pty Ltd[4]	Australia	**50%**	50%	Investment holding and property investment
TE2 Roxy Argyle Pty Ltd[3]	Australia	**40%**	40%	Property investment
RPPG (Revesby) Pty Ltd[4]	Australia	**50%**	50%	Property development
Nigella SG Pte Ltd[2][7][9]	Singapore	**53%**	53%	Investment holding and property investment in Japan

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

All associates are considered significant to the Group, or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by Foo Kon Tan LLP, Singapore
(2) Audited by PricewaterhouseCoopers LLP, Singapore.
(3) Audited by HLB Mann Judd (Australia), a member firm of HLB International for consolidation purposes or local statutory requirement.
(4) Not required to be audited under the laws of the country of incorporation.
(5) Audited by Guan & Associates, Malaysia.
(6) Audited by HLB Mann Judd Limited (New Zealand), a member firm of HLB International for consolidation purposes or local statutory requirement.
(7) Audited by Foo Kon Tan LLP for consolidation purposes.
(8) The associates are under liquidation.
(9) Although the Group holds 53.07% interest in Nigella SG Pte Ltd, through its wholly owned subsidiary, RPV Two Pte Ltd, it does not have effective control over Nigella SG Pte Ltd ("Nigella"), The voting rights granted to the Group is more than 20% but less than 50%. Hence the Group has significant influence over the financial and operating policies of the entity. The investment in Nigella is accounted as investment in associate.

The properties held by the associates as at 31 December 2020 are as follows:

Properties under development

Associate name	Project name	Location	Description	Stage of completion	Expected completion date	Gross floor area (square meter)	Group effective interest	Tenure
Macly Equity Sdn Bhd	Wisma Infinitum, The Colony & The Luxe	18 Jalan Dewan Sultan Sulaiman, Kuala Lumpur, Malaysia	423 residential units in The Colony, 300 residential units in The Luxe and 31 commercial units	81%	3Q 2021	64,912	47%	Freehold
RH Guillemard. Pte. Ltd	Arena Residences	20 Guillemard Crescent, Singapore	98 residential units	25%	1Q 2022	6,882	50%	Freehold
TE2KS-RH Pte. Ltd.	Wilshire Residences	30 Farrer Road, Singapore	85 residential units	15%	1Q 2023	6,572	40%	Freehold
RH Novena Pte. Ltd.	Neu at Novena	27 Moulmein Rise, Singapore	87 residential units	3%	1Q 2023	6,084	50%	Freehold

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

Investment properties

Associate name	Project name	Location	Description	Net lettable floor area (square meter)	Group effective interest	Tenure
Roxy-CES (NZ) Limited	205 Queen Street	205 Queen Street, Auckland, New Zealand	2 office towers with retail podium	25,368	50%	Leasehold*
TE2 Roxy Australia Pty Ltd	312 St Kilda	312 St Kilda Road, Melbourne, Australia	6 levels of office and 4 basement levels	9,887	45%	Freehold
TE2 Roxy Argyle Pty Ltd	33 Argyle Street	33 Argyle Street, Parramatta NSW 2150, Australia	Lower B-grade office building comprising a quasi-retail ground floor suite and café, three levels of above ground parking providing 138 car spaces, 6 upper office levels and roof top plant rooms	5,281	40%	Freehold

* The property has a lease term until June 2081, with a right for a further term of 98 years, until year 2179.

Land held for development

Associate name	Location	Description	Land area (square meter)	Group effective interest	Tenure
North Fremantle JV Pty Ltd	54 & 85 Bracks Street, North Fremantle, Perth, Australia	Industrial land; to be rezoned for commercial and residential use	45,456	20%	Freehold
PT Kramat Roxy Pacific	Jalan Kramat Raya No. 110, Jakarta, Indonesia	Commercial development	1,703	49%	Freehold
ACH Projects Pty Ltd	609 Wellington Street, Perth, Australia	Hotel development	1,391	49%	Freehold
RPPG (Revesby) Pty Ltd	34 – 36 Mavis Street, Revesby NSW 2212, Australia	Industrial development	8,433	50%	Freehold
Peel Street JV Pty Ltd	64 Peel and 9 Cordelia Street, South Brisbane, Australia	Commercial and residential development	2,597	40%	Freehold

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

The Group has six (2019 – eight) associates that are material and a number of associates that are individually immaterial to the Group.

Summarised financial information, adjusted for the Group's share of equity interest in respect of the associates is set out below:

31 December 2020	Rolex Investment Ltd $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Nigella SG Pte Ltd $'000	Roxy-CES(NZ) Limited $'000	Immaterial associates $'000	Total $'000
Revenue	–	42,942	25	82	23,919	12,554		
Profit/(loss) for the year	(33,654)	2,422	(22,505)	(11,422)	19,742	10,024		
Other comprehensive income ("OCI")	–	–	–	–	–	–		
Total comprehensive income/(loss)	(33,654)	2,422	(22,505)	(11,422)	19,742	10,024		
Attributable to investee's shareholders	(33,654)	2,422	(22,505)	(11,422)	19,742	10,024		
Current assets	121,693	63,407	1,050	1,562	2,370	12,448		
Non-current assets	–	38	42,439	71,816	26,621	198,536		
Current liabilities	(38,890)	(50,422)	(24,097)	(11,643)	(22)	(31,618)		
Non-current liabilities	–	–	–	(20,610)	–	(155,689)		
Net Assets	82,803	13,023	19,392	41,125	28,969	23,677		
Adjusted for net investment loans	–	50,728	–	–	–	59,086		
Net assets attributable to investee's shareholders	82,803	63,751	19,392	41,125	28,969	82,763		
Group's interest in net assets of investee at beginning of the year	35,038	28,946	15,895	19,080	15,410	34,221	47,881	196,471
Equity investment	–	–	192	590	–	–	–	782
Net investment loan	–	–	–	–	–	–	38,316	38,316
Repayment of net investment loan	–	–	–	–	–	–	(4,122)	(4,122)
Impairment of net investment loan (Note 30)	–	–	–	–	–	–	(1,428)	(1,428)
Group's share of:								
– Profit/(loss) for the year	(10,096)	1,138	(9,002)	(4,569)	10,477	5,012	(338)	(7,378)
– OCI	–	–	–	–	–	–	–	–
Total comprehensive income	(10,096)	1,138	(9,002)	(4,569)	10,477	5,012	(338)	(7,378)
Dividend income	–	–	–	–	(10,970)	–	(2,006)	(12,976)
Translation differences	(101)	(121)	672	1,349	457	2,149	2,391	6,796
Carrying amount of interest in investee at end of the year	24,841	29,963	7,757	16,450	15,374	41,382	80,694	216,461

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

31 December 2019	Rolex Investment Ltd $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Nigella SG Pte Ltd $'000	TE2-Roxy Australia Pty Ltd $'000	Roxy-CES(NZ) Limited $'000	RH Guillemard Pte Ltd $'000	Immaterial associates $'000	Total $'000
Revenue	–	39,764	56	76	560	5,305	12,637	17,192		
Profit/(loss) for the year	185	7,202	(709)	(566)	3,336	2,760	5,534	1,728		
Other comprehensive income ("OCI")	–	–	–	–	–	–	–	–		
Total comprehensive income/(loss)	185	7,202	(709)	(566)	3,336	2,760	5,534	1,728		
Attributable to investee's shareholders	185	7,202	(709)	(566)	3,336	2,760	5,534	1,728		
Current assets	123,535	89,921	535	1,178	3,568	3,950	9,029	80,187		
Non-current assets	–	147	39,274	65,780	83,067	81,278	179,049	–		
Current liabilities	(6,742)	(79,179)	(72)	(154)	(1,463)	(77,175)	(31,586)	(77,569)		
Non-current liabilities	–	–	–	(19,104)	(56,137)	(3,900)	(144,129)	(105)		
Net Assets	116,793	10,889	39,737	47,700	29,035	4,153	12,363	2,513		
Adjusted for net investment loans	–	50,697	–	–	–	30,802	56,078	–		
Net assets attributable to investee's shareholders	116,793	61,586	39,737	47,700	29,035	34,955	68,441	2,513		
Group's interest in net assets of investee at beginning of the year	35,195	22,457	16,151	19,467	–	14,816	3,431	392	30,421	142,330
Equity investment	–	–	379	268	13,907	–	–	–	–	14,554
Net investment loan	–	3,128	–	–	–	–	28,039	–	5,696	36,863
Return of capital	–	–	–	–	–	–	–	–	(480)	(480)
Group's share of:										
– Profit/(loss) for the year	55	3,385	(284)	(230)	1,771	1,242	2,767	864	(1,092)	8,478
– OCI	–	–	–	–	–	–	–	–	–	–
Total comprehensive income	55	3,385	(284)	(230)	1,771	1,242	2,767	864	(1,092)	8,478
Dividend income	–	–	–	–	–	–	–	–	(3,515)	(3,515)
Translation differences	(212)	(24)	(351)	(425)	(268)	(329)	(16)	–	(134)	(1,759)
Carrying amount of interest in investee at end of the year	35,038	28,946	15,895	19,080	15,410	15,729	34,221	1,256	30,896	196,471

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For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(a) Investment in associates (Continued)

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associates, is as follows:

31 December 2020	Rolex Investment Ltd $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Nigella SG Pte Ltd $'000	Roxy-CES(NZ) Limited $'000	Immaterial associates $'000	Total $'000
Net assets attributable to investee's shareholders	**82,803**	**63,751**	**19,392**	**41,125**	**28,969**	**82,763**		
Group's equity interest	**30%**	**47%**	**40%**	**40%**	**53%**	**50%**		
Group's share of net assets	**24,841**	**29,963**	**7,757**	**16,450**	**15,374**	**41,382**	**80,694**	**216,461**

31 December 2019	Rolex Investment Ltd $'000	Macly Equity Sdn Bhd $'000	Peel Street JV Pty Ltd $'000	North Fremantle JV Pty Ltd $'000	Nigella SG Pte Ltd $'000	TE2-Roxy Australia Pty Ltd $'000	Roxy-CES(NZ) Limited $'000	RH Guillemard Pte Ltd $'000	Immaterial associates $'000	Total $'000
Net assets attributable to investee's shareholders	116,793	61,586	39,737	47,700	29,035	34,955	68,441	2,513		
Group's equity interest	30%	47%	40%	40%	53%	45%	50%	50%		
Group's share of net assets	35,038	28,946	15,895	19,080	15,410	15,729	34,221	1,256	30,896	196,471

(b) Investment in joint ventures

The Group	31 December 2020 $'000	31 December 2019 $'000
Unquoted equity investments, at cost	**37,967**	–
Share of post-acquisition results	**537**	–
Exchange differences	**1,308**	–
	39,812	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(b) Investment in joint ventures (Continued)

Details of the joint ventures are as follows:

Name of joint ventures	Country of incorporation	Ownership interest 2020	Ownership interest 2019	Principal activities
Held by Subsidiaries				
Vivel SG Pte. Ltd.[1][3]	Singapore	**49%**	–	Investment holding and property investment in Japan
TE-Roxy Commercial Trust I[2][4]	Singapore	**40%**	–	Trust

All joint ventures are considered significant to the Group, or required for audit under the laws of the country of incorporation, unless otherwise indicated below:

(1) Audited by PricewaterhouseCoopers LLP, Singapore

(2) The joint venture is newly incorporated and not yet subjected to audit.

(3) During the financial year, the Group subscribed for 9,995,067 ordinary shares in Vivel SG Pte. Ltd. for a consideration of USD9,995,067 which represented 49% equity interest in the company.

(4) During the financial year, the Group invested a 40% equity interest in TE-Roxy Commercial Trust I, a Singapore master trust at a committed capital of AUD 27,200,000.

The property held by the joint venture as at 31 December 2020 is as follows:

Investment property

Joint venture name	Project name	Location	Description	Net lettable floor area (square meter)	Group effective interest	Tenure
Vivel SG Pte. Ltd	Vivel Shibuya	23-10 Udagawacho, Shibuya-ku, Tokyo	5 storey retail building	679	49%	Freehold

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9 Investment in associates and joint ventures (Continued)

(b) Investment in joint ventures (Continued)

Summarised financial information, adjusted for the Group's share of equity interest in respect of the joint ventures is set out below:

31 December 2020	Vivel SG Pte. Ltd. $'000	TE-Roxy Commercial Trust I $'000	Total $'000
Revenue	1,898	–	1,898
Profit/(loss) for the year#	2,371	(1,560)	811
Other comprehensive income ("OCI")	–	–	–
Total comprehensive income/(loss)	2,371	(1,560)	811
Attributable to investee's shareholders	2,371	(1,560)	811
# Includes:			
– Interest expense	711	–	
– Income tax expense	396	–	
Current assets*	6,435	63,009	69,444
Non-current assets	71,980	–	71,980
Current liabilities**	(906)	(1,373)	(2,279)
Non-current liabilities***	(46,575)	–	(46,575)
Net assets attributable to investee's shareholders	30,934	61,636	92,570
* Includes cash and cash equivalents	5,767	48,158	
** Includes current financial liabilities (excluding trade and other payables and provisions)	–	–	
*** Includes non-current financial liabilities (excluding trade and other payables and provisions)	46,575	–	
Group's interest in net assets of investee at beginning of the year	–	–	–
Equity investment	13,612	24,355	37,967
Group's share of:			
– Profit/(loss) for the year	1,162	(625)	537
– OCI	–	–	–
Total comprehensive income	1,162	(625)	537
Translation differences	384	924	1,308
Carrying amount of interest in investee at end of the year	15,158	24,654	39,812

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in joint ventures, is as follows:

31 December 2020	Vivel SG Pte. Ltd. $'000	TE-Roxy Commercial Trust I $'000	Total $'000
Net assets attributable to investee's shareholders	30,934	61,636	
Group's equity interest	49%	40%	
Group's share of net assets	15,158	24,654	39,812

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10 Right-of-use assets

The Group	Leasehold land $'000	Motor vehicle $'000	Plant and equipment $'000	Total $'000
Cost				
Adoption of SFRS(I) 16:				
– Initial recognition as at 1 January 2019	28,931	46	74	29,051
Exchange differences	(346)	–	–	(346)
At 31 December 2019	28,585	46	74	28,705
Effect of adjustment in incremental borrowing rate	509	–	–	509
Exchange differences	335	–	–	335
At 31 December 2020	**29,429**	**46**	**74**	**29,549**
Accumulated depreciation				
Adoption of SFRS(I) 16:				
– Initial recognition as at 1 January 2019	–	–	–	–
Depreciation for the year (Note 30)	659	26	15	700
Exchange differences	(3)	–	–	(3)
At 31 December 2019	656	26	15	697
Depreciation for the year (Note 30)	678	20	15	713
Effect of adjustment in incremental borrowing rate	13	–	–	13
Exchange differences	(6)	–	–	(6)
At 31 December 2020	**1,341**	**46**	**30**	**1,417**
Net book value				
At 31 December 2020	**28,088**	**–**	**44**	**28,132**
At 31 December 2019	27,929	20	59	28,008

The lease term for motor vehicle has expired in September 2020 and is not being renewed.

Details of the Group's significant right-of-use assets as at 31 December 2020 are as follows:

Description	Gross land area	Tenure
Island of Kudafunafaru, Noonu Atoll, Maldives	89,896 sqm	50-years leasehold commenced 25 June 2006[(1)]
1 Fanshawe Street Auckland	2,604 sqm	31-years leasehold commenced 1 January 2007[(2)]

(1) The property lease term can be further extended by another 49 years subject to certain conditions being met.

(2) The property lease term is perpetually renewable at an interval of 20 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

11 Financial assets at fair value through profit or loss

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Equity securities, at fair value				
At beginning of year	**10,109**	1,856	**10,109**	356
Additions during the year	**12,552**	10,021	**–**	10,021
Disposal during the year	**(10,176)**	(1,992)	**(10,176)**	(391)
Net fair value gain (Notes 28 & 30)	**859**	224	**67**	123
Effect of movement in exchange rate	**(394)**	–	**–**	–
At end of year	**12,950**	10,109	**–**	10,109

The fair values are within Level 3 (2019: Level 1) of the fair values hierarchy.

12 Development properties for sale

The Group	31 December 2020 $'000	31 December 2019 $'000
Properties for sale under development	**440,333**	487,408
Developed properties for sale	**–**	65,249
	440,333	552,657

As at 31 December 2020, development properties for sale with a total carrying amount of $440,333,000 (2019 – $552,657,000) were mortgaged as security in respect of bank loans (Note 22).

In the last financial year ended 31 December 2019, the Group transferred $35,370,000 from land held for future development to property, plant and equipment upon obtaining the approval from Melbourne City Council to re-develop the building into hotel and the signing of the Hotel Management Agreement with Park Hotel Group.

Properties for sale under development

Details of properties for sale under development at 31 December 2020 are as follows:

The Group	31 December 2020 $'000	31 December 2019 $'000
Land cost	**499,418**	499,400
Development expenditure	**61,797**	35,640
	561,215	535,040
Attributable cost	**(120,882)**	(47,632)
	440,333	487,408
Loan interest capitalised as cost of development properties during the year	**–**	6,564

In the last financial year, borrowing costs is capitalised using a capitalisation rate of 2.8%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12 Development properties for sale (Continued)

Properties for sale under development (Continued)

The carrying amounts of properties for sale under development expected to be completed within the Group's normal operating cycle is as follows:

The Group	31 December 2020 $'000	31 December 2019 $'000
Expected completion date:		
– within the next 12 months	**5,636**	–
– beyond 12 months	**434,697**	487,408
	440,333	487,408

Information on properties for sale under development as at 31 December 2020 is as follows:

Location	Project name	Description	Stage of completion	Expected completion	Approximate land area (square meter)	Gross floor area (square meter)	Group effective interest	Tenure
Singapore								
211 & 223 Pasir Panjang Road, Singapore	Harbour View Gardens	57 residential units	83%	3Q 2021	2,856	3,998	100%	Freehold
120 Grange Road, Singapore	120 Grange	56 residential units	32%	2Q 2022	1,466	3,079	90%	Freehold
828 Upper Bukit Timah Road, Singapore	Bukit 828	34 residential units	45%	1Q 2022	953	2,382	80%	Freehold
344 River Valley Road, Singapore	RV Altitude	140 residential units	25%	2Q 2022	2,675	7,491	100%	Freehold
386 Dunearn Road, Singapore	Dunearn 386	35 residential units	21%	2Q 2022	1,784	2,747	100%	Freehold
5 Derbyshire Road, Singapore	Fyve Derbyshire	71 residential units	15%	4Q 2022	1,777	4,976	100%	Freehold
15,17,19,21,23 & 25 Lorong Kismis, Singapore	View at Kismis	186 residential units & 2 commercial units	7%	1Q 2023	9,322	13,050	60%	Leasehold

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12 Development properties for sale (Continued)

Developed properties for sale

The Group	31 December 2020 $'000	31 December 2019 $'000
Developed properties for sale	–	65,249

Information on developed properties for sale as at 31 December 2019 is as follows:

Location	Property name	Description	Gross floor area (square meter)	Group effective interest	Tenure
37-41 Bayswater Road, Potts Point, Sydney	The Hensley	1 residential unit	89	100%	Freehold
10-11 Cowper Street, Glebe, Sydney	West End Residences	24 residential units	2,267	100%	Freehold
6A and 8 Buckingham Road, Killara,Sydney	Octavia Killara	43 residential units	3,792	100%	Freehold

13 Inventories

The Group	31 December 2020 $'000	31 December 2019 $'000
Hotel supplies, at cost	**1,105**	1,455

14 Trade receivables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Trade receivables	**13,547**	6,151	**–**	–
Impairment of trade receivables	**(413)**	(285)	**–**	–
	13,134	5,866	**–**	–
Goods and Services Tax receivables	**149**	480	**78**	33
	13,283	6,346	**78**	33

Trade receivables have credit terms of 30 (2019 – 30) days. The Group does not require collateral in respect of trade receivables.

Analysis of credit risk and currency risk is set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14 Trade receivables (Continued)

Trade receivables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**12,083**	4,939	**78**	33
United States dollar	**842**	546	**–**	–
Thai Baht	**–**	39	**–**	–
Japanese yen	**274**	408	**–**	–
Australian dollar	**84**	414	**–**	–
	13,283	6,346	**78**	33

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Movements in impairment of trade receivables:				
At beginning of year	**285**	29	**–**	–
Impairment loss recognised (Note 30)	**135**	285	**–**	–
Amounts written back (Note 30)	**(2)**	(10)	**–**	–
Amounts written off	**–**	(19)	**–**	–
Effect of movement in exchange rate	**(5)**	–	**–**	–
At end of year	**413**	285	**–**	–

15 Contract assets

The contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the end of the reporting period, pertaining to development properties for sales. The amounts recognised as contract assets are reclassified to trade receivables at the point at which it is invoiced to the customer. The Group has not recognised an allowance for contract assets as the ECL are assessed to be insignificant.

The Group	31 December 2020 $'000	31 December 2019 $'000
Contract assets	**30,936**	25,155

Analysis of credit risk is set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15.1 Contract costs

The Group	31 December 2020 $'000	31 December 2019 $'000
Balance at beginning of year	**10,371**	6,084
Amount capitalised	**11,686**	7,843
Amount amortised	**(4,268)**	(3,556)
Balance at end of year	**17,789**	10,371

Contract costs relate to sales commission incurred in securing sales of properties.

16 Other receivables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Amounts due from subsidiaries (non-trade)	**–**	–	**500,693**	415,805
Accrued receivable from subsidiaries	**–**	–	**7,017**	11,732
Advances to associates (non-trade)	**448**	224	**1**	1
Deposits	**18,160**	2,022	**17**	13
Customer deposits held in trust	**–**	4,566	**–**	–
Interest receivable	**265**	581	**259**	470
Grant receivables	**379**	–	**–**	–
Others	**782**	1,630	**84**	3
	20,034	9,023	**508,071**	428,024
Impairment of other receivables	**(10)**	(22)	**(31,593)**	–
	20,024	9,001	**476,478**	428,024
Prepayments	**811**	1,628	**59**	32
Tax recoverable	**2,853**	1,957	**–**	–
	23,688	12,586	**476,537**	428,056

The non-trade amounts due from subsidiaries comprise mainly advances from the Company and are unsecured and repayable on demand. At the reporting date, amounts due from subsidiaries of $2,781,600 bear interest at 1.26% (2019 – $2,781,600 at 2.52%) per annum. Interest is re-priced every 12 months. The remaining amounts due from subsidiaries are interest-free.

Customer deposits held in trust received from buyers of pre-sold properties overseas are kept in an escrow account by the solicitor of the property agent. The corresponding liability amounts are recorded in other deposits within other payables in Note 25(b).

Advances to associates are unsecured, interest-free and repayable on demand.

Included in the deposits pertain to an amount of $17,675,000 paid to acquire a freehold residential site.

Analysis of credit risk and currency risk is set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16 Other receivables (Continued)

Other receivables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**20,037**	2,175	**461,146**	412,706
United States dollar	**259**	1,576	**–**	–
Thai baht	**2,346**	1,424	**–**	–
Japanese yen	**618**	641	**12,237**	8,492
Australian dollar	**220**	6,479	**3,154**	6,858
New Zealand dollar	**208**	291	**–**	–
	23,688	12,586	**476,537**	428,056

The movement in the allowance for impairment in respect of other receivables during the year was as follows:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Movements in impairment of other receivables				
At beginning of year	**22**	731	**–**	–
Amounts written off	**(12)**	(709)	**–**	–
Impairment loss recognised	**–**	–	**31,593**	–
At end of year	**10**	22	**31,593**	–

17 Amounts owing by associates

The Group	31 December 2020 $'000	31 December 2019 $'000
Amounts owing by associates	–	34,417

During the financial year, the Group has re-designated amounts owing by associates as net investment loans to associates.

Amounts owing by associates are denominated in the following currencies:

The Group	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	–	34,417
	–	34,417

In the last financial year, the amounts owing by associates comprise unsecured advances which are non-trade, interest-free and repayable on demand.

Further analysis of credit risk and currency risk is set out in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18 Cash and bank balances

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Project accounts				
Cash at bank in project accounts	**41,416**	32,190	**–**	–
Fixed deposits in project accounts	**30,000**	14,000	**–**	–
	71,416	46,190	**–**	–
Cash at bank	**129,621**	172,342	**84,237**	26,193
Fixed deposits	**194,516**	112,427	**187,537**	108,517
Cash and bank balances	**395,553**	330,959	**271,774**	134,710

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

The Group	31 December 2020 $'000	31 December 2019 $'000
Cash and bank balances (as above)	**395,553**	330,959
Less: Fixed deposits pledged#	**158,648**	81,285
Cash and cash equivalents per consolidated statement of cash flows	**236,905**	249,674

Fixed deposits are pledged to secure bankers' guarantees and for multi-currency loan facilities obtained for working capital purposes of the Group.

Project accounts

The project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997 from which withdrawals are restricted to payments for costs incurred in developing properties for sale.

At the reporting date, the weighted average effective interest rate of fixed deposits in project accounts was 0.229% (2019 – 0.961%) per annum.

Cash and bank balances

At the reporting date, the weighted average effective interest rate of fixed deposits (excluding fixed deposits in project accounts) of the Group and the Company was 0.361% (2019 – 1.422%) and 0.347% (2019 – 1.394%) per annum, respectively.

Total cash and bank balances are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**240,439**	183,530	**139,427**	104,248
Australian dollar	**138,708**	130,301	**131,268**	29,762
New Zealand dollar	**10,760**	7,229	**733**	696
Thai baht	**2,904**	6,516	**–**	–
Japanese yen	**1,018**	1,967	**29**	4
United States dollar	**1,703**	1,416	**317**	–
Maldivian rufiyaa	**21**	–	**–**	–
	395,553	330,959	**271,774**	134,710

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

19 Share capital

The Group and The Company	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	No. of ordinary shares		$'000	$'000
Ordinary shares issued and fully paid, with no par value:				
Balance at beginning and at end of year	**1,312,904,844**	1,312,904,844	**47,399**	47,399

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

20 Treasury shares

The Group and The Company	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	No. of ordinary shares		$'000	$'000
Balance at beginning and at end of year	**8,924,900**	8,924,900	**(3,954)**	(3,954)

21 Other reserves

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Revaluation reserve	**533**	533	**–**	–
Hedging reserve	**(5,583)**	(10)	**–**	–
Translation reserve	**(2,279)**	(22,992)	**–**	–
	(7,329)	(22,469)	**–**	–

Revaluation reserve

Revaluation surplus reserve relates to the excess of the revalued amount and the carrying amount of the property upon its transfer from owner-occupied property to investment property.

Hedging reserve

The fair value changes on the effective portion of cash flow hedge are recognised in other comprehensive income, accumulated in the hedging reserve and reclassified to profit or loss when the hedged interest expense on the borrowings is recognised in profit or loss and presented separately in "finance costs".

Translation reserve

Translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22 Borrowings

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Non-current liabilities				
Bank loans (secured):				
Between two and five years	**297,379**	142,746	**–**	–
After five years	**44,294**	46,372	**–**	–
	341,673	189,118	**–**	–
Current liabilities				
Bank loans (secured):				
Repayable within one year or less, or on demand	**267,248**	339,072	**102,899**	72,357
Repayable after one year, but within the normal operating cycle	**363,373**	386,876	**–**	–
	630,621	725,948	**102,899**	72,357
Total borrowings	**972,294**	915,066	**102,899**	72,357

The fair value of non-current borrowings at the reporting date is as follows:

	Carrying amount		Fair value	
The Group	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Borrowings with an average effective interest rate of 1.99% (2019: 3.03%) per annum	**341,673**	189,118	**341,549**	187,337

The fair values are within Level 2 of the fair values hierarchy.

The borrowings are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**806,116**	733,122	**91,000**	56,000
United States dollar	**32,682**	24,479	**11,899**	2,694
Thai baht	**31,178**	22,527	**–**	–
Japanese yen	**46,410**	59,087	**–**	13,663
Australian dollar	**16,804**	38,738	**–**	–
New Zealand dollar	**39,104**	37,113	**–**	–
	972,294	915,066	**102,899**	72,357

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22 Borrowings (Continued)

Bank loans

At the reporting date, the bank loans bear interest at varying effective rates ranging from 1.04% to 3.68% (2019 – 1.61% to 4.80%) per annum. Interest is re-priced between 1 to 12 months (2019 – 1 to 12 months).

The bank loans are secured by: land and buildings (Note 4), investment properties (Note 6), development properties for sale (Note 12) and pledged fixed deposit (Note 18).

The Company has provided guarantees to banks in respect of loan facilities granted to subsidiaries and associates amounting to $1,237,332,000 (2019 – $1,282,021,000). At the reporting date, the amount of the loan drawdown under the facilities was $972,294,000 (2019 – $915,066,000). The current interest rates charged by the lenders on the loans to subsidiaries are at market rates and are consistent with the borrowing costs of the subsidiaries without corporate guarantees. The Group has assessed that the fair value of corporate guarantees is immaterial.

Further analysis of currency and liquidity risks is set out in Note 35.

23 Lease liabilities

The Group	31 December 2020 $'000	31 December 2019 $'000
Undiscounted lease payments due:		
– Year 1	**1,896**	1,659
– Year 2	**1,867**	1,868
– Year 3	**1,877**	1,839
– Year 4	**1,853**	1,849
– Year 5	**1,853**	1,825
– Year 6 and onwards	**83,762**	83,576
	93,108	92,616
Less: Future interest cost	**(64,296)**	(64,391)
Balance at end of year	**28,812**	28,225
Presented as:		
– Non-current	**28,584**	27,985
– Current	**228**	240
	28,812	28,225

Interest expense on lease liabilities of $1,659,000 (2019 – $1,675,000) is recognised within "finance costs" in profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within "other operating expenses" in profit or loss are set out below:

The Group	31 December 2020 $'000	31 December 2019 $'000
Short-term leases	**–**	2
Leases of low-value asset	**7**	10

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

23 Lease liabilities (Continued)

Total cash outflows for all leases during the year amount to $1,916,000 (2019 – $2,158,000).

As at 31 December 2020, the Group's short-term lease commitments at the reporting date are not substantially dissimilar to those giving rise to the Group's short-term lease expense for the year.

Further information about the financial risk management are disclosed in Note 35.

24 Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	The Group		**The Company**	
	31 December 2020 $'000	**31 December 2019 $'000**	**31 December 2020 $'000**	**31 December 2019 $'000**
Properties for sale under development	**2,581**	2,895	**–**	–
Investment property from overseas	**2,478**	2,018	**–**	–
Property, plant and equipment	**4,019**	3,512	**–**	–
Unremitted income	**1,147**	1,518	**618**	851
	10,225	9,943	**618**	851

Settlement of deferred tax liabilities is as follows:

	The Group		**The Company**	
	31 December 2020 $'000	**31 December 2019 $'000**	**31 December 2020 $'000**	**31 December 2019 $'000**
To be settled:				
Later than one year and no later than five years	**3,749**	3,875	**618**	851
Later than five years	**6,476**	6,068	**–**	–
	10,225	9,943	**618**	851

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

24 Deferred tax liabilities (Continued)

Movement in temporary differences during the year:

The Group	**31 December 2020 $'000**	**31 December 2019 $'000**
Deferred tax liabilities:		
Balance at beginning of year	**9,943**	10,979
Recognised in profit or loss:		
Properties for sale under development	**(314)**	(831)
Investment property from overseas	**460**	491
Property, plant and equipment	**507**	(803)
Unremitted income	**(371)**	107
(Note 31)	**282**	(1,036)
Balance at end of year	**10,225**	9,943

The Company	**31 December 2020 $'000**	**31 December 2019 $'000**
Deferred tax liabilities:		
Balance at beginning of year	**851**	671
Unremitted income	**(233)**	180
Balance at end of year	**618**	851

At 31 December 2020, no provision for deferred tax liability has been recognised in respect of undistributed profits of certain foreign subsidiaries amounting to approximately $119,287,000 (2019: $112,166,000) because management is able to control both the timing of disposal of these subsidiaries and the distribution of profits.

25 Trade and other payables

	The Group		**The Company**	
	31 December 2020 $'000	**31 December 2019 $'000**	**31 December 2020 $'000**	**31 December 2019 $'000**
Trade payables	**6,740**	15,412	**33**	154
Other payables	**89,602**	74,489	**528,745**	359,180
	96,342	89,901	**528,778**	359,334

(a) Trade payables

	The Group		**The Company**	
	31 December 2020 $'000	**31 December 2019 $'000**	**31 December 2020 $'000**	**31 December 2019 $'000**
Trade payables	**674**	3,725	**33**	154
Goods and Services Tax payables	**510**	7,855	**–**	–
Retention sums payable	**5,556**	3,832	**–**	–
	6,740	15,412	**33**	154

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Trade and other payables (Continued)

(a) Trade payables (Continued)

Trade payables have credit terms between 30 and 60 (2019: 30 and 60) days.

Trade payables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**4,528**	5,850	**33**	154
United States dollar	**93**	488	**–**	–
Thai baht	**1,701**	1,170	**–**	–
Japanese yen	**65**	105	**–**	–
Australian dollar	**218**	7,672	**–**	–
New Zealand dollar	**135**	127	**–**	–
	6,740	15,412	**33**	154

(b) Other payables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Amounts due to subsidiaries (non-trade)	**–**	–	**528,367**	357,265
Amounts due to associates (non-trade)	**34,286**	19,448	**–**	–
Amount due to non-controlling interests (non-trade)	**30,718**	28,255	**–**	–
Accrued directors' performance bonus	**–**	4,869	**–**	–
Accrued unbilled progress claims from contractors	**2,465**	1,225	**–**	–
Accrued construction costs for completed projects	**952**	1,292	**–**	–
Accrued operating expenses	**6,226**	2,824	**244**	163
Accrued payroll and related expenses	**882**	4,270	**85**	1,663
Accrued interest expense	**1,743**	1,841	**49**	89
Rental deposits received	**385**	424	**–**	–
Other deposits	**1,864**	4,741	**–**	–
Other creditors	**3,313**	5,284	**–**	–
Derivative liability	**6,768**	16	**–**	–
	89,602	74,489	**528,745**	359,180

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25 Trade and other payables (Continued)

(b) Other payables (Continued)

The non-trade amounts due to subsidiaries, associates and non-controlling interests, comprising mainly advances, are unsecured, interest-free and repayable on demand.

Derivative liability related to the Group's interest rate swaps which are designated and effective as cash flow hedge and fair value changes of these interest rate swaps in the reporting period are recognised in other comprehensive income. The fair value of interest rate swaps at the reporting date is determined by discounting the future cash flows using the swap curve at the reporting date and the credit risk inherent in the contract. The net gains or losses accumulated in the cash flow hedging reserve are reclassified to profit or loss when the hedged future cash flows are no longer expected to occur or the hedged item has affected profit or loss. The interest rate swaps are transacted to hedge variable quarterly/half-yearly interest payments on borrowings that will mature on 10 September 2022, 22 May 2024 and 12 December 2024.

The details are as follows:

The Group	Contractual notional amount $'000	Fair value of derivative liability $'000
31 December 2020		
Interest rate swap	**210,474**	**6,768**
31 December 2019		
Interest rate swap	105,474	16

Other payables are denominated in the following currencies:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	31 December 2020 $'000	31 December 2019 $'000
Singapore dollar	**43,313**	36,868	**380,799**	337,314
United States dollar	**1,107**	357	**8**	6
Hong Kong dollar	**19,163**	19,447	**–**	–
Thai baht	**180**	341	**–**	–
Japanese yen	**15,689**	1,021	**–**	13
Australian dollar	**9,923**	16,144	**147,938**	21,847
New Zealand dollar	**227**	311	**–**	–
	89,602	74,489	**528,745**	359,180

Further information about the currency and liquidity risks are disclosed in Note 35.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26 Contract liabilities

The contract liabilities primarily relate to progress billings issued in excess of the Group's rights to the consideration for its property development business.

Contract liabilities are recognised as revenue when the Group fulfils its performance obligations under the contract with the customer. The significant changes in the contract liabilities during the financial year are as follows:

The Group	31 December 2020 $'000	31 December 2019 $'000
At beginning of year	**25,563**	30,933
Revenue recognised that was included in the contract liabilities at the beginning of the financial year	**(25,563)**	(30,933)
Increases due to cash received, excluding amounts recognised as revenue during the financial year	**27,625**	25,563
At end of year	**27,625**	25,563

27 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units:

(1) Hotel ownership segment relating to ownership of hotels;
(2) Property development segment relating to the development of properties for sale;
(3) Property investment segment relating to the business of investing in properties to earn rentals and for capital appreciation; and
(4) Others relating to corporate office functions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 Operating segments (Continued)

The Group	Hotel ownership 31 December 2020 $'000	Hotel ownership 31 December 2019 $'000	Property development 31 December 2020 $'000	Property development 31 December 2019 $'000	Property investment 31 December 2020 $'000	Property investment 31 December 2019 $'000	Others 31 December 2020 $'000	Others 31 December 2019 $'000	The Group 31 December 2020 $'000	The Group 31 December 2019 $'000
Revenue-External	**25,247**	50,414	**165,789**	385,942	**7,395**	7,674	**–**	–	**198,431**	444,030
Segment results	**(6,476)**	(301)	**13,633**	62,718	**2,607**	4,359	**(2,914)**	(5,934)	**6,850**	60,842
Interest income	**–**	16	**351**	563	**74**	132	**1,791**	2,046	**2,216**	2,757
Finance costs	**(9,129)**	(10,530)	**(8,675)**	(9,631)	**(2,651)**	(3,505)	**(1,359)**	(1,531)	**(21,814)**	(25,197)
Fair value gain on investment properties	**–**	–	**–**	–	**2,055**	737	**–**	–	**2,055**	737
Impairment of property, plant and equipment	**(7,009)**	(3,338)	**–**	–	**–**	–	**–**	–	**(7,009)**	(3,338)
Property, plant and equipment written off	**(5,015)**	–	**–**	–	**–**	–	**–**	–	**(5,015)**	–
Fair value gain on financial assets at fair value through profit or loss	**–**	–	**–**	–	**792**	102	**67**	122	**859**	224
Net exchange gain	**(21)**	213	**85**	–	**932**	(100)	**(674)**	217	**322**	330
Impairment of net investment loan to associate	**(1,428)**	–	**–**	–	**–**	–	**–**	–	**(1,428)**	–
Impairment loss on trade receivables	**(133)**	(275)	**–**	–	**–**	–	**–**	–	**(133)**	(275)
Net change in fair value of cash flow hedge reclassified to profit or loss	**(384)**	–	**(1,178)**	7	**–**	–	**–**	–	**(1,562)**	7
Share of results of associates and joint ventures (net of income tax)	**(20)**	89	**(13,809)**	1,857	**6,978**	6,532	**10**	–	**(6,841)**	8,478
(Loss)/Profit before tax	**(29,615)**	(14,126)	**(9,593)**	55,514	**10,787**	8,257	**(3,079)**	(5,080)	**(31,500)**	44,565
Other information										
Segment assets	**302,543**	302,285	**743,187**	914,684	**293,948**	230,225	**276,578**	150,140	**1,616,256**	1,597,334
Total assets									**1,616,256**	1,597,334
Segment liabilities*	**435,290**	375,607	**481,624**	523,202	**104,751**	86,226	**103,408**	73,720	**1,125,073**	1,058,755
Total liabilities									**1,125,073**	1,058,755
Investment in associates and joint ventures (including net investment loans)	**–**	–	**4,681**	3,962	**37,967**	19,416	**–**	–	**42,648**	23,378
Capital expenditure relating to investment properties	**–**	–	**–**	–	**267**	99	**–**	–	**267**	99
Capital expenditure relating to property, plant and equipment	**18,815**	5,851	**–**	–	**–**	15	**74**	76	**18,889**	5,942
Depreciation of right-of-use assets	**537**	524	**–**	–	**176**	176	**–**	–	**713**	700
Depreciation of property, plant and equipment	**8,411**	8,231	**–**	–	**83**	85	**172**	162	**8,666**	8,478
Amortisation of intangible assets	**26**	25	**–**	–	**–**	–	**168**	163	**194**	188

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27 Operating segments (Continued)

Major customers

There were no revenue transactions from a single customer that amounted to 10% or more of the Group's revenue for the financial years ended 31 December 2020 and 2019.

* Reconciliations of reportable segment liabilities:

The Group	31 December 2020 $'000	31 December 2019 $'000
Total liabilities for reportable segment	**1,125,073**	1,058,755
Current tax liabilities	**3,488**	18,103
Deferred tax liabilities	**10,225**	9,943
Total liabilities	**1,138,786**	1,086,801

The Group Chief Executive Officer ("Group CEO"), who is designated as the Chief Operating Decision Maker, monitors the operating results of its operating segments for the purpose of making decisions about resource allocation and performance assessment.

Information regarding the results of each reportable segment is included above. Performance is measured based on segment results before income tax, as included in the internal management reports that are reviewed by the Group CEO. Segment results is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

The Group's income taxes are managed on a group basis and are not allocated to operating segments.

Geographical segments are as follows:

The Group	Singapore $'000	Australia $'000	Japan $'000	Thailand $'000	Malaysia $'000	New Zealand $'000	Hong Kong $'000	Indonesia $'000	Maldives $'000	Total $'000
2020										
External revenue	**115,094**	**72,161**	**1,479**	**–**	**–**	**6,296**	**–**	**–**	**3,401**	**198,431**
Non-current Assets	**177,622**	**118,278**	**98,672**	**49,635**	**29,963**	**118,697**	**24,841**	**3,765**	**59,146**	**680,619**
2019										
External revenue	145,072	279,477	8,296	–	–	6,217	–	–	4,968	444,030
Non-current assets	143,197	105,665	86,253	36,078	28,946	107,958	35,038	3,872	66,272	613,279

28 Other income

The Group	31 December 2020 $'000	31 December 2019 $'000
Interest income	**2,216**	2,757
Change in fair value of investment properties (Note 6)	**2,055**	737
Management fees charged to associates	**779**	839
Foreign exchange gain	**1,885**	769
Fair value gain on financial assets at fair value through profit or loss (Note 11)	**859**	224
Dividend income from investment in equity securities	**21**	110
Government grant	**5,939**	–
Sundry income	**2,672**	1,749
	14,210	4,428

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For the financial year ended 31 December 2020

29 Finance costs

The Group	31 December 2020 $'000	31 December 2019 $'000
Interest expense on bank loans	**20,094**	23,157
Interest expense on lease liabilities (note 23)	**1,659**	1,675
Loan commitment fees and other borrowing cost	**61**	365
Net change in fair value of cash flow hedge reclassified to profit or loss	**1,562**	(7)
	23,376	25,190

30 (Loss)/Profit before taxation

The Group	Note	31 December 2020 $'000	31 December 2019 $'000
(Loss)/Profit before taxation is arrived at after (crediting)/charging:			
Directors' fees		**219**	165
Depreciation of property, plant and equipment	4	**8,666**	8,478
Depreciation of right-of-use assets	10	**713**	700
Amortisation of intangible assets	5	**194**	188
Foreign exchange loss		**1,563**	439
Impairment loss on trade receivables, net	14	**133**	275
Impairment of property, plant and equipment	4	**7,009**	3,338
Impairment of net investment loan to associates	9	**1,428**	–
Property, plant and equipment written off	4	**5,015**	–
Net change in fair value of cash flow hedge reclassified to profit or loss	29	**1,562**	(7)
Fair value gain on financial assets at fair value through profit or loss	11	**(859)**	(224)
Fair value gain on investment properties, net	6	**(2,055)**	(737)
Audit fees			
– Of the external auditor of the Group		**264**	260
– Of other external auditors of the Group		**124**	116
Non-audit fees			
– Of the external auditor of the Group		**5**	6
Staff costs			
Directors			
– Salaries and other related costs		**1,500**	6,156
– Central Provident Fund ("CPF") contributions		**34**	255
Key Management Personnel (other than Directors)			
– Salaries, wages and other related costs		**1,455**	2,323
– CPF contributions		**63**	120
Other than directors and key management personnel			
– Salaries, wages and other related costs		**13,802**	17,046
– CPF contributions		**1,438**	1,499
– Other personnel expenses		**1,283**	2,404
		19,575	29,803

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31 Tax expense

The Group	31 December 2020 $'000	31 December 2019 $'000
Current tax expense		
– Current year	**2,472**	17,647
– Adjustments for prior years	**(1,647)**	(1,185)
	825	16,462
Deferred tax expense		
– Origination and reversal of temporary differences	**(185)**	(777)
– Adjustments for prior years	**467**	(259)
(Note 24)	**282**	(1,036)
	1,107	15,426

Singapore income tax is calculated at 17% (2019 – 17%) of the estimated assessable profit or loss for the year. Taxation for other jurisdictions is calculated at the prevailing corporate tax rates in the relevant jurisdictions.

The tax expense on the results of the financial year varies from the amount of income tax determined by applying each entity's domestic income tax rate on the accounting profit or loss as a result of the following:

The Group	31 December 2020 $'000	31 December 2019 $'000
(Loss)/Profit before taxation	**(31,500)**	44,565
Income tax using applicable tax rates	**(7,334)**	13,799
Expenses not deductible for tax purposes	**11,572**	846
Income not subject to tax	**(5,260)**	(2,105)
Deferred tax assets not recognised	**3,407**	4,963
Utilisation of previously unrecognised tax losses	–	(471)
Tax credit, exemption, group relief, rebate and others	**(98)**	(162)
Adjustments for prior years	**(1,180)**	(1,444)
	1,107	15,426

At 31 December 2020, the Group had accumulated unutilised tax losses amounting to $53,692,000 (2019: $35,146,000), of which, $46,653,000 (2019: $31,076,000) relates to foreign entities. The tax losses are subject to agreement by the relevant tax authorities and compliance with tax regulations.

Deferred tax assets of $10,703,000 (2019: $7,296,000) of which $9,595,000 (2019: $6,604,000) relates to foreign entities have not been recognised because it is not probable that future taxable profits will be available against which the Group can utilise the benefit therefrom.

Income not subject to tax mainly pertains to Job Support Scheme grant, share of profits of associates and joint ventures, and fair value gain of Singapore investment property.

Non-deductible expenses mainly relate to property, plant and equipment written off, share of losses of associates and joint ventures, depreciation of non-qualifying assets, restriction of interest expenses which are non-allowable for deduction and impairment of net investment loan to associate.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

32 (Loss)/Earnings per share

The basic (loss)/earnings per share is calculated by dividing the (loss)/profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year. The Company did not have any stock options or dilutive potential ordinary shares during the years ended 31 December 2020 and 2019.

The Group	**31 December 2020**	**31 December 2019**
(Loss)/Profit for the year attributable to owners of the Company ($'000)	**(29,489)**	30,319
Number of ordinary shares in issue* ('000)	**1,303,980**	1,303,980
Weighted average number of ordinary shares in issue during the year ('000)	**1,303,980**	1,303,980
(Loss)/Earnings per share-Basic (cents)	**(2.26)**	2.33
(Loss)/Earnings per share-Diluted (cents)	**(2.26)**	2.33

* Excluding treasury shares

33 Commitments

At the reporting date, the Group had the following capital commitments:

The Group	**31 December 2020 $'000**	**31 December 2019 $'000**
Construction of Park Hotel Melbourne	–	90,283
Retrofitting and construction of resorts	**11,384**	22,653
Commitment to provide funding for a joint venture's capital contribution, if called upon	**2,403**	–
	13,787	112,936

Where Group is the lessor

At the reporting date, the Group had the following rentals receivable under non-cancellable operating leases related to investment properties. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

The Group	**31 December 2020 $'000**	**31 December 2019 $'000**
Less than one year	**7,459**	7,378
One to two years	**6,968**	7,057
Two to three years	**6,855**	6,831
Three to four years	**3,934**	6,892
Four to five years	–	4,039
	25,216	32,197

The operating leases expire between January 2021 and July 2024 (2019: January 2020 and July 2024) and contain renewal options for 2 to 5 years at a rate mutually agreed between the lessor and the lessee.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

34 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are transactions with related parties made at terms agreed between the parties:

The Group	31 December 2020 $'000	31 December 2019 $'000
Short-term employee benefits	**297**	337
CPF contributions	**3**	43
	300	380

These employees are Teo Hong Hee, Teo Hong Wee, Loh Kwang Chew, Cheong Kwai Fun, Phua Lay Leng and Alicia Teo. Teo Hong Hee and Teo Hong Wee are siblings to two of the Company's Executive Directors, namely Teo Hong Lim and Chris Teo Hong Yeow (the "Executive Directors"). Loh Kwang Chew is the uncle of the Executive Directors. Cheong Kwai Fun and Phua Lay Leng are cousins of the Executive Directors. Alicia Teo is the daughter of Teo Hong Lim.

35 Financial risk management

The Group's and the Company's financial risk management policies set out the overall business strategies and risk management philosophy. The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include: credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance. The Group uses financial instruments such as interest rate swaps to hedge its interest risk exposures from time to time.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks. Market risk exposures are measured using sensitivity analysis indicated below.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Financial assets at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Fair-value-hedging instruments $'000	Total $'000
31 December 2020					
Financial assets					
Financial assets at fair value through profit or loss	**12,950**	**–**	**–**	**–**	**12,950**
Trade receivables*	**–**	**13,134**	**–**	**–**	**13,134**
Other receivables^	**–**	**20,024**	**–**	**–**	**20,024**
Cash and bank balances	**–**	**395,553**	**–**	**–**	**395,553**
	12,950	**428,711**	**–**	**–**	**441,661**
Financial liabilities					
Borrowings	**–**	**–**	**972,294**	**–**	**972,294**
Lease liabilities	**–**	**–**	**28,812**	**–**	**28,812**
Trade and other payables#	**–**	**–**	**89,064**	**–**	**89,064**
Derivative liability	**–**	**–**	**–**	**6,768**	**6,768**
	–	**–**	**1,090,170**	**6,768**	**1,096,938**

* Trade receivables exclude Goods and Services Tax receivables

^ Other receivables exclude prepayments and tax recoverable

\# Trade and other payables exclude Goods and Services Tax payables

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For the financial year ended 31 December 2020

35 Financial risk management (Continued)

The Group	Financial assets at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Fair-value-hedging instruments $'000	Total $'000
31 December 2019					
Financial assets					
Financial assets at fair value through profit or loss	10,109	–	–	–	10,109
Trade receivables*	–	5,866	–	–	5,866
Other receivables^	–	9,001	–	–	9,001
Amount owing by associates	–	34,417	–	–	34,417
Cash and bank balances	–	330,959	–	–	330,959
	10,109	380,243	–	–	390,352
Financial liabilities					
Borrowings	–	–	915,066	–	915,066
Lease liabilities	–	–	28,225	–	28,225
Trade and other payables#	–	–	82,030	–	82,030
Derivative liability	–	–	–	16	16
	–	–	1,025,321	16	1,025,337

* Trade receivables exclude Goods and Services Tax receivables

^ Other receivables exclude prepayments and tax recoverable

\# Trade and other payables exclude Goods and Services Tax payables

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

The Company	Financial assets at fair value through profit or loss $'000	Financial assets at amortised cost $'000	Financial liabilities at amortised cost $'000	Total $'000
31 December 2020				
Financial assets				
Other receivables^	–	**476,478**	–	**476,478**
Cash and bank balances	–	**271,774**	–	**271,774**
	–	**748,252**	–	**748,252**
Financial liabilities				
Borrowings	–	–	**102,899**	**102,899**
Trade and other payables#	–	–	**528,778**	**528,778**
	–	–	**631,677**	**631,677**
31 December 2019				
Financial assets				
Financial assets at fair value through profit or loss	10,109	–	–	10,109
Other receivables^	–	428,024	–	428,024
Cash and bank balances	–	134,710	–	134,710
	10,109	562,734	–	572,843
Financial liabilities				
Borrowings	–	–	72,357	72,357
Trade and other payables#	–	–	359,334	359,334
	–	–	431,691	431,691

^ Other receivables exclude prepayments and tax recoverable

Trade and other payables exclude Goods and Services Tax payables

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and contract assets.

The Group's and the Company's objective is to seek continual growth while minimising losses arising from credit risk exposure. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. Contractual deposits are collected and scheduled progress payments are received from the buyers when due. Title to properties is only transferred upon full settlement. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The carrying amounts of trade and other receivables and contract assets represent the Group's and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets.

At the reporting date, other than as disclosed in Notes 14, 15 and 16, no allowances for impairment is necessary in respect of contract assets and trade and other receivables past due and not past due.

Significant concentrations of credit risk

At the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Credit risk (Continued)

Exposure to credit risk

The tables below detail the credit quality of the Group's financial assets and contract assets, as well as maximum exposure to credit risk by credit risk rating grades:

The Group	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
31 December 2020					
Trade receivables (Note 14)	(2)	Lifetime ECL	**13,547**	**(413)**	**13,134**
Contract assets (Note 15)	(3)	Lifetime ECL	**30,936**	**–**	**30,936**
Other receivables (Note 16)	(4)	12-month ECL	**20,034**	**(10)**	**20,024**
31 December 2019					
Trade receivables (Note 14)	(2)	Lifetime ECL	6,151	(285)	5,866
Contract assets (Note 15)	(3)	Lifetime ECL	25,155	–	25,155
Other receivables (Note 16)	(4)	12-month ECL	9,023	(22)	9,001
Amounts owing by associates (Note 17)	(1)	12-month ECL	34,417	–	34,417

The Company	Internal credit rating	12-month/ Lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
31 December 2020					
Amount due from subsidiaries (Note 16)	(1)	12-month ECL	**507,710**	**(31,593)**	**476,117**
Other receivables (Note 16)	(4)	12-month ECL	**361**	**–**	**361**
31 December 2019					
Amount due from subsidiaries (Note 16)	(1)	12-month ECL	427,537	–	427,537
Other receivables (Note 16)	(4)	12-month ECL	487	–	487

The carrying amount of financial assets and contract assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

(1) Amounts due from related parties

At the end of the reporting date, the Company has assessed its related parties' financial performance to meet the contractual cash flow obligation and has provided expected credit losses of $31,593,000 for certain subsidiaries after considering the availability of highly accessible liquid assets of these subsidiaries to repay the outstanding amounts if demanded at the reporting date. The amounts due from other related parties are considered to have low credit risk as the Company has control or significant influence over the operating, investing and financing activities of these entities. The use of loans and advances to assist with the related parties' cash flow management is in line with the Group's capital management. There has been no significant increase in the credit risk of the amounts due from other related parties since initial recognition. In determining the ECL, management has taken into account the finances and business performance of the related parties, and a forward-looking analysis of the financial performance of investments and projects undertaken by the related parties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Credit risk (Continued)

(2) Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated by reference to payment history, current financial situation of the debtor, debtor-specific information obtained directly from the debtor and public domain, where available, and an assessment of the current and future wider economic conditions and outlook for the industry in which the debtor operates at the reporting date.

For sales of residential properties, the Group is contractually entitled to forfeit a fixed percentage of the purchase price received from the customer and repossess the sold property for resale. The credit loss risk in respect of outstanding progress billings to the customer is mitigated by these financial safeguards. Sales to hotel individual customers are settled in cash or using major credit cards. The credit risk relating to balances not past due pending receipt of payment from credit card companies is not deemed to be significant. For corporate customers, the credit terms granted to such customers is 90 days. Deposits will be placed with the Group, prior to the hotel stay. The credit risk relating to balances not past due pending receipt of payment from corporate companies is not deemed to be significant. Credit risk in respect of trade receivables related to property leasing is deemed to be low with security deposits received from tenants.

On that basis, below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

The Group	Current S$'000	Past due 1 to 30 days S$'000	Past due 31 to 90 days S$'000	Past due 91 to 180 days S$'000	Past due more than 180 days S$'000	Total S$'000
2020						
Gross carrying amount	**11,156**	**899**	**47**	**528**	**917**	**13,547**
Loss allowance	**–**	**–**	**–**	**–**	**(413)**	**(413)**
Net trade receivables	**11,156**	**899**	**47**	**528**	**504**	**13,134**
2019						
Gross carrying amount	4,880	–	960	22	289	6,151
Loss allowance	–	–	–	–	(285)	(285)
Net trade receivables	4,880	–	960	22	4	5,866

(3) Contract assets

Loss allowance for contract assets is measured at an amount equal to lifetime ECL, similar to that for trade receivables.

Consideration receivable for work performed (net of progress billings to be billed to purchasers of development properties) is recognised as contract assets.

At the reporting date, the expected credit loss is assessed to be insignificant.

(4) Other receivables

The ECL on other receivables are estimated by reference to track record of the counterparties, their business and financial conditions where information is available, and knowledge of any events or circumstances impeding recovery of the amounts. At the reporting date, no loss allowance for other receivables was required except as disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Credit risk (Continued)

Financial guarantees

The Company has provided financial guarantees to banks in respect of banking facilities amounting to $1,237,332,000 (2019: $1,282,021,000) granted to subsidiaries and associates, of which $250,653,000 (2019: $241,418,000) were granted to associates. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees. There is no significant difference in interest rates charged on secured loans to subsidiaries and associates with or without the corporate guarantee from the Company.

Cash and cash equivalents

The Group and the Company held cash and bank balances of $395,553,000 (2019: $330,959,000) and $271,774,000 (2019: $134,710,000) respectively at 31 December 2020. The bank balances are held with banks which are regulated. Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and bank balances was negligible.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate bank loans and fixed deposits.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates on variable rate bank loans and a change of 10 basis points (bp) in interest rates on fixed deposits at the reporting date would have increased/(decreased) profit or loss before tax and equity by the amounts shown below.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Loss before tax increase/(decrease)		Equity increase/(decrease)	
The Group	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**
At 31 December 2020				
Fixed deposits	**(225)**	**225**	**225**	**(225)**
Variable rate bank loans	**5,900**	**(5,900)**	**(5,900)**	**5,900**
	5,675	**(5,675)**	**(5,675)**	**5,675**

	Profit before tax increase/(decrease)		Equity increase/(decrease)	
The Group	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**	**10 bp*/ 100 bp# $'000**
At 31 December 2019				
Fixed deposits	126	(126)	126	(126)
Variable rate bank loans	(6,388)	6,388	(6,388)	6,388
	(6,262)	6,262	(6,262)	6,262

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Interest rate risk (Continued)

The Company	Loss before tax increase/(decrease)		Equity increase/(decrease)	
	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000
At 31 December 2020				
Fixed deposits	**(188)**	**188**	**188**	**(188)**
Variable rate bank loans	**1,029**	**(1,029)**	**(1,029)**	**1,029**
	841	**(841)**	**(841)**	**841**

The Company	Profit before tax increase/(decrease)		Equity increase/(decrease)	
	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000	10 bp*/ 100 bp# $'000
At 31 December 2019				
Fixed deposits	109	(109)	109	(109)
Variable rate bank loans	(724)	724	(724)	724
	(615)	615	(615)	615

* Fixed deposits

\# Variable rate bank loans

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the functional currencies of the respective Group entities. The currencies that give rise to foreign currency risk are: Australian dollar, Hong Kong dollar, Japanese Yen, New Zealand dollar and United States dollar.

A 5% strengthening of the above currencies against the functional currencies of the respective Group entities at the reporting date would have increased/(decreased) equity and profit or loss before tax as follows:

The Group	31 December 2020 $'000	31 December 2019 $'000
Australian dollar ("AUD")	**6,688**	1,404
Hong Kong dollar ("HKD")	**(163)**	(168)
Japanese Yen ("JPY")	**(9)**	(8)
New Zealand dollar ("NZD")	**35**	1,302
United States dollar ("USD")	**(786)**	(182)
	5,765	2,348

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Currency risk (Continued)

The Company	**31 December 2020 $'000**	**31 December 2019 $'000**
Australian dollar	**6,688**	1,404
Japanese Yen	**–**	(8)
New Zealand dollar	**35**	31
United States dollar	**(766)**	(182)
	5,957	1,245

This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effect. A 5% weakening of the above currencies against the functional currencies of the respective Group entities would have had the equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

Market price risk arises from financial assets at fair value through profit or loss.

Market price sensitivity analysis

In the last financial year, all of the Group's and the Company's quoted equity investments are classified as financial assets at fair value through profit or loss. A 5% increase in the value of the underlying equity investments at the reporting date would have increased the Group's and the Company's equity and profit or loss by $420,000 after tax. A 5% decrease in the value of the underlying equity investment would have had an equal but opposite effect.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Liquidity risk (Continued)

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows.

The Group	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
		Contractual undiscounted cash flows			
As at 31 December 2020					
Bank loans (Note 22)	**972,294**	**1,020,475**	**283,130**	**684,778**	**52,567**
Trade and other payables (Note 25) *	**89,064**	**89,064**	**89,064**	**–**	**–**
Lease liabilities (Note 23)	**28,812**	**93,108**	**1,896**	**7,450**	**83,762**
Interest rate swap (Note 25)	**6,768**	**6,768**	**6,768**	**–**	**–**
	1,096,938	**1,209,415**	**380,858**	**692,228**	**136,329**
As at 31 December 2019					
Bank loans (Note 22)	915,066	963,852	355,782	552,131	55,939
Trade and other payables (Note 25) *	82,030	82,030	82,030	–	–
Lease liabilities (Note 23)	28,225	92,616	1,659	7,381	83,576
Interest rate swap (Note 25)	16	16	16	–	–
	1,025,337	1,138,514	439,487	559,512	139,515

The Company	Carrying amount $'000	Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
		Contractual undiscounted cash flows			
As at 31 December 2020					
Bank loans (Note 22)	**102,899**	**103,251**	**103,251**	**–**	**–**
Trade and other payables (Note 25) *	**528,778**	**528,778**	**528,778**	**–**	**–**
	631,677	**632,029**	**632,029**	**–**	**–**
As at 31 December 2019					
Bank loans (Note 22)	72,357	72,720	72,720	–	–
Trade and other payables (Note 25) *	359,334	359,334	359,334	–	–
	431,691	432,054	432,054	–	–

* Trade and other payables exclude Goods and Services Tax payables.

It is not expected that the cash flows included in the maturity analysis of the Group and the Company could occur significantly earlier, or at significantly different amounts.

The Company has a multi-currency debt issuance programme, under which it may issue notes of up to S$500 million. As of 31 December 2020, S$500 million remains unutilised. Under this programme, notes issued by the Company may have varying maturities as agreed with the relevant financial institutions.

At the reporting date, the Company does not consider it probable that a claim will be made against it under the intragroup financial guarantees. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called upon and disclosed as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

35 Financial risk management (Continued)

Liquidity risk (Continued)

The Group	Carrying amount $'000	Contractual undiscounted cash flows Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2020					
Financial guarantees	**250,653**	**250,653**	**250,653**	**–**	**–**
As at 31 December 2019					
Financial guarantees	241,418	241,418	241,418	–	–

The Company	Carrying amount $'000	Contractual undiscounted cash flows Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
As at 31 December 2020					
Financial guarantees	**1,237,332**	**1,237,332**	**1,237,332**	**–**	**–**
As at 31 December 2019					
Financial guarantees	1,282,021	1,282,021	1,282,021	–	–

36 Fair value measurement

Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as is prices) or indirectly (i.e. derived from prices); and

Level 3 : inputs for the asset or liability that are not based on observable market data.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

36 Fair value measurement (Continued)

Fair value hierarchy (Continued)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2020				
Financial assets				
Financial assets at fair value through profit or loss (Note 11)	**–**	**–**	**12,950**	**12,950**
Financial liabilities				
Derivative liability (Note 25)	**–**	**6,768**	**–**	**6,768**
The Group				
31 December 2019				
Financial assets				
Financial assets at fair value through profit or loss (Note 11)	10,109	–	–	10,109
Financial liabilities				
Derivative liability (Note 25)	–	16	–	16

The Company	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2019				
Financial assets				
Financial assets at fair value through profit or loss (Note 11)	10,109	–	–	10,109

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis:

The Group	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
31 December 2020				
Investment properties (Note 6)	–	–	**132,236**	**132,236**
31 December 2019				
Investment properties (Note 6)	–	–	126,609	126,609

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

36 Fair value measurement (Continued)

Fair value measurement of financial assets and liabilities

Equity securities

As at 31 December 2020, the fair value of investment in fund classified as financial assets at fair value through profit or loss is determined by reference to the net asset value ("NAV") of the fund. The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Valuation technique	**Inter-relationship between key unobservable inputs and fair value measurement**	**Significant unobservable inputs**
The fair value is calculated using the net asset value ("NAV") of the fund adjusted for the fair value of the underlying investment property invested and determined using the discounted cash flows method:	The estimated fair value would increase (decrease) if fair value of underlying investment property increase (decrease)	Fair value of the underlying investment property
Discounted cash flows method	*Expected average rental growth was higher (lower);*	**– 31 December 2020 – 0.3% – 6.3%**
	Terminal yield was lower (higher);	**– 31 December 2020 – 3.3%**
	Discount rate was lower (higher);	**– 31 December 2020 – 2.9%**

As at 31 December 2019, the fair value of quoted equity securities classified as financial assets at fair value through profit or loss is determined by reference to their quoted closing bid price at the reporting date.

Bank loans

The carrying amounts of the bank loans, repayable within one year or less, or on demand and whose interest rates are re-priced within 12 months, approximate their fair value.

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect profit or loss.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year, (trade and other receivables, trade and other payables, amounts owing by/(to) related parties, and cash and bank balances) approximate their fair values because of the short period to maturity.

Lease liabilities

The fair value disclosure of lease liabilities is not required.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

36 Fair value measurement (Continued)

Fair value measurement of non-financial assets

Valuation technique and significant unobservable inputs

The following table shows the Group's valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Valuation technique	Inter-relationship between key unobservable inputs and fair value measurement	Significant unobservable inputs
	The estimated fair value would increase (decrease) if:	
Direct comparison method	*Transacted price per square meter ("psm") of comparable properties was higher (lower):* *Floor level was lower (higher);* *Size was smaller (larger);* *Location was superior (inferior)*	**– 31 December 2020 – $23,672 psm to $51,429 psm** – 31 December 2019 – $27,370 psm to $51,438 psm
Discounted cash flows method	*Expected average rental growth was higher (lower);*	Expected average rental growth: **– 31 December 2020 -2.23%** – 31 December 2019 – 2.35%
	Renewal probability was higher (lower);	Renewal probability: **– 31 December 2020 – 50%** – 31 December 2019 – 50%
	Capital expenditure was lower (higher);	Capital expenditure (of gross income): **– 31 December 2020 – 6.58%** – 31 December 2019 – 4.80%
	Terminal yield was lower (higher);	Terminal yield: **– 31 December 2020 – 6.50%** – 31 December 2019 – 6.50%
	Discount rate was lower (higher);	Discount rate: **– 31 December 2020 – 7.25%** – 31 December 2019 – 7.50%
Income capitalisation method	*Capitalisation rate was lower (higher).*	Capitalisation rate: **– 31 December 2020 – 6.375%** – 31 December 2019 – 6.25%

Level 3: Fair value measurements

The reconciliation of the carrying amounts of investment properties classified within Level 3 is disclosed in Note 6. There were no transfers between level 1, 2 and 3 during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

37 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as a going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company review and manage their capital structures to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group's and the Company's capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company have adopted a dividend policy with a view of paying dividends, on a half-yearly basis, of at least 50% of the net operating profits attributable to the Group's business of hotel ownership and provision of hotel accommodation services subject to certain factors.

The Board of Directors monitors capital based on the net debt to adjusted net assets value ratio. Net debt comprises total borrowings and lease liabilities less cash and cash equivalents. Adjusted net assets value comprises total equity attributable to owners of the Company and the excess of the fair values of the Group's hotel and office premises over their net book values. The Group's hotel and office premises are measured at historical cost. For the purpose of capital management, the fair values of the Group's hotel and office premises are used. The fair value of the hotel and office premises is determined by an independent firm of professional valuers.

There were no changes in the Group's and the Company's approach to capital management during the year.

The Company and its subsidiaries are not subject to externally imposed capital requirements.

The Group	**31 December 2020 $'000**	**31 December 2019 $'000**
Total borrowings (Note 22)	**972,294**	915,066
Lease liabilities (Note 23)	**28,812**	28,225
Less: Total cash and bank balances (Note 18)	**(395,553)**	(330,959)
Net debt (A)	**605,553**	612,332
Equity attributable to owners of the Company	**482,090**	510,652
Excess of fair values of hotel and office premises over net book values	**458,781**	504,325
Adjusted net assets value (B)	**940,871**	1,014,977
Net debt to adjusted net assets value ratio (times) (A)/(B)	**0.64**	0.60

The Company	**31 December 2020 $'000**	**31 December 2019 $'000**
Total borrowings (Note 22)	**102,899**	72,357
Less: Total cash and bank balances (Note 18)	**(271,774)**	(134,710)
Net debt (A)	**(168,875)**	(62,353)
Equity attributable to owners of the Company	**253,976**	315,966
Adjusted net assets value (B)	**253,976**	315,966
Net debt to adjusted net assets value ratio (times) (A)/(B)	*****	*

* Not presented as the Company is in a net cash position.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

38 Dividends

The Group	31 December 2020 $'000	31 December 2019 $'000
Final dividend paid in respect of FY2019 (2019: FY2018) of 1.09 cents (2019: 0.705 cents) per share	**14,213**	9,193
Interim dividend paid in respect of FY2020 (2019: FY2019) of Nil (2019: 0.195 cents) per share	–	2,543
	14,213	11,736

For the financial year ended 31 December 2019, the Company had declared tax-exempt one-tier dividend of 1.285 cents per share.

39 Subsequent events

On 18 February 2021, the Group through its wholly-owned subsidiary, RP Ventures Pte. Ltd. has subscribed for 840,000 ordinary shares in Mequity Hills Pte.Ltd. for a consideration of $840,000 which represented 42% equity interest in the company. Mequity Hills Pte. Ltd. has entered into an agreement to acquire a 999-year leasehold residential site at 10A and 10B Institution Hill, Singapore at the purchase price of $33,600,000 which will be financed by internal funds and bank borrowings. The Group intends to amalgamate 10A and 10B Institution Hill with another 999-year leasehold site at 11 Institution Hill ("new site") after it exercises the option to purchase issued on 1 February 2021 to acquire the new site. The amalgamated site will have an estimated total land area of 14,300 square feet with a total gross floor area of 40,040 square feet for residential development.

On 2 March 2021, the Company's indirect associate in Australia, RPPG (Revesby) Pty Ltd, held through Roxy-Pacific Developments Pty Ltd, has entered into a sale and purchase agreement with a third party, for the sale of land situated at 34-36 Mavis Street, at a sale price of AUD10,800,000.

40 Comparative figures

Certain reclassifications have been made to the prior year's financial statements to reclassify the amount owing by associate to net investment loan to associate since the settlement of these loans are neither planned nor likely to occur in the foreseeable future. The effects are as follows:

The Group	(As previously reported) 31 December 2019 $'000	Adjustments $'000	(As reclassified) 31 December 2019 $'000
Assets			
Non-Current Assets			
Investments in associates and joint ventures	168,432	28,039	196,471
Current Assets			
Amounts owing by associates	62,456	(28,039)	34,417

APPENDIX 5: LETTER FROM IFA IN RELATION TO THE STATEMENT OF PROSPECTS

19 January 2022

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: The Board of Directors

VOLUNTARY CONDITIONAL GENERAL OFFER (THE "OFFER") BY OVERSEA-CHINESE BANKING CORPORATION LIMITED FOR AND ON BEHALF OF TKL & FAMILY PTE. LTD. (THE "OFFEROR") FOR ALL THE ISSUED ORDINARY SHARES (EXCLUDING TREASURY SHARES) IN THE CAPITAL OF ROXY-PACIFIC HOLDINGS LIMITED (THE "COMPANY") OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR

*Unless otherwise defined or the context otherwise requires, all capitalised terms used in this letter ("**Letter**") shall have the same meanings as defined in the circular dated 19 January 2022 (the "**Circular**").*

1. This Letter has been prepared for inclusion in the Circular pursuant to Rule 25 of the Singapore Code on Take-overs and Mergers ("**Code**").

2. The following statement (the "**Statement of Prospects**") set out in italics below has been extracted from the unaudited first half year financial statements of the Group for the financial period ended 30 June 2021 as announced by the Company on SGXNET on 5 August 2021:

   "*Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2021.*"

   The Statement of Prospects is reproduced in Appendix 7 to the Circular.

3. It is stated in the Circular that the Directors have not issued a profit forecast for the Group for the financial year ended 31 December 2021 in connection with the Offer. Accordingly, the Statement of Prospects should not be regarded as a forecast of the Group for FY2021.

4. We have reviewed and held discussions with the management of the Company on the Statement of Prospects as well as the underlying bases and assumptions for the Statement of Prospects prepared by the Company as set out in Appendix 7 to the Circular.

5. We have also considered the letter issued by Foo Kon Tan LLP dated 19 January 2022 and addressed to the Directors (a copy which is reproduced in Appendix 6 to the Circular) relating to their examination of the Statement of Prospects and the accounting policies, bases and assumptions upon which the Statement of Prospects was prepared.

6. Based on the above, we are of the opinion that the Statement of Prospects (for which the Directors are solely responsible) has been made by the Directors after due and careful enquiry.

7. 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. We have not independently verified the information both written and verbal and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information.

   Save as provided in this Letter, we do not express any other opinion on the Statement of Prospects.

8. 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
ZICO Capital Pte. Ltd.

Alex Tan	Karen Soh-Tham
Chief Executive Officer	Managing Director

19 January 2022

Board of Directors
Roxy-Pacific Holdings Limited
50 East Coast Road #B1-18
Roxy Square
Singapore 428769

Dear Sirs,

LETTER FROM AUDITORS ON STATEMENT OF PROSPECTS

We have provided this letter solely to the directors of Roxy-Pacific Holdings Limited (the "Company") for inclusion in the circular dated 19 January 2022 to be issued to the shareholders of the Company in connection with voluntary conditional general offer by Oversea-Chinese Banking Corporation Limited, for and on behalf of TKL & Family Pte. Ltd. (the "Offeror"), to acquire all issued ordinary shares (excluding treasury shares) in the capital of the Company, other than those already owned, controlled or agreed to be acquired by the Offeror (the "Circular").

As disclosed in Appendix 7 to the Circular, the directors of the Company have made the Statement of Prospects as set out below in paragraph 10 of the Company's announcement dated 5 August 2021 in relation to unaudited financial results of the Company and its subsidiaries (the "Group") for the half year ended 30 June 2021: "Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2021".

The directors of the Company are responsible for the preparation of the Statement of Prospects, including the identification and disclosure of the assumptions on which they are based as set out in Appendix 7 to the Circular.

We have been requested by the Company to report on the Statement of Prospects in accordance with Rule 25 of The Singapore Code on Take-overs and Mergers issued by the Monetary Authority of Singapore (the "Take-Over Code"). We conducted our examination in accordance with the Singapore Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* insofar as the Statement of Prospects is properly prepared in accordance with the bases and assumptions determined by the directors, as set out in Appendix 7 to the Circular and is consistent with the accounting policies of the Group. Our responsibility under Rule 25 of the Take-Over Code is to examine and report, insofar as the accounting policies of the Group and calculations are concerned, that the Statement of Prospects has been properly prepared based on the assumptions made by the directors.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions identified and prepared by directors do not provide a reasonable basis for the Statement of Prospects. Further, in our opinion, the Statement of Prospects, insofar as the accounting policies of the Group and calculations are concerned, is properly prepared on the bases and assumptions set out in Appendix 7 to the Circular and, in all material respects, is consistent with the accounting policies normally adopted by the Group.

Actual results may be different from the forecast prepared by management and reviewed by the directors of the Company in making the Statement of Prospects since anticipated events frequently do not occur as expected and the variation may be material.

Restriction on Use and Distribution

Our work in connection with the Statement of Prospects has been undertaken solely for the purpose of reporting to the directors of the Company under the Take-Over Code to meet the regulatory requirements for the Circular and is not intended to be used or relied on for any other purpose.

Public Accountants and
Chartered Accountants

Singapore, 19 January 2022

APPENDIX 7: STATEMENT OF PROSPECTS

Roxy-Pacific Holdings Limited

1. STATEMENT OF PROSPECTS

The following statement ("**Statement of Prospects**") set out in italics below has been extracted from the unaudited first half year financial statements of the Group for the financial period ended 30 June 2021 as announced by the Company on SGXNET on 5 August 2021:

"Barring any unforeseen circumstances, the directors expect the Group to be profitable in the financial year ending 31 December 2021."

The Statement of Prospects was not made in conjunction with the Offer.

The Directors have not issued a profit forecast for the Group for the financial year ended 31 December 2021 in connection with the Offer. Accordingly, the Statement of Prospects should not be regarded as a forecast of the Group for FY2021.

2. ASSUMPTIONS

The Statement of Prospects referred to above, for which the Directors are solely responsible, was made on bases consistent with the accounting policies normally adopted by the Group as set out in the audited consolidated financial statements of the Group for the financial year ended 31 December 2020. It was based on the following assumptions and/or information available as of 5 August 2021, being the date which the Statement of Prospects was made:

(a) Save for international travel restriction, lockdowns, prolonged disruptions to global supply chain and labour crunch due to Covid-19 pandemic which will affect the construction progress of our development projects and hotel business, there will be no significant 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 change in the principal activities, management and organisation structure of the Group;

(c) There will be no material change in the accounting policies of the Group;

(d) There will be no material change in applicable accounting standards, which may adversely affect the financial results of the Group;

(e) There will be no material change in the prevailing foreign currency exchange rates that will adversely affect the financial results of the Group;

(f) There will be no major acquisitions of assets by the Group, save for those acquisitions carried out in the ordinary course of business. There will be no major disposals of the Group's assets, subsidiaries, property, plant and equipment and investment properties;

(g) Save for the provision of government quarantine facility by Grand Mercure Singapore Roxy which ended on 1 July 2021, 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 business;

(h) There will be no material change to the tax legislation, bases or rates of taxation, government levies and interest rate from the countries in which the Group operates;

(i) There will be no material change to the then prevailing occupancy, rental rates and other revenue contributors of the Group's investment properties, and there will be no major payment defaults and/or no premature termination of existing major tenancy agreements;

(j) 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;

(k) There will be no material change in inflation rates;

(l) There will be no material exceptional item;

(m) There will be no legal litigation that results in material claims against the Group;

(n) There will be no material adverse effect from any changes in the economic position of the Group, its contractors and its customers;

(o) There will be no material change in the cost structure of the Group and the prevailing market trends which may materially affect the cost structure of the Group;

(p) There will be no material adverse changes to the costs of suppliers, labour costs and other property development related costs from those then prevailing. It is assumed that there will be no material adverse impact to the property development projects arising from changes in the property development cost structure and/or property development schedules;

(q) There will be no material unexpected delays affecting the progress of existing projects of the Group;

(r) There will be no material change in the fair value of investment properties in the 6-month period ended 31 December 2021;

(s) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, if any. There will be no impairment losses to the carrying value of the Group's assets which would have a material impact on the Group's financial performance for FY2021; and

(t) Save for the new Delta Covid variant, there will be no new variants of Covid-19, no pandemic diseases, natural disasters or acts of God that may affect the Group's operations and the competitive environment in which the Group operates.

APPENDIX 8: VALUATION REPORTS AND/OR CERTIFICATES FOR THE SUBJECT PROPERTIES

This Appendix 8 sets out the Valuation Reports and/or Certificates in respect of the Subject Properties as set out in the list below. Copies of the Valuation Reports and/or Certificates in respect of the respective Subject Properties are available for inspection at the registered address of the office of the Company at 50 East Coast Road #B1-18 Roxy Square Singapore 428769 during normal business hours for the period during which the Offer remains open for acceptance.

List of Subject Properties

	Properties	Address	Country	Valuer
1.	Grand Mercure Singapore Roxy	50 East Coast Road, #B1-14 to 18 and #01-137, Singapore 428769	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
2.	Noku Maldives	Island of Kuda-Funafaru, Noonu Atoll, Maldives	Maldives	CBRE Pte. Ltd.
3.	Noku Phuket	48/13 Moo 6, Sai-Namyen Alley, Chaofa Road (West Side), Chalong Subdistrict, Muaeng District, Phuket Province, Thailand	Thailand	Edmund Tie & Company (Thailand) Co., Ltd.
4.	Bracks Street	SWA and Caltex Sites, North Fremantle WA 6159, Perth, Australia	Australia	CBRE Valuations Pty Limited
5.	Kramat, Jakarta	Jalan Kramat, Raya No. 110, Kelurahan Kwitang, Kecamatan Senen, Jakarta Pusat, DKI Jakarta, Indonesia	Indonesia	KJPP Susan Widjojo & Rekan
6.	Roxy Square	50 East Coast Road, #01-01 to 08/24/29/38/57 to 62/95/96/97/110/135/136, #02-22/34/34A/34B/43/82 to 86/91/92/98/108/113 to 116/ 121/122/134/140/144 and #03-11/14/19 to 22, Roxy Square, Singapore 428769	Singapore	Knight Frank Pte Ltd
7.	NZI Centre	1 Fanshawe Street, Auckland, New Zealand	New Zealand	Jones Lang LaSalle Limited
8.	205 Queen Street	205 Queen Street, Auckland, New Zealand	New Zealand	Jones Lang LaSalle Limited
9.	33 Argyle Street	33 Argyle Street, Parramatta NSW 2150, Australia	Australia	Jones Lang LaSalle Advisory Services Pty Ltd
10.	Harbour View Gardens	221 & 223 Pasir Panjang Road, Singapore 118582/84	Singapore	Savills Valuation and Professional Services (S) Pte Ltd

	Properties	Address	Country	Valuer
11.	RV Altitude	344 River Valley Road, Singapore 238385	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
12.	Fyve Derbyshire	5 Derbyshire Road, Singapore 309461	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
13.	Dunearn 386	386 Dunearn Road, Singapore 289599	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
14.	Mori	223 Guillemard Road, Singapore 399738	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
15.	120 Grange	120 Grange Road, Singapore 249600	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
16.	Bukit 828	828 Upper Bukit Timah Road, Singapore 678155	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
17.	View at Kismis	15, 17, 19, 21, 23 & 25 Lorong Kismis, Singapore 598008/10/12 and 596187/88/89	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
18.	Arena Residences	20 Guillemard Crescent, Singapore 399915	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
19.	Neu at Novena	27 Moulmein Rise, Singapore 308140	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
20.	Wilshire Residences	30 Farrer Road, Singapore 268832	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
21.	10A, 10B and 11, Institution Hill	10A, 10B and 11, Institution Hill, Singapore 239664/65/66	Singapore	Savills Valuation and Professional Services (S) Pte Ltd
22.	Wisma Infinitum	18 Jalan Dewan Sultan Sulaiman, Kuala Lumpur, Malaysia 50300	Malaysia	VPC Alliance (KL) Sdn. Bhd.

Our Ref : V/2022/65/CORP

7 January 2022

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention : Ms Janice Chia

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No: 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T: (65) 6836 6888
F: (65) 6536 8611

savills.com

Dear Sirs,

DESKTOP VALUATION OF
GRAND MERCURE SINGAPORE ROXY
50 EAST COAST ROAD #B1-14 TO 18 AND #01-137
SINGAPORE 428769

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

This valuation is premised on the information as contained in our valuation report on 4 January 2021 (Ref: 2020/4273/CORP), and the latest updates as provided.

As instructed, this valuation is carried out without the benefit of recent site inspection, and we have assumed that there is no material change in the property and the surroundings from our last inspection. No recent title searches, legal requisitions nor structural survey is carried out.

"Market Value is the estimated amount for which a property 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'".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the Client is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in global economies, it is indeed difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and market data to the best of our knowledge, as at the date of this valuation. Our valuation is therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty and a higher degree of caution should be attached to our valuation than would normally be the case. We would recommend that more frequent reviews on the market value of the property to be carried out as a precaution in view of the current situation.

The brief details of the subject property based on the aforesaid report are summarised as follows:-

Type of Property : A 17-storey hotel of 576 guest rooms known as Grand Mercure Singapore Roxy with a basement carpark (36 lots) and an office unit.

Legal Description :

	Lot No.*
Whole Development	7922X
Subject Hotel	U16426C

Both of Mukim 26

Tenure : Estate in Fee Simple

Land Area (Whole Development) : 15,171.5 sm or thereabouts, subject to government's re- survey

Gross Floor Area* :

Gross Floor Area (sm)	
Grand Mercure Singapore Roxy	25,273
Basement Carpark	1,764
Basement Office	422

**As provided and subject to final survey*

Strata Floor Area : 35,336.0 sm

Year of Completion : We understand that Temporary Occupation Permits was issued on 20 September 2000. The building was upgraded in 2014/2015. Renovation/ upgrading works have been carried out progressively.

Condition : Assume good

Hotel Performance :

Hotel Performance				
Year	**2021**	**2022****	**2023****	**2024****
Occupancy	68.36 %	49.2 %	77.9 %	94.5%
Average Room Rate p.a)	$65.10	$123	$126	$132
Gross Operating Revenue	$12,471,330 (Till Nov)	$16,908,962	$27,691,396	$35,384,761
Gross Operating Expenses	$10,110,248	$15,869,129	$19,489,051	$22,651,388

**As provided*

*** Projections Given*

Occupancy/Tenancy : The office unit is being owner-occupied.

Property Tax :

Property	**Annual Value (2021)**
Hotel	$4,105,000

Property tax is payable at 10.0% p.a of the annual value

Master Plan Zoning (2019) : Hotel

The official Master Plan Zoning, Road/Drainage/MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

Basis of Valuation : As Is basis, subject to vacant possession and free from all encumbrances

Methods of Valuation : Direct Comparison Method/Income Capitalisation Method

In view of the aforesaid and taken into consideration the current market conditions and other relevant factors, we are pleased to re-assess the subject property subject to vacant possession and free from all encumbrances as follows: -

Material Date of Valuation	:	**31 December 2021**
Market Value	:	**$467,800,000** **(Singapore Dollars Four Hundred Sixty-Seven Million And Eight Hundred Thousand Only)**

Prepared by:
Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Licensed Appraiser No. AD041-2003388A
Managing Director

Vera Sham
Licensed Appraiser No. AD041-2009803I
Director

CN/CT/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out for formal valuation with site inspection only, unless otherwise stated. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be constructed thereon.
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the reinstatement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

VALUATION REPORT

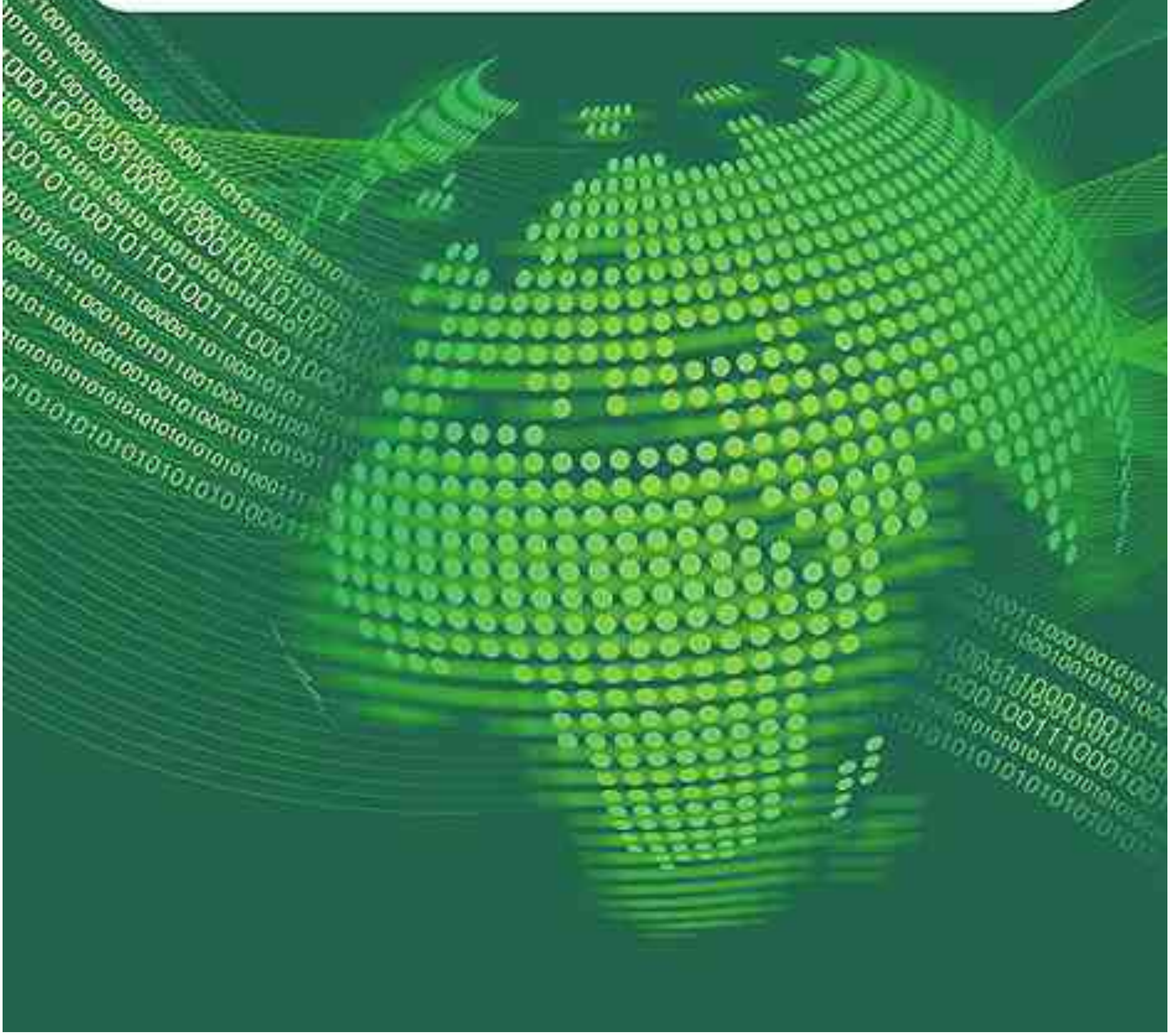
Noku Maldives
Kuda-Funafaru
Noonu Atoll, Maldives

Roxy Pacific Holdings Limited

Date of Valuation: 31 December 2021

Date of Report: 17 January 2022

CBRE



NOKU Maldives

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APPENDICES

Appendix I	Valuation Definitions and Terminology
Appendix II	Copy of Resort Map
Appendix III	Copy of Letter of Instruction/Engagement
Appendix IV	Copy of Deed of Assignment
Appendix V	Copy of Confirmation of Transfer of Leasehold Rights

Valuation Certificate

Property:	Noku Maldives Kuda-Funafaru Noonu Atoll, Maldives
Prepared for:	Roxy Pacific Holdings Limited.
Instructions:	To assess the current market value of the Leasehold interest in the subject property for Voluntary Offer Purpose. The Valuation Report will be published in the Circular to shareholders of Roxy Pacific Holdings Limited in connection with the voluntary offer (containing advice by Independent Financial Advisor).
Interest Valued:	Unencumbered Leasehold going concern, subject to vacant possession, inclusive of all plant, equipment, furniture and fittings, (excluding stock).
Tenure:	The Resort is held under a direct head lease agreement with the Ministry of Tourism (MOT) for a 50-year period expiring in 2056.
Deed of Assignment:	A deed of assignment in relation to the plot of land for the Subject Property was made on 11 May 2016, where the assignor, Mr Moosa Shiyam Abdulla Ali agreed to the assignment of the lease of the land to the assignee, Roxy Maldives Resort & Spa Private Limited. Subsequently, the leasehold rights for the Subject Property were transferred from the assignor to the assignee.
Registered Lessee:	Roxy Maldives Resort & Spa Pvt Ltd
Land Area:	89,896 square metres
Location:	Approximately 190 kilometres south of Malé, the capital of Maldives and accessible via a 45-minute seaplane flight.
Room Configuration	50 villas of various configurations
Brief Description:	The Property is a 50-villas resort, which offer luxurious quality guestrooms, four F&B outlets, spa, dive center, water sports & excursion center, swimming pool and other resort activities for the guests. Built in 2008, the facilities within the resort include four food and beverage outlets, fitness centre, spa, dive and water sports centre, freshwater pool and retail outlets. The property occupies an 89,896 square metre leasehold island set in an oval shaped atoll. The refurbishment works commenced in October 2016 and we understand from the Client that the Property officially reopened on 1 August 2018.
Occupancy Profile:	The Property is currently owner occupied. We assumed that vacant possession is available for the purpose of this valuation. In this assumption, a new operator can be appointed and we consider that management agreement terms achievable generally in the market can be adopted.

Base Fee:	2.00% of Total Revenue
Incentive Fee:	6.00% of Adjusted Gross Operating Profit (Gross Operating Profit-Base Fee)

Last Sale The Property was acquired by Roxy-Pacific Holdings Limited for US$31 million in February 2016.

Valuation Approach: Stabilised (Forecast 4 Year) EBITDA and 10 Year Discounted Cash flow.

Date of Inspection: Not inspected (Last inspection was on 28 November 2018, virtual inspection was on 7 January 2022)

Date of Valuation: 31 December 2021

Valuation: **US$33,500,000 (THIRTY THREE MILLION FIVE HUNDRED THOUSAND US DOLLARS)**

Adopted Value Analysis:

Adopted Value Analysis		
Initial Yield		1.80%
Stabilised Yield		7.01%
Value per Room (US$)		US$670,000
10 Yr DCF	IRR	9.96%
	Terminal Yield	8.00%

Summary of Conditional Terms: This valuation report is provided subject to the assumptions, disclaimers, limitations and qualifications detailed both throughout this report and within the Assumptions, Disclaimers, Limitations & Qualifications section of this report. Reliance on this report and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. This valuation is for the use only of the party to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of this valuation.

Prepared By: **CBRE Pte. Ltd.**

Valuers

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Appraiser's License No. AD041-2010069M
Assistant Manager
Property Inspection: Yes (Virtual)
Job Involvement: Valuer

Zhang Jiahao, BSc (Real Estate) (Hons), MRICS, MSISV
RICS Registered Valuer
Appraiser's License No. AD041-2009908C
Associate Director
Property Inspection: Yes (Virtual)
Job Involvement: Valuer

Reviewer

Robert McIntosh, BSc, FRICS, FAPI
RICS Registered Valuer
Senior Director
Property Inspection: No
Job Involvement: Co-Signatory in capacity of Reviewer

In accordance with our internal Quality Assurance procedures, the Reviewer certifies that he has discussed the valuation methodology and calculations with the Principal Valuer, however the opinion of value expressed herein has been arrived at by the Principal Valuer alone.

SWOT Analysis, Risk Assessment, Investment Considerations

STRENGTHS	WEAKNESSES
• Good quality and well-built product that is positioned at the upper upscale market. • Average room size is spacious and in line with the average size of an upper upscale resort in the Maldives market. • Large island with an extensive lagoon. • Property is in good condition having regard to its age and use. The external elevations appear to be in sound repair, and the internal common areas are clean and well maintained. • Good quality infrastructure of the Property makes it a good investment for any potential investor or buyer as compared to building a new and similar good quality upper upscale product from a greenfield site	• Its distance from Velana Airport (the main airport in the Maldives) might be a disadvantage, compared to other resorts situated closer to Male. • The NOKU brand is currently not as well established as other international brands in the Maldives. The Sales and Marketing team will need to change the brand perception of consumers.
OPPORTUNITIES	**THREATS**
• Opportunity to extend its lease for another 49 years with a lease extension fee of USD5 million if applied before Dec 2022. • As a new to market brand and good quality offerings, the property has the potential to induce more demand. • Resort is moving towards multiskilling and up skilling of employees, allowing the resort to be more streamlined than before. • The opening of Maafaru International Airport is likely to result in some cost savings for the owner and also provides flexibility to guests as travelling via a domestic flight followed by a speedboat to the Resort is less rigid than having to take a seaplane as duration of seaplanes and frequency are largely dependent on the weather. • The onset of the pandemic is a double edged sword for the Resort. While no doubt business has been greatly impacted, this also presents an opportunity for the newly onboard GM to reposition the Property to achieve higher room rates, thus higher RevPAR and better performance for the Property. • The key focus will be on attracting quality guests from US, UK, Japan and Korea in the long term and also with some guests from Russia and Middle East. • The latest amendment to the Maldives Tourism Act (Act No.2/99) was approved by the Parliament on December 7 2020 and one of the key legislation was to allow for real estate developments with strata villas for long-stay tourism. This move is expected to encourage investors to create new tourism models in the Maldives and to induce further demand and reinforce Maldives's image as a top resort destination.	• Competition from other upper upscale and luxury resort developments in the proximity. • Supply has increased considerably over the years and demand growth from key markets such as China are declining. • Significant volume of room supply anticipated to enter the market in the next year, adding pressure to the recovery process • Drastically shorter booking window amidst the pandemic • Full impact of the Covid-19 Omicron variant is still unknown at this point of time and there is some uncertainty relating to the trading performance for the wider market in the current environment • While Maldives has already reopened its borders, the Covid-19 Omicron variant has resulted in some countries reinstating travel advisories. • New properties compete directly with the subject property and could create additional pressure on the performance of the Property. • Implementation of minimum wage, increasing labour costs. • Potential price correction in market ADR as more countries reopen their borders to travellers.

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Note: Our observations within the SWOT Analysis/Risk Assessment and the body of this report provide our opinion of the property as at the date of valuation. This opinion has been based on many factors including our research data and knowledge of the property market and reflects the nature *and standard of the property, inherent characteristics and current market conditions. While it is impossible to predict with any degree of accuracy future trends, we have endeavoured to provide the likely short to medium term performance prospects for the property on the basic assumption that future market and economic conditions do not vary from those that existed at the date of valuation. Due to the periodic volatility of the property market brought about by various factors including changing economic and market conditions, caution must be exercised when referring to envisaged future trends, as these cannot be guaranteed.*

Critical Assumptions

- We have not conducted a site inspection of the property. The last inspection was done on 28 November 2018. We were informed by the Client that there had been no major alterations and/or additions to the property since then, except for the building of a new staff canteen in 2019. We have relied upon this advice.
- We have not undertaken nor have been provided with audited accounts for the years analysed, therefore, we have relied upon the fact that all information provided by management, including historic trading performance, is correct and provides an accurate representation of performance.
- Our assessment addresses the market value of the property subject to the existing tenancies and occupational arrangements.
- The property will continue to be professionally managed and marketed.
- No major political or economic disturbance or major "shock" event will occur during the projection period.
- Restricted Inspection:
    - The COVID-19 global pandemic has limited our ability to inspect the property as would be required under normal circumstances. Accordingly, we have proceeded on the following basis:
        - The valuer confirms that the valuation has been conducted on a Desktop basis only and no inspection has taken place other than by video feeds provided by the owner's representative.
    - The land, improvements and occupancy description contained herein is based on the valuer's desktop valuation relying upon information obtained from:
        - The owner
        - The operator's website
        - Information received from the client and various online property data resources.
    - We have made the critical assumption that the improvements and internal occupancy description contained herein in our report is accurate. Caution is advised in this regard. We recommend confirmation of our assumptions once internal access to the site is available.
    - Whilst all attempts to verify this information have been undertaken, the report should be referred back to the valuer should any improvement detail be proven to be incorrect as at date of valuation.

Basis of Assessment for Going Concern Property

- The value of a property as a "going concern" is inclusive of the land, buildings, plant, equipment, fixtures, fittings, goodwill and chattels engaged in the operation of the business. It excludes stock.
- The value of a leasehold interest investment as a "going concern" is inclusive of the any assets brought to the business by the lessee, goodwill and chattels engaged in the operation of the business. It excludes stock.
- Valuations are prepared on the basis of sound average management and expertise considered essential to operate the property.
- A valuation is usually undertaken on the basis of management or/unaudited accounts (unless otherwise stated) therefore it relies on all information supplied being accurate and of a full and frank disclosure. Our analysis of the information provided should not be construed or interpreted as an audit of that information.
- The nature of going concern property requires compliance to various regulations, standards and legislation. We have investigated conformity to the extent required for valuation purposes, however, this does not go to the extent of investigations that would be conducted in full acquisition due diligence.

Financial Analysis

MARKET VALUE SUMMARY — Valuation Date 31-Dec-21

YEAR ENDING DECEMBER Figures Expressed in US$		ACTUAL Dec-20	FORECAST Dec-21		2022	2023	2024 FORECAST	2025	2026
Forecast Assumptions				CAGR					
	CPI			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
	Nominal Wage Growth			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Hotel	No of Rooms	50	48		50	50	50	50	50
	Occupancy Rate	31.5%	37.8%		50.8%	60.6%	67.3%	69.9%	70.5%
	Average Daily Rate ADR	216	396	7.5%	380	428	466	495	507
	RevPAR	68	149	16.7%	193	259	314	346	357
	Management Fee - Base	0.0%	0.0%		2.0%	2.0%	2.0%	2.0%	2.0%
	Management Fee - Incentive	0.0%	0.0%		6.0%	6.0%	6.0%	6.0%	6.0%
	FF&E Reserve	0.0%	0.0%		4.0%	4.0%	4.0%	4.0%	4.0%
Hotel Operation		Figures Expressed in US$'000			Figures Expressed in US$'000				
Total Operating Revenue		2,470	4,796	17.5%	6,582	9,632	11,296	12,181	12,560
Total Departmental Expenses		-1,569	-2,132	14.4%	-2,763	-3,902	-4,376	-4,604	-4,731
Total Departmental Income		178	235	19.7%	3,818	5,730	6,920	7,577	7,829
Total Undistributed Expenses		-1,818	-1,691	10.0%	-1,940	-2,449	-2,663	-2,771	-2,841
Gross Operating Profit		-917	973	27.7%	1,878	3,281	4,257	4,806	4,988
Management Fee - Base		0	0		-132	-193	-226	-244	-251
Management Fee - Incentive		0	0		-105	-185	-242	-274	-284
Total Non-OP INC. and EXP.		-645	-53	0.2%	-776	-777	-779	-780	-781
Replacement Reserve (FF&E)		0	0		-263	-385	-452	-487	-502
EBITDA Less Replacement Reserve		-1,562	920	51.5%	602	1,740	2,559	3,021	3,170
Other Income		0	0		0	0	0	0	0
Net Income		-1,562	920		602	1,740	2,559	3,021	3,170
Capital Expenditure		0	0		0	0	0	0	0
Net Cashflow		-1,562	920	51.5%	602	1,740	2,559	3,021	3,170
EBITDA less Rep. Res. As % of Total Op Revenue		-63.3%	19.2%		9.2%	18.1%	22.7%	24.8%	25.2%

VALUATION APPROACHES			Result
Capitalisation of Inflation Adjusted Stabilised Year		7.00%	33,500,000
Discounted Cash Flow 10Yr	Discount Rate	10.00%	33,250,000
	Terminal Yield	8.00%	

Adopted Value Parameters		
Initial Yield		*1.80%*
Stabilised Yield		*7.01%*
Value per Room (US$)		*670,000*
10 Yr DCF	*IRR*	*9.96%*
	Terminal Yield	*8.00%*

Adopted Market Value **US$ 33,500,000**

THIRTY THREE MILLION FIVE HUNDRED THOUSAND US DOLLARS

THE ADOPTED MARKET VALUE IS BASED ON THE AVERAGE OF THE ABOVE METHODS

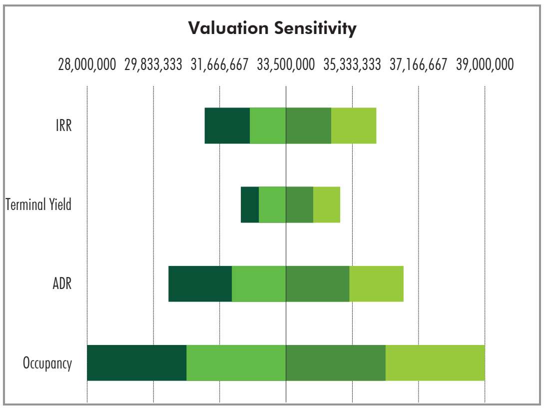
Sensitivity Analysis — Figures Expressed in US$'000

Ten Year DCF Sensitivity by IRR and Terminal Yield

Terminal Yield	Internal Rate of Return				
	10.96%	10.46%	9.96%	9.46%	8.96%
9.00%	30,000	31,250	32,250	33,250	34,500
8.50%	30,750	31,750	32,750	34,000	35,250
8.00%	31,250	32,500	**33,500**	34,750	36,000
7.50%	32,000	33,000	34,250	35,500	36,750
7.00%	32,750	33,750	35,000	36,250	37,500

Valuation Sensitivity by Occ & ADR

ADR	Occupancy				
	-5.00%	-2.50%	0.00%	2.50%	5.00%
-5.00%	25,000	27,750	30,250	33,000	35,750
-2.50%	26,500	29,250	32,000	34,750	37,250
0.00%	28,000	30,750	**33,500**	36,250	39,000
2.50%	29,500	32,250	35,250	38,000	40,750
5.00%	31,000	33,750	36,750	39,500	42,500



This analysis is purely for the purposes of a guide and sets out one permutation in support of our opinion of value

Assumptions, Disclaimers, Limitations & Qualifications

Valuation Subject To Change:	Premise 1 - Values vary from time to time in response to changing market circumstances. The valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
Our Investigations:	Premise 2 - We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions:	Premise 3 - Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. The Reliant Party accepts that the valuation contains certain specific assumptions, and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Information Supplied By Others:	Premise 4 - This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for valuation purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar valuation/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.
Future Matters:	Premise 5 - To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Site Details:	Premise 6 - We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor. If any encroachments are noted by the survey report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Property Title:	Premise 7 - We have conducted a brief title search only. We have not perused the original documentation from the relevant authorities. We have assumed that there are no further easements or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a comprehensive title search is undertaken by the person or entity relying upon the valuation, which reveals further easements or encumbrances, that person or entity must not rely upon the valuation, before first consulting CBRE to reassess any effect on the valuation.
Environmental Conditions:	Premise 8 - We have assumed that the site is free of elevated levels of contaminants. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If a test is undertaken at some time in the future to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Town Planning:	Premise 9 - It is assumed that information provided to us by the relevant Local Authority Town Planning Department (and/or third party providers) accurately reflect the current planning scheme. In the event that a Town Planning Certificate or any other relevant planning information or document is obtained and the information is found to be different to the town planning information in this report, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.
Inclusions & Exclusions:	Premise 10 - Where applicable, our valuation includes those items that form (or will form) part of the building service installations such as heating and cooling equipment, lifts, sprinklers, lighting, etc., that would normally pass with the sale of the property, but excludes all items of plant, machinery, equipment, partitions, furniture and other such items which may have been installed (by the occupant) or are used in connection with the business(es) carried on within the property
Floor Areas:	Premise 11 - Unless stated otherwise in the valuation, we have assumed that the floor areas have been calculated in accordance with the measurement methods of the relevant authorities or as specifically instructed by the party who we have agreed to provide this valuation. We recommend that the person or entity relying upon this report should obtain a survey to determine whether the areas provided differ from the relevant guidelines. In the event that the survey reveals a variance in areas, then the relevant person or entity should not rely upon the valuation and should provide all relevant survey details to CBRE for consideration and possible review of the valuation.

Condition & Repair:	Premise 12 - We have inspected the building(s), however we have not carried out a structural survey nor tested any of the services or facilities and are therefore unable to state that the building is free from defect. We advise that we have not inspected unexposed or inaccessible portions of the building and are therefore unable to state that these are free from rot, infestation, asbestos or other hazardous and/or contaminated material. Unless otherwise stated in the valuation report, our valuation is based upon the assumption that the building(s) do not have any defects requiring any significant expenditure. Also unless otherwise stated in the valuation report, the valuation assumes that the building complies with all relevant statutory requirements in respect of matters such as health, building and fire safety regulations. If the person or entity relying on the report becomes aware of any information contrary to these assumptions, then they must not rely upon the valuation and that information should be referred to CBRE for consideration and possible review of the valuation, and no reliance should be placed on this valuation until such time as that review has been completed and provided to the person or entity to whom responsibility is accepted for this advice.
Valuation Methodology:	Premise 13 - Where CBRE is valuing going concern property, the primary valuation methodologies generally used are the Income Capitalisation Approach and/or Discounted Cash Flow Analysis with a check by the Direct Comparison Approach. These approaches are based upon an estimation of future trading results which are based on historic trading analysis and future trading expectations having regard to any forecast capital expenditure, supply and demand factors, and estimated changes in economic and local market conditions, and/or management/lease terms. The result is the best estimate of value CBRE can produce, but it is an estimate and not a guarantee and it is fully dependent upon the accuracy of the assumptions as to income, expenses and market conditions. These primary valuation methodologies use market derived assumptions, including income, yields and discount rates, obtained from analysed transactions. Where reliance has been placed upon external sources of information in applying the valuation methodologies, unless otherwise specifically instructed by you and/or stated in the valuation, CBRE has not independently verified that information and CBRE does not adopt that information and/or advice nor accept it as reliable. The person or entity to whom the report is addressed acknowledges and accepts the risk that if any of the unverified information in the valuation is incorrect, then this may have an effect on the valuation.
Not a Structural Survey:	Premise 14 - We state that this is a valuation report, and not a Structural Survey.
Director's Clause:	Premise 15 - The Co-Signing Director/QA Co-Signatory (reviewer of report) verifies that the report is genuine and endorsed by CBRE however the opinion of value expressed has been arrived at by the Principal Valuer alone/Principal Valuers jointly.

LAST UPDATED V1209

1 Introduction

1.1 Instructions

1.1.1 Valuation Request

We refer to written instructions received from Mr Melvin Poon of Roxy Pacific Holdings Limited, 50 East Coast Road, B1-18 Roxy Square Singapore 428769, dated 7 January 2022. We enclose a copy of the Letter of Instruction (refer Appendices).

We have been requested to provide an assessment of the current market unencumbered Leasehold going concern interest in the property known as Noku Maldives, Kuda-Funafaru, Noonu Atoll for Voluntary Offer Purpose. The Valuation Report will be published in the Circular to shareholders of Roxy-Pacific Holdings Limited in connection with the voluntary offer (containing advice by Independent Financial Advisor).

We confirm that our report complies with the parameters of the instructions received subject to the Critical Assumptions detailed within this report. *(Refer Critical Assumptions section.)*

1.1.2 Reliant Party

Roxy Pacific Holdings Limited.

1.2 Reliance & Liability

1.2.1 Reliance

This valuation is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in Synopsis/Instructions.

1.2.2 Confidentiality

This valuation is strictly confidential between CBRE and the Reliant Party. CBRE consents to the disclosure of this valuation for the purposes of compliance with Rule 26.2 of the Singapore Code on Take-overs and Mergers.

1.2.3 Transmission

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

1.2.4 Restricted

No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this valuation.

1.2.5 Copyright

Neither the whole nor any part of the content of this valuation may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.

1.2.6 Agreed Method of Inspection

A valuation assessment normally involves a detailed internal and external inspection of the subject property. However, in light of COVID-19 concerns, it is agreed and acknowledged by the Client that this valuation has been undertaken on a restricted inspection basis so as to minimise any personal contact with occupants, and as there is limited access to Maldives at present, namely:

1. CBRE Pte. Ltd. has not undertaken a physical inspection of the property externally or internally. The Client has provided CBRE Pte. Ltd. with "live" video/photographic evidence of the exterior and interior components of the property, sufficient for CBRE Pte. Ltd. to ascertain the condition and fitout of the premises, together with services, amenities and any other relevant features offered by the premises.

2. CBRE Pte. Ltd. has also relied on publicly available documents and digital media (e.g. on-line marketing material/photos); and/or private documentation available from the Client (e.g. previous valuation reports); and supplemented by verbal/written advice from the Client.

1.2.7 Heightened Risk – Limited Scope of Inspection

As the valuer is unable to carry out the usual range of investigation performed during a full inspection, we have by necessity made reasonable assumptions based on the information provided which cannot be verified without a full inspection.

The instructing and reliant parties acknowledge and accept the heightened and inherent uncertainty and risks relying upon a valuation prepared on a restricted inspection [or desktop if applicable] basis.

1.3 Important Warning - Material Valuation Uncertainty from Novel Coronavirus

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted many aspects of daily life and the global economy – with some real estate markets experiencing significantly lower levels of transactional activity and liquidity. As at the valuation date, in the case of the subject property, there is a shortage of market evidence for comparison purposes, to inform opinions of value.

Our valuation of the property is therefore reported as being subject to 'material valuation uncertainty'. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt, the inclusion of the 'material valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. The material uncertainty clause is to serve as a precaution and does not invalidate the valuation.

Values may change more rapidly and significantly than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market and the difficulty in differentiating between short term impacts and long-term structural changes, we recommend that you keep the valuation(s) contained within this report under frequent review.

The uncertainty around COVID-19 is having a direct impact on the Maldives real estate market, particularly the hospitality sector. The full scale of the impact is currently unknown and will largely depend on both the scale and longevity of the pandemic. Our valuation is based on the information available to us at the date of valuation. Whilst we have taken all reasonable steps to estimate the effect on the property, due to the significant uncertainty in the property, capital markets and the rapid unfolding of these events, it is difficult to quantify and assess the impact that the pandemic has had on capital values for this type of property. Caution is strongly advised when relying on this valuation.

1.4 Market Movement

This valuation is current at the date of valuation only. The value assessed may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property or particular property sector). Liability for losses arising from such subsequent changes in value is excluded, as is liability where the valuation is relied upon after the date of the valuation

Without limiting the generality of the above comment, we do not assume any responsibility or accept any liability, nor should the valuation be relied upon, after the expiration of 3 months from the date of valuation, or such earlier date if the Reliant Party becomes aware of any factors that may have an effect on the valuation.

1.5 Valuer's Interest

We hereby certify that the Principal Valuer is suitably qualified and authorised to practise as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the property (including the parties with whom our client is dealing, including the lender or selling agent, if any); accepts instructions to value the property only from the instructing party.

1.6 Market Value Definitions

Market Value Definition

In accordance with the International Valuation Standard, the definition of market value is:

"The estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion."

Fair Value Definition

Fair Value as defined in accordance with the SISV Valuation Standards and Practice Guidelines and IVS.

The basis of value for financial reporting purposes under International Financial Reporting Standard (IFRS) 13 is 'Fair Value'.

The definition of Fair Value under IFRS 13 is as follows:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

It is important to note that, for most practical purposes, the concept of Fair Value is consistent with that of Market Value, and so there would be no difference between them in terms of the valuation figure reported.

1.7 Qualifications

This valuation report is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this report and to those included within the Assumptions, Disclaimers, Limitations & Qualifications section of this report.

1.8 Legal Notice & Disclaimer

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

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

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

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

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

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

2 Site Details

All information in this section is as per the Title and Registered Plan documentation in our possession (refer Appendices) and as advised by the Local Authority.

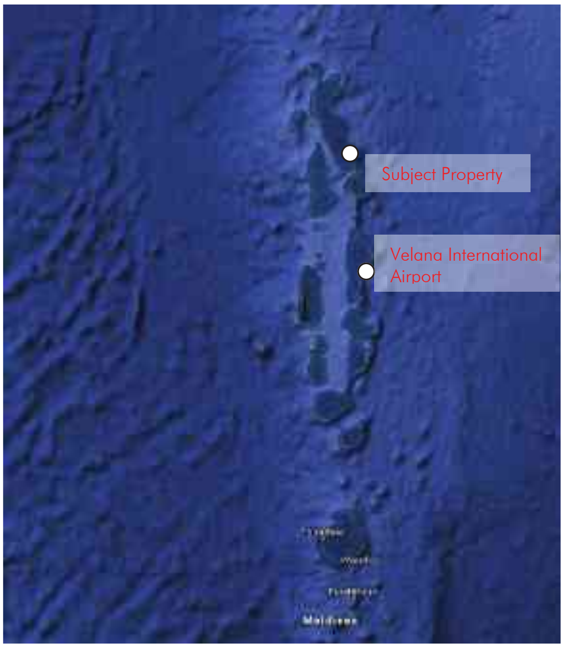
2.1 Location

The Republic of Maldives is an island nation in the Indian Ocean formed by a double chain of twenty-six atolls stretching in a north-south direction off India's Lakshadweep islands, between Minicoy Island and Chagos Archipelago. It stands in the Laccadive Sea, about seven hundred kilometres south-west of Sri Lanka.

The atolls of the Maldives comprise a territory spread over roughly 90,000 square kilometres, making it one of the most disparate countries in the world. It features 1,192 islets, of which two hundred are inhabited. The Republic of Maldives' capital and largest city is Malé, located at the southern edge of North Malé Atoll, in the Kaafu Atoll. It is also one of the Administrative divisions of the Maldives.

The Maldives is the smallest Asian country in both population and area. With an average ground level of 1.5 metres (4 ft 11 in) above sea level, it is the lowest country on the planet. It is also the country with the lowest highest point in the world, at 2.3 metres (7 ft 7 in).

The following map indicates the position of the Maldives and the atoll on which the Property is located:



Source: Google Satellite

2.2 Site & Services

Shape:	Irregular
Site Area:	89,896 square metres.
Dimensions:	Length: approximately 850 metres Width: approximately 450 metres
Services:	All provided on site
Flooding:	The island is typical of other in the Maldives and is low lying.

A current survey has not been provided. (Refer to Assumptions, Disclaimers, Limitations & Qualifications section – Premise 7.)

2.3 Environmental

(Refer to Assumptions, Disclaimers, Limitations & Qualifications section – Premise 9.)

Site Contamination

Our visual inspection of the subject property and immediately surrounding properties revealed no obvious signs of site contamination.

We have not undertaken any formal searches, other than an online search of the relevant Authority register for contaminated land. This search revealed no listing of the subject property. However, we note that not being listed on the register does not preclude the property from being contaminated. We assume that the site is free from elevated levels of contaminants and have therefore made no allowance in our valuation for site remediation works.

We are not environmental experts, nor do we know the extent of contamination (if any). Our valuation therefore assumes that there are no contamination issues having an adverse effect on the market value or marketability of the property. Formal searches not undertaken.

3 Legal Details

(Refer to Assumptions, Disclaimers, Limitations & Qualifications section – Premise 8.)

Real Property Description (leasehold)

The interest being valued is a lease which has been the subject of various amendments and addenda. We have been supplied with copies of these and summarise the key details below.

Current Registered Lessee

Roxy Maldives Resort & Spa Pvt Ltd.

Easements & Encumbrances

We have disregarded the presence of any mortgage or other financial liens pertaining to the property or operating equipment contained therein.

We have been provided with copies of the lease agreements by the Vendor. We have assumed that there are no further easements or encumbrances not disclosed by the Vendor, which may affect the market value. However, in the event that a comprehensive title search is undertaken which reveals further easements or encumbrances; we should be consulted to reassess any effect on the value stated herein.

ORIGINAL LEASE SUMMARY	
Lessor:	The Government of the Republic of Maldives
Lessee:	Moosa Shiyam Abdulla Ali (M. Three A Villa)
Island:	Kudafunafaru in Noonu Atoll
Dated:	25th of June 2006
Commencement Date:	25th of June 2006
Initial Term:	25 years
Option:	Nil
Annual Rent:	As specified in Bid Form and Rent Schedule attached in the Lease Agreement
Other conditions:	There are various conditions relating to the approval, design and completion of the construction and development of the Resort.
Mortgage:	Nil
Assignment:	A deed of assignment was made on 11 May 2016, where the assignor, Moosa Shiyam Abdulla Ali agreed to the assignment of the lease of the land to the assignee, Roxy Maldives Resort & Spa Pvt Ltd. The Assignor, Roxy Hotels & Resorts Pte. Ltd. and Capital Edge Pvt. Ltd. signed a sale and purchase agreement on 5 February 2016. The Assignor has agreed to the assignment of the Lease Agreement of the Island to Roxy Hotels & Resorts Pte. Ltd; and on 6 May 2016, Roxy Hotels & Resorts Pte. Ltd. novated its rights, interests and obligations under the Sale and Purchase Agreement in respect of the Island and the Lease Agreement to the Assignee pursuant to a deed of novation executed between the Assignor, Assignee and Roxy Hotels & Resorts Pte. Ltd.

SUMMARY OF AMENDMENTS TO LEASE

Addendum – 18 April 2007

This states that the Sublessor and Sublessee executed an Exclusive Bed Rights Contract for the development, operation and management of the Resort and exclusive rights to sell all the beds and all facilities.

Addendum – 11 March 2009

Amendment to lease agreement that the Sublessor and Sublessee to cancel and replace the existing Exclusive Bed Rights Contract with this Sublease Agreement.

Addendum – 7 March 2012

Amendment to lease agreement that the lessee has requested the lessor to extend the Lease Period for up to 50 years commencing from 25th day of June 2006.

Addendum – 31 October 2012

Amendment to lease agreement that the lessee paid to the lessor, an amount equivalent to 15% of the total Lease rent proposed for 10 years as specified in the Lease Agreement. For avoidance of any doubt the said 15% of the total Lease Rent proposed for 10 years is USD 1,036,275.00. The advance rent is to be deducted over a period of 10 years.

Addendum – 27 December 2012

This states that the lessee has paid all outstanding Lease Rents due to the Government and now requests for the Concession under the policy – in which they are given the concession of being able to pay the accrued fines in an instalment basis over a period of 10 years.

3.1 Government Rental

The government changed from a bed rent system to one based on a rate per square metre of land area. In relation to the legislative amendments to the Maldives tourism act (Act No. 2/99) approved by the parliament on 7 December 2020, the rents for Tourism Establishments on Uninhabited Islands will be calculated at the rate of between US$2 to US$8 per square meter of land. The amendment, known as the Tenth Amendment to Tourism Act, stipulates rent charges to be dependent on the location of the resorts. For example, rental rates for the northern and southern atolls are lowered in order to boost development in these locations.

Based on the above and given a land area of 89,896 square metres (sqm) and our understanding from the Client, the government head lease rent of the island is estimated to be US$ 719,167 per year.

(Refer to Assumptions, Disclaimers, Limitations & Qualifications section – Premise 10.)

4 Occupancy Details

(Refer to Assumptions, Disclaimers, Limitations & Qualifications section – Premise 4.)

4.1 Owner/Management Profile

The Property is self-managed by the owner and operates under the Noku brand. There is an agreement in place between Roxy-Pacific Holdings Limited (RPH) and its wholly owned subsidiaries, with regard to the provision of management and support services by RPH to its Subsidiaries.

4.2 Comment on Management Agreement

As the Property is self-managed, we assumed that vacant possession is available for the purpose of this valuation. In this assumption, a new operator can be appointed and we consider that management agreement terms achievable generally in the market can be adopted.

Base Fee:	2.00% of Total Revenue
Incentive Fee:	6.00% of Adjusted Gross Operating Profit (Gross Operating Profit-Base Fee)

5 Improvements

(Refer to Assumptions, Disclaimers, Limitations & Qualifications section – Premise 11, Premise 12 and Premise 13)

Restricted Inspection	• The COVID-19 global pandemic has limited our ability to inspect the property as would be required under normal circumstances. We specifically state and refer the reliant party to our Critical Assumptions for specific details regarding property inspection.
Measurement of Lettable Areas Comment	• We have been unable to verify the building dimensions/area due to the restricted nature of our inspection. This inherent risk should be given careful consideration by the reliant party.

5.1 Property Description

5.1.1 General

The Property first opened in August 2008 as the Zitahli Resorts and Spa Kuda-Funafaru. It was later acquired by Roxy-Pacific Holdings Limited on February 2016. After the acquisition, the Property underwent refurbishment works from October 2016 and officially reopened on 1st August 2018 as the Noku Maldives.

Noku Maldives is a 50-villas resort, offering good quality rooms and amenities found in a typical luxurious resort product in the Maldives. The Property offers 20 beach villas and 30 overwater villas and facilities include:

- Four F&B outlets – The Palms Restaurant, Thari Restaurant, The Palm Bar and Thari Bar
- Noku Spa
- Nomads Space
- Swimming Pool
- Medical Clinic
- Gym
- Diving and Water Sports Centre
- Yoga Pavilion
- Gift Shop

Facilities such as the spa, swimming pool and gym are mainly located in the central and southern parts of the island. The back of the house complex is located at the northern part of the property, strategically isolated from guest areas by the surrounding vegetation.

Source: Hotel Management

5.1.2 Construction

The construction varies between the different buildings. Those over water have concrete columns supporting largely timber buildings; those on land are either concrete or steel framed with timber floors and a variety of wall finishes. Roofs are generally thatched for guest areas and corrugated metal sheets are used for other structures.

Foundations:	Reinforced concrete footings and foundations.
Floors:	Timber floorings
Structure:	Reinforced concrete column and beam frame.
External Walls:	Structural and external walls of reinforced concrete with applied textured finish, timber and ply wood.
Windows/Doors:	Hardwood windows and doors for villas.
Roof:	Assumed timber roof structure with thatch, but not inspected.

5.1.3 Internal Finishes

Floors:	Timber flooring and skirting, granite tiles for toilet floor and pool, craft stone for outdoor shower area.
Internal Walls:	Paint finish for interior walls, full polished glazed titles for toilet wall and shower area wall.

5.1.4 Services

The back-of-house is located at the northern edge of the island and supports the Resort's operations. It features three generators with a total output capacity of 1,650 KVA, two water storage tanks with a total capacity of 290,000 litres, one diesel tank, and two water desalination plants.

Power House:	Two 600 KVA Cummins generations and one 450 KVA Cummins generator
Sewage Treatment Plant:	75 cubic metres per day capacity
Water Treatment:	Two Aqua Reef reverse osmosis plants with a capacity of 150 cubic metres per day for each plant
Water Tanks:	Two 145,000-litre water tanks

Fuel Tanks: One 145,000-litre diesel storage tank

5.2 Room Configuration & Description

Villa Configuration

The villa configuration within the property is as follows:

Villa Type	Number of Villas	Approx. Area (sqm)
Beach Villa	9	175
Beach Pool Villa	4	220
Sunset Beach Pool Villa	6	220
Water Villa	10	186
Water Pool Villa	10	190
Sunset Water Pool Villa	10	190
Two Bedroom Beach Villa with Pool (Suite)	1	400
Total:	50	

Typical Villa Description

The typical amenities in the villas include:

- King-sized bed
- Bean Bag Sofa
- Fan
- Air Conditioning
- Mini-bar
- 24-hours room service
- Free-standing bath tub
- Indoor and outdoor rain shower
- Hair dryer
- Sun beds
- Telephone
- Walk-through wardrobes
- Luggage Closet
- Safety Deposit box
- Tea & Coffee making facilities

Beach Villa

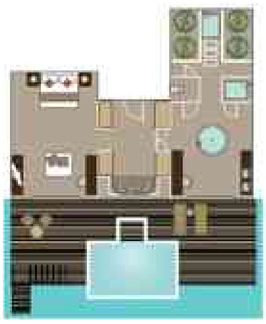
The Beach Villas measures 87 square metres internally and 175 square metres in total. The villas are located around the perimeter of the island and offer guests private beach access. It offers a freestanding bath tub, living area and a private deck with loungers for sun bathing.

Beach Villa with Pool

The Beach Villas with Pool measures 87 square metres each internally and 220 square metres in total. The villa features are similar to that of the Deluxe Beach Villa except for the additional oversize deck and a private plunge pool.

Water Villa

The Water Villa measures 87 square metres each internally and 186 square metres including the deck. Secluded from the island, the villas have a private outdoor deck with a daybed, sun loungers and offers direct access to the lagoon.

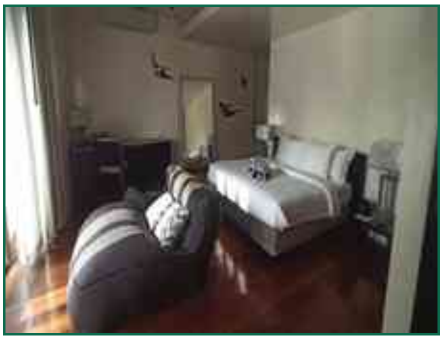


Water Pool Villa

The Water Pool Villa measures 87 square metres each internally and 190 square metres in total. The villa features are similar to that of the Water Villa except for an addition private plunge pool.

Two Bedroom Beach Villa with Pool (Suite)

The Two Bedroom Beach Villa with Pool (Suite) measures 109 square metres each internally and 400 square metres in total. The two-bedroom beachfront villa is secluded from other villas and offers guests absolute privacy. The suite consists of separate guest bedroom, living room and a private sundeck with a freshwater plunge pool.



Source: Hotel Management

5.3 Food & Beverage Facilities

The food and beverage facilities are summarised as follows:

Outlet	Description
In Room Dining:	Available 24 hours.
Palms Restaurant:	The 132-seat all-day dining restaurant is located along the beachfront and offers a la carte and buffet style dining. The restaurant features live kitchen stations for guests to order freshly cooked food.
Palms Bar:	Palms Bar is situated adjacent to Palms Restaurant and offers coffee, cocktails and alcohol. The 52-seat bar offers snacks and light bites throughout the day and allows guests to relax at the beach loungers or indoor seats.
Thari Restaurant:	Situated on the upper deck and overlooking the pool, this signature restaurant offers a unique blend of Thai, Japanese and Singaporean cuisine. The 28-seat restaurant provides an intimate setting for guests to enjoy views of the Indian Ocean.
Thari Bar:	Located on a wooden deck beside the Resort's infinity-edge pool, the 50-seat bar allows guest to enjoy a wide selection of beverage while enjoying the views.


Source: Hotel Management

5.4 Other Facilities

These include spa facilities, swimming pool, gym, diving and water sports centre as well as a gift shop.

Source: Hotel Management

5.5 Services and Staff facilities

Staff housing is provided in single, double, triple and quadruple accommodation configurations within 15 housing blocks at the back of house area. Additional staff facilities include a dining hall, local store, mosque, training room, human resource office, carpentry, housekeeping and laundry.

We were informed by the management that a new staff canteen has been constructed in the year 2019.

5.6 Condition & Repair

As this is a desktop report, we have not conducted a site inspection of the property. The last inspection was done on 28 November 2018. We were informed by the Client that there had been no major alterations and/or additions to the property since then, except for the building of a new staff canteen in 2019.

Management have advised that all installations and operating equipment are in good working order and subject, where necessary, to appropriate maintenance and servicing contracts. We note however, that we are not appropriately qualified to provide advice in respect of the building structure and fabric.

Hotel and resort facilities by their very nature require continual expenditure to maintain the aesthetic appeal, structural integrity and hence, capital value of the asset. In this regard, we have incorporated a specific capital expenditure allowance throughout the term of our cash flow analysis in recognition of the requirement for an ongoing refurbishment program.

Source: Hotel Management

5.7 Hazardous Materials

Whilst we did not identify asbestos during our inspection, we are not experts in this area and can give no warranty in this regard. We have undertaken our assessment assuming no adverse effect on the property's market value or marketability. If a more definitive asbestos statement is required, a report from a suitably qualified expert should be commissioned and if asbestos materials are found to be present on-site this valuation must be referred back to the Valuer for further consideration and possible re-assessment.

5.8 Capital Expenditure

We have not been provided with any reports in respect of the structural integrity or condition of the plant and machinery or service facilities within the property. Our approach to valuation by necessity assumes that no significant capital expenditure is required in respect of the building or facilities contained therein at the present time.

6 Macroeconomic Overview

The purpose of the economic overview is to review available economic data that will provide the background conditions within which the Property operates.

6.1 Economic Overview

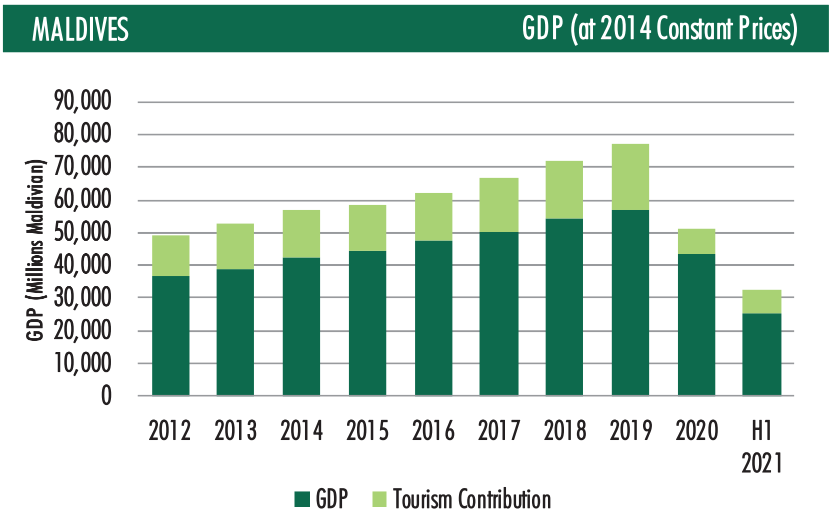
The Maldivian economy is largely based on tourism and fishing. Of the Maldives' nearly 1,200 islands, only about 200 are inhabited. The population is scattered throughout the country, with the greatest concentration on the capital island, Malé. Limitations on potable water and arable land constrain expansion. Development has been centred upon the tourism industry and its complementary service sectors, transport, distribution, real estate, construction, and government. Taxes on the tourist industry have been ploughed into infrastructure and used to improve technology in the agricultural sector.

In 2004, the Indian Ocean tsunami made a serious impact on the Maldivian economy inflicting damages of almost US$400 million. Remarkably, however, the economy made a speedy recovery from it. A rebound in tourism, post-tsunami reconstruction, and new resort construction helped increase GDP from 2006 to 2008 after the dip in 2005. However, the Global Financial Crisis (GFC) of 2009 set the country back again in terms of Real GDP, with a contraction of 7.2%.

Due to the uncertainties in the global economy, the Maldivian economy slowed in 2015. Since then, the economy had rebounded with a real GDP growth rate of 6.3% and 7.2% in 2016 and 2017 respectively. The growth momentum continued in 2018 at a rate of 8.1%. Contributions from the Tourism sector had been consistently contributing more than 20% level to real GDP, based on 2014 constant prices. Contribution from the tourism sector stood at 26.3% of the total GDP for full year 2019, up from 24.8% in 2018.

Diversifying beyond tourism and fishing, reforming public finance, and increasing employment are the major challenges facing the government. Over the longer term, Maldivian authorities worry about the impact of erosion and possible global warming on their low-lying country; 80% of the area is one metre (about 3.3 feet) or less above sea level.

The Maldivian economy continues to rely heavily on its tourism sector. According to the World Travel and Tourism Council (WTTC), the contribution of Travel and Tourism to GDP as of 2019 was US$3,058.0 million, contributing 53.3% of the total economy. More than half of the total employment in Maldives is driven by those in the Travel and Tourism industry, at 59.6% or approximately 149,100 jobs. For the year 2020, total contribution of Travel and Tourism to GDP fell to US$1,107.9 million, contributing 29.4% of the total economy. Employment levels from the Travel and Tourism has dipped on the back of the pandemic to 102,900 jobs or 40.2% of the total employment.



Source: MMA Maldives, National Bureau of Statistics

The declaration of Covid-19 as a pandemic in March 2020 has decimated a great portion of international leisure tourists into Maldives. Maldivian borders were closed to international leisure tourists effective March 2020 and only reopened in July 2020. Notwithstanding the reopening, the number of tourists into Maldives has been limited as the situation remains largely fluid in 2020. With one fifth of the GDP relying on tourism, it is unsurprising that the overall real GDP fell by 33.5% for full year 2020, of which contribution from the tourism sector fell by 62.5%. Overall tourism contribution stood at 14.8% of real GDP levels for the year 2020.

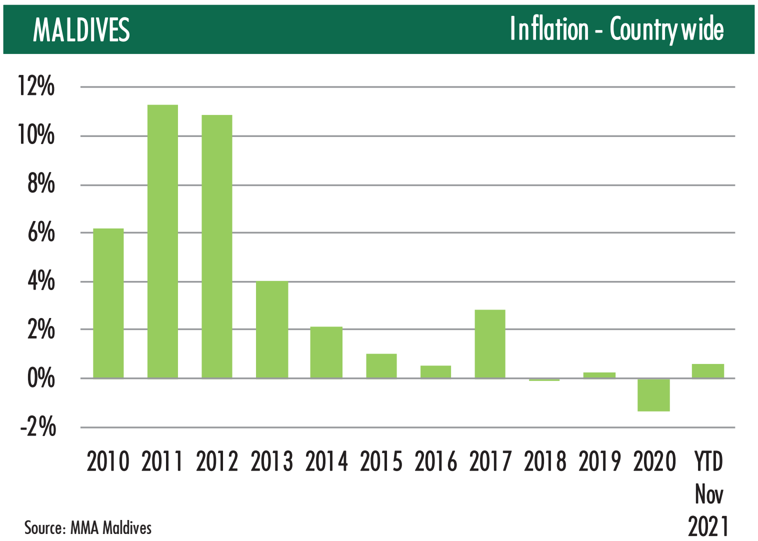
According to advance estimates of the Quarterly National Accounts released by Maldives Bureau of Statistics, real GDP rebounded strongly by 75.3% in Q2 2021 against Q2 2020. This is largely driven by a pickup in tourism sector where contribution from tourism grew by 2,212.7%, from a low base effect in Q2 2020. In addition, positive contributions were also observed for other sectors including transport and communication, and wholesale and retail trade sector. According to Maldives Monetary Authority (MMA), real GDP is forecasted to grow in the range of 28.1% and 38.5% in 2021 and a further 12.0% in 2022.

The negative GDP growth is expected to cause some negative spill over effect on other major sectors of the economy such as transport and communications, construction as well as wholesale and retail trade.

6.2 Inflation Rate

In recent years, inflation rate for Maldives had been decelerating. According to the Maldives Monetary Authority, one of the major reasons for the slowdown is due to the reduction in import duty rates on petrol and diesel in June 2017. Despite recovery in global oil prices in 2018, Maldives entered into deflation territory, recording a rate of -0.1% for full year 2018, down from 2.8% in 2017. The decline was mainly contributed by decrease in electricity and staple food prices in 2018 but offset to a certain extent by continued growth in rental and fish prices.

Annual inflation rate for 2019 remained low at 0.2%. Inflation rate continued to remain low in 2020 and was in the negative territory from March 2020 onwards. Maldives concluded 2020 with an annual inflation rate of -1.4%. While there was upwards pressure on annual inflation on price of tobacco products and passenger transport services, the fall in other sectors such as cost of information and communication services, certain vegetables and housing rent surpassed the upwards pressure.



Inflation was generally in the negative territory in Q1 2021, in the region of between 0.1% to 1.0%. Thereafter, the economy has seen some fluctuations between 0.4% to 3.3% between April 2021 and August 2021. Inflation level has come down since then, in the region of 0.1% between September 2021 and November 2021. Generally the largest contributors to the inflation were mainly restaurants and accommodation services, information and communication as well as tobacco and aracanut for the month of November 2021. The YTD November 2021 average inflation stood at 0.6%.

6.3 Labour Market

The Maldives faces a major challenge in creating employment opportunities for the increasing number of new labour market entrants and more specifically in creating jobs in the outer islands of the country.

Skilled and unskilled labour is scarce, and expatriate labour is allowed in order to meet shortages. There are an estimated 100,000 expatriate workers, mostly in tourism, construction, and social and personal services. Expatriate labour may be just as or more expensive than local labour. Even when salaries are set lower, travel and other benefits typically make it more expensive overall to hire expatriates. Since higher education options in the Maldives are limited, young Maldivians from higher income families often travel abroad for education.

When the expatriate employees were added to the local labour force, it is believed that they accounted for about half of total employed population in the country. Such high levels and fast rates of growth in the expatriate labour force in the country, reflect mismatches and rigidities in the country's labour market, social perceptions and cultural factors. Expatriate labour is mainly concentrated in the construction industry.

The labour market in the country has not progressed in line with the economic growth rates in the country. Despite the solid rates of economic growth recorded in the country over the past few years, employment among the local population has not grown in line with the economy. Fast rates of increase in the expatriate labour, in spite of unemployment among the locals, especially among the youth population is a huge concern for the country. This prompted the government to announce in early 2015 the introduction of a scheme of training and non issuance of work permits that will allow more locals to be hired and thus shrinking the expatriate labour force.

The adverse effect arising from COVID-19 is likely to have a significant impact on employment, in the tourism sector as well as other businesses in the tourism value chain.

Effective from 1 January 2022, the minimum wage scheme will be implemented in the Maldives, in accordance with Section 59 of the Employment Act (Law No. 2/2008). This is likely to increase the costs of labour for resorts and hotel owners in the Maldives as the minimum wage rule covers most employees working in the hospitality industry such as the front desk, F&B and housekeeping staff. We further understand however, that the Maldives government is looking for other ways to help support the owners such as extending the head lease reductions given in 2021 into 2022.

While the new minimum wage scheme is only applicable for Maldivian workers, we understand from several operators that in tandem with the wage increase for Maldivian workers, wages for non-Maldivian workers have also increased as well to prevent attrition and drive employees' morale. This is also to ensure that there is a fine balance in wages between Maldivian and non-Maldivian workers. The hike in payroll is therefore difficult to ascertain as it varies across different resorts.

6.4 Political Situation

The Maldives is a sovereign independent, democratic republic based on the principles of Islam. An independent nation since 1965, the country has a unicameral parliament, the People's Majlis, which is composed of members representing each constituency in the country. The country's Head of Government is its President who is directly elected by the people for a five-year term by a secret ballot exercise. Like in many presidential democracies, the President heads the executive branch, appoints the Cabinet and approves each member of the cabinet.

A 1968 referendum approved a constitution making the Maldives a republic with executive, legislative and judicial branches of government. Over the years, the constitution was amended several times and last ratified in 2008 by the then President.

Political Unrests

The political unrest that broke out in the Maldives in May 2011 began with mass anti-government protests to demand resignation of the then President whom they deemed was responsible for the country's declining economy. The unrest that continued into the following year turned more violent and finally led to the President's resignation.

To a certain extent, the political crisis of 2011-2012 has raised fears about the island's tourism sector. However, the impact of this political instability is rather slight, due to the geographical isolation of resorts from the capital island of Malé where most of the riots were held. In fact, tourist arrivals registered a double-digit growth in 2011, indicating that the political turmoil had minimal or zero impact on the tourism sector at that time. Repercussions of the Maldives' political unrest on its tourism industry only surfaced in 2012, when the number of incoming tourists dropped throughout February to May in that year. In June 2012 however, tourist arrivals to the country rebounded with a growth rate of 6% versus the previous year.

Interestingly in early 2012, the Maldives government imposed a ban on spas, massage parlours and health centres after an opposition party claimed that they were used as a front for prostitution. This ban, however, lasted for only six days with little or no impact on the tourism sector.

The political situation in 2013 in the Maldives continued to be unstable, this time over the concern of continual delays and the lack of transparency in the election process. Once again, violence broke out among political party members, supporters and the police. Despite this, tourist arrivals continued to rise, even hitting a record million mark by the end of the year.

In February 2015, political tensions resurfaced when protestors gathered in the streets accusing the Presidential administration of violating the constitution and arresting oppposition leaders on false charges. Despite this, the tourism trend figures for the month remained robust with visitor arrivals hitting 120,000 which was the highest monthly arrivals recorded over the last ten years. Occupancy rates recorded by the Maldives Tourism Ministry for the month was a healthy 87%.

The political situation continue to be a bit shaky as President Abudlla Yameen declared a 15-day state of emergency in Feburary 2018. Despite ongoing policitical unrest in the early part of the year, we noted that it does not appear to significantly impact any changes in visitor numbers for the first eight months of 2018.

On 23 September 2018, President Abdulla Yameen was defeated by opposition candidate Ibrahim Mohamed Solih during the presidential election. On 17 November 2018, Ibrahim Mohamed Solih assumed office upon the expiry of Abdulla Yameen’s presidency, becoming the 7th President in the Republic of Maldives. President Solih’s power was strengthened further when his party swept legislative elections in the month of April 2019, winning three-fourths of the seats.

The Maldivian country’s ties with India has improved tremendously in recent years after Yameen’s term, with India comitting more than US$2 billion in the first two years of President Solih’s term, of which US$500 million is for the large-scale infrastructure project linking Male with its neighbouring islands.

The political situation in Maldives has been stable since the sworn in of President Solih in late 2018.

6.5 Tax

The rate of goods and services tax (GST) on tourism services in the Maldives increased to 12% from 8% with effect from November 1, 2014. The change was introduced through the First Amendment to the GST Act.

In October 2014, Maldivian authorities further published an amendment to the GST Act to provide that the rate only applies to goods and services supplied exclusively to tourists. In the law, these services are defined as tourism services which include supplies by shops, diving schools, spas, water sports facilities, and other such facilities in tourist resorts, tourist hotels, guest houses, picnic islands, tourist vessels, and yacht marinas authorized by the Tourism Ministry. The change also applies to tourism services provided by domestic air transportation service providers. It also clarifies that "tourists" refers to persons entering the Maldives under a tourist visa issued under the Maldives Immigration Act.

The increase, which was the third since its introduction in December 2011, was part of a package of measures to generate higher revenues for the islands. Other measures included the introduction of GST on telecoms services and to sales of immovable property. The leasing of immovable property remained exempt.

Along with rate increase, through the Fifth Amendment to the Maldives Tourism Act of 6 February 2014, the Tourism Tax of US$8 per night charge on accommodation was revoked. In the same year in July, an airport tax of US$25 came into effect.

Another tax announcement came in early 2015 when Maldivian authorities unveiled its plan to impose a green tax of US$6 per guest per day from November 2015 with the aim of protecting the county's fragile environment particularly in waste management. In the latest tax announcement, under the Eighth Amendment to Maldives Tourism Act in 2016, green tax is also extended to tourists staying at guesthouses as well, payable at US$3 per day of stay.

The immediate response from the ground was concern that the country could become too expensive from the tourist perspective but authorities remained confident it would not hinder demand. The overall impact on tourism is difficult to analyst at this stage. Its immediate impact would be on net revenues for resorts.

7 Maldives Tourism Market Overview

This section reviews the Maldives tourism industry and examines the recent performance of the sector.

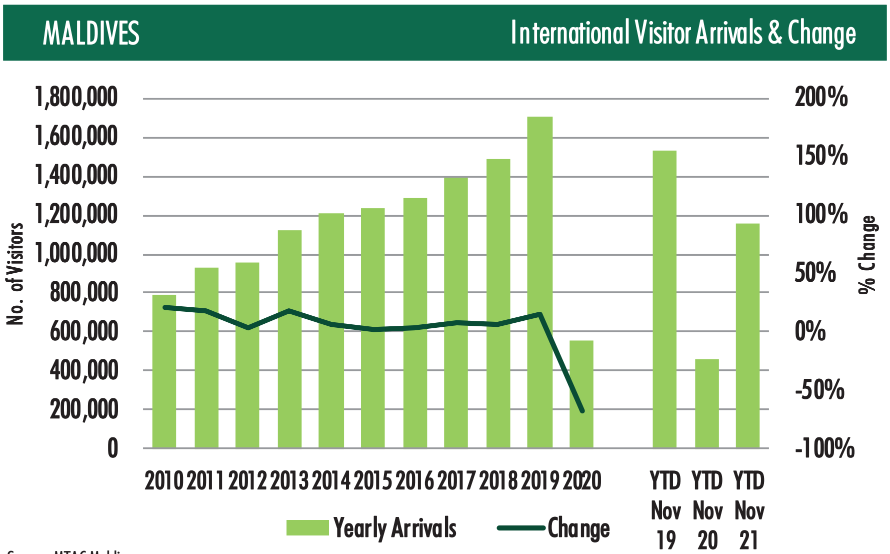
7.1 Tourist Arrivals

The tourism sector is the largest contributor to the Maldives' GDP, accounting for more than 20% to GDP, based on 2014 constant prices. However, the sector is very vulnerable to external and internal events and shocks. Some events are the 9/11 terrorists attacks in the United States, the tsunami disaster in Maldives in 2004, GFC of 2009 and the weakening of the global economy. However, tourism rebound had been quick and the popularity of Maldives as a tourism destination is still able to attract international tourism arrivals.

Apart from external events, the political unrest in Maldives in recent years had also affected the tourism industry to a certain extent. In 2015, Maldives was declared a state of emergency to ensure the safety and security of every citizen. In that year, visitor arrivals only grew 2.4% from the previous year, the smallest growth that the country has witnessed since 2012. However in 2018, the declaration of state of emergency from 5 February to 22 March 2018 by ex-president Abdulla Yameen and the change of president in September 2018 have minimal or no impact on tourist numbers.

Maldives, being a "a one island, one resort" concept, travellers seldom spend their holidays in the capital city, Malé. Instead, travellers mostly fly into Velana International Airport (on Hulhumale Island and seperated from Malé) and are transferred directly to their resorts via seaplane, planes or boats.

The number of international visitor arrivals and changes since 2010 is shown below.



Source: MTAC Maldives

2019 was a record-breaking year for the nation, receiving a total of 1.7 million visitors, a y-o-y increase of 14.7%. This marks one of the strongest growth rate recorded since 2013. Demand is primarily driven by the Europe market, with a market share of 49.0% followed by Asia at 38.8% and Americas at 5.0%.

The tourism industry was set to grow by a further 8% in 2020 however the outlook has been clouded by the COVID-19 outbreak. Arrival numbers declined drastically after recording a positive number in January

2020, particularly after the closure of Maldivian borders in late March 2020. Borders were shut for approximately four months before reopening in mid July 2020. Since reopening, arrival numbers have improved on a month-on-month (m-o-m) basis, from approximately 7,600 in August to 96,000 in December 2020.

Notwithstanding the improvement in m-o-m arrivals, the y-o-y decline of visitor arrivals in 2020 surpassed the original decline forecast by the government of 50% to 63%. Maldives concluded 2020 with approximately 555,000 visitors, a decline of 67.4% from 2019.

For YTD November 2021, Maldives have received a total of 1,157,653 visitors which represents a 152.2% increase against similar period in 2020. This represents a 24.4% decline against similar period in 2019, which is considerably remarkable when compared to other beach destinations globally. Notably for the months of October and November 2021, the number of visitor arrivals into Maldives has surpassed levels recorded in the same months for 2019, at a 0.1% and 4.9% increase respectively.

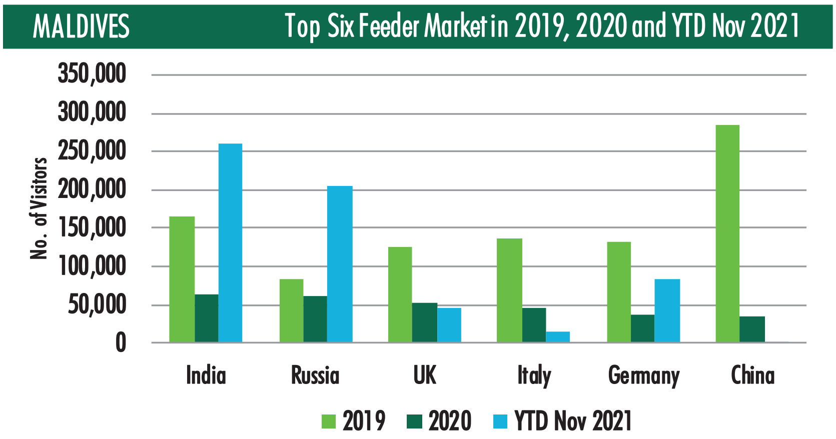
Although Maldives is likely to conclude the year 2021 falling short of the original target set by Ministry of Tourism in February 2021 at an annual count of 1.5 million visitors, the sentiments for Maldives have been generally positive supported by strong monthly visitor arrivals into Maldives and the fact that it has surpassed 2019 levels for several months in 2021.

7.2 Geographic Origin

Up until 2013, tourists from European countries comprised the greatest share of tourist arrivals going up as high as 77% ten years ago. However, Europe has been losing its share to the growing Asia region over the years, in light of the GFC affecting the major source markets from there. In 2014, Asia overtook the Europe region as the leading visitor market accounting for 47% in the full year. The Europe market commanded 44% in the same year. Asia remained the leading visitor market for Maldives till 2016 and European market took over the lead in 2017 again, accounting for 46.5% of the market share while Asia accounted for 42.2% for that year.

Demographics remain largely unchanged for full year 2019, with Europe continuing to dominate the market share with 49.0%, followed by Asia with 38.8%. America is placed third with 5.0%. Following the robust growth of Indian visitors in 2019, the top three feeder markets to Maldives in 2019 was China, India, followed by Italy.

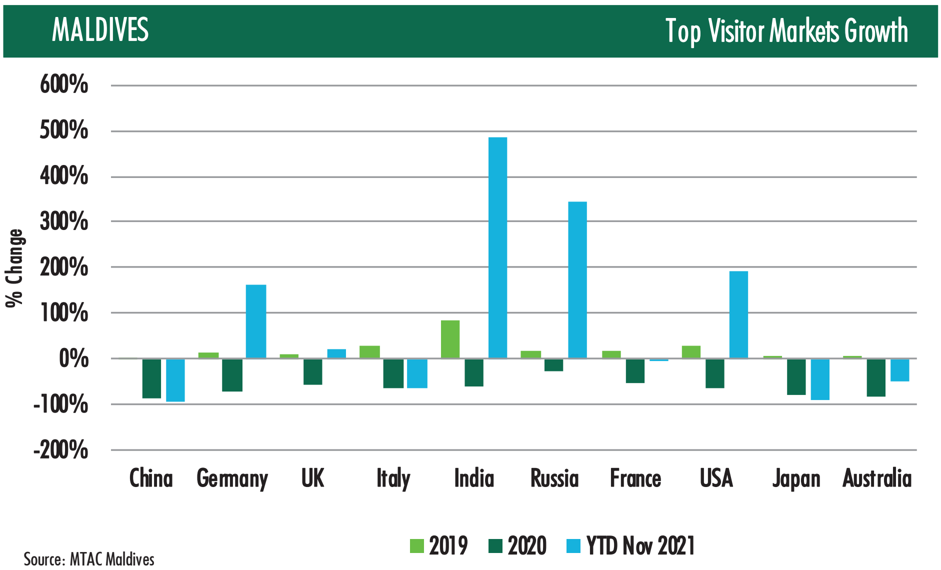
The relative market shares of the top six countries and their positions in 2019 and 2020 are shown below.



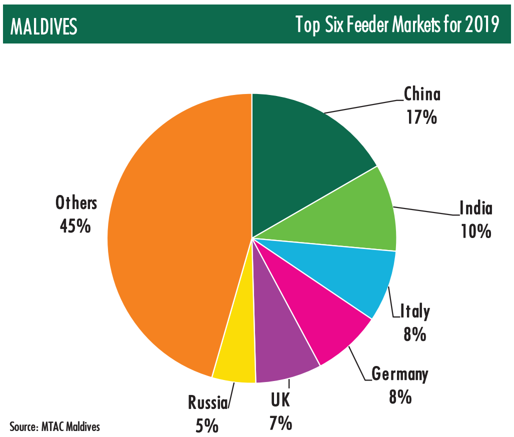
Source: MTAC Maldives

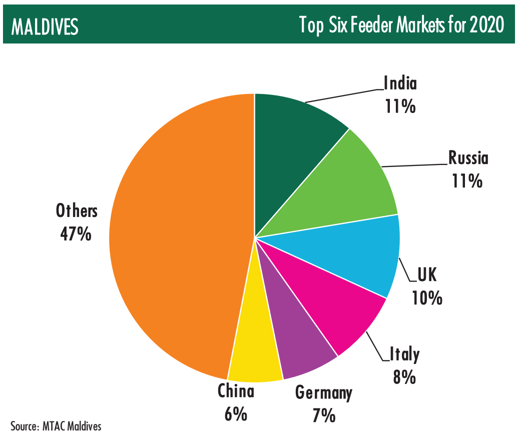
The growth of the Asia region visitor market for the past few years has been driven largely by the Chinese market with China being the top source market since 2010. The market experienced significant growth up until 2014 and thereafter, a downward trend was reported and continued up till 2018. The declining trend is attributable to several factors such as depreciating yuan against US dollars, lack of flight connectivity to first tier cities as well as travel advisory issued amidst political unrest in early 2018. For full year 2019, Maldives recorded its first y-o-y increase of Chinese visitors after many years, albeit at a mere growth rate of 0.3%. China continued to retain its position as the top visitor market in Maldives, with a market share of 16.7%.

Due to the advent of the pandemic, the number of Chinese travellers to Maldives fell by 87.9% in 2020 to a mere 34,000 visitors, of which most of the arrivals were observed in Q1 2020. Despite reopening of Maldivian borders, Chinese travellers remain low with an average of 60 travellers per month between July to December 2020.

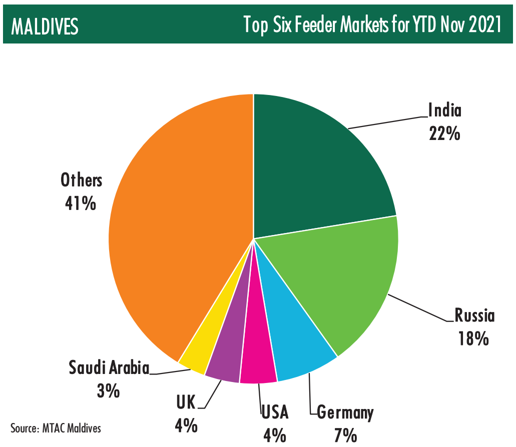


Source: MTAC Maldives





Due to the advent of the pandemic, demographics of arrivals to Maldives have shifted slightly. India now takes the lead as Maldives' top source market for 2020 with a 11% market share. According to Ministry of Tourism, markets that dominated arrival numbers between 15 July 2020 to 31 December 2020 are Russia, India and United Kingdom with arrivals of 31,800, 27,667 and 19,686 respectively. The higher numbers for Russia and India were a result of relaxed travel advisories for the countries.



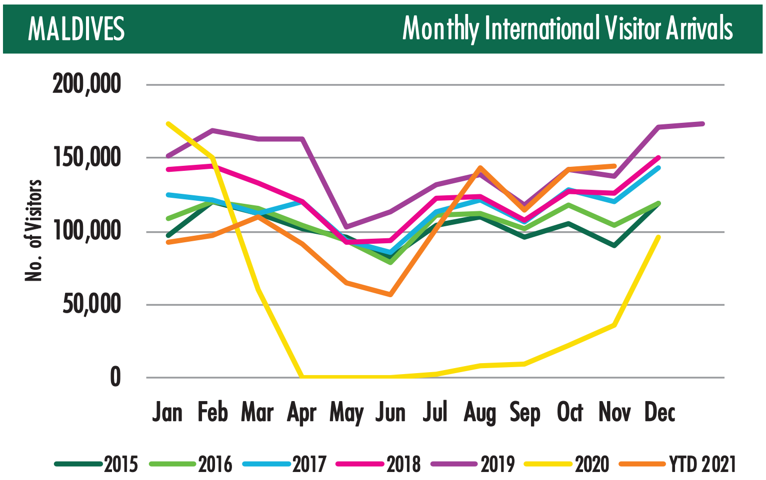
Based on latest statistics available by Ministry of Tourism (MoT), the top three source markets as at YTD November 2021 are India, Russia and Germany at 22.4%, 17.7% and 10.2% of the total market share each. Notably the number of arrivals from India and Russia have grown tremendously, surpassing levels recorded in pre-pandemic year 2019. The growth in Indian visitors is likely to be driven by the proximity of both nations as well as the diplomatic relations. It is also likely to be driven by the marketing efforts by Ministry of Tourism to tap on both Indian and Russian tourists.

7.3 Seasonality

Climate and the different global holiday periods are key factors affecting the tourist market to the Maldives.

The dry northeast monsoon, from around December to March, coincides with the peak period for tourist arrivals to the Maldives. Temperatures during this period average around 29 to 30 degrees Celsius and precipitation is the lowest during this season. The wet southwest monsoon, which starts mid-May to

November, brings the rare thunderstorms which may be a welcome respite from the sun for some. Furthermore, the summer season coincides with the low season in Maldives and that might also explain the slowdown in forward bookings which had been observed by hoteliers in the market.



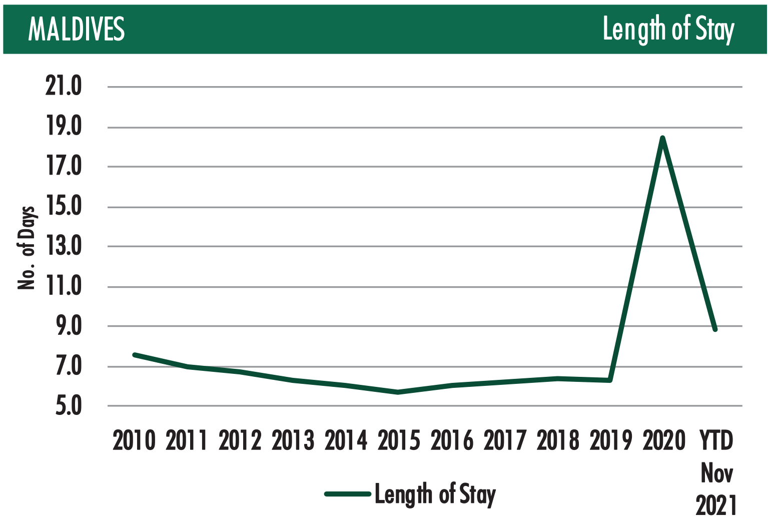
Source: MTAC Maldives

The number of inbound arrivals to Maldives has declined drastically since March 2020 due the closure of borders which took place from 27 March 2020 onwards. Since reopening of Maldivian borders in July 2020, number of arrivals to Maldives has improved on a m-o-m basis however still falling short of the numbers achieved historically.

We observed an optimistic start to 2021 with international visitor arrivals standing at 92,103 in January 2021 before increasing to 96,882 and 109,585 visitors in February and March 2021 respectively. However arrival numbers fell from April due to tightening of travel advisories following the surge in global Covid-19 cases as well as the detection of new virus variants. The restrictions lasted for about two months before arrivals rebounded in July 2021. Comparing against pre-pandemic levels, the monthly arrivals from August 2021 onwards has been relatively close or if not better than what has been recorded in the same months of 2019.

7.4 Length of Stay

Length of stay is also a factor that affects demand. Generally the average length of stay in Maldives has been experiencing a declining trend over the years, from 7.6 days in 2010 to 5.7 days in 2015. Average length of stay has then rebounded, gradually growing to 6.4 days for full year 2018. For 2019, the average length of stay is at 6.3 days.



Source: MTAC Maldives

The average length of stay shot up to an average of 18.5 days for full year 2020. The higher average length of stay is likely to be a result of stranded travellers in Maldives during the period where borders were closed and also due to the limited flights flying out of Maldives, particularly for the months of May, June and July 2020.

The average length of stay for the first half of 2021 continued to remain high in the range of 8.7 to 9.3 days, as tourists look to extend their holidays in Maldives and could also be driven by limited flights flying out of Maldives. In addition, the announcement of split-stay arrangement on 31 August 2020 coupled with revised visa regulations extendable up till 90 days encourage longer stays on the islands, hence propelling the average length of stay. As of YTD November 2021, the average length of stay stood at 8.8 days. The average length of stay is expected to remain high until tourism normalizes.

7.5 Access and Airport International Passenger Arrivals

The Republic of Maldives has become a major tourist destination over the past few years. With increasing demand, it is necessary for the government to provide an efficient and reliable transport system.

Access

The Velana International Airport, previously known as Ibrahim Nasir International Airport, is the primary international airport in Maldives. It is located 2.5km north-east of Malé on Hulhule Island. Despite its capability to handle wide-bodied passenger aircraft, the airport was unable to hold a large number of aircrafts during peak hours. In September 2018, the construction of a new runway project, undertaken by China's Beijing Urban Development Corporation (BUCG) was completed. It will be able to accommodate the world's largest passenger airline, Airbus A380. The new runway was originally salted for completion in 2019 but there has been delays. The work is currently progressing and the new runway is expected to start operations in 2022 alongside with the completion of the new seaplane terminal. The opening of the new runway is expected to ease plane traffic at the airport during peak hours. A new passenger terminal is also underway to allow the airport to accommodate up to 7.5 million passengers annually, from existing passenger capacity of 4 million and is likely to be completed in 2023.

Domestic aviation operations in the Maldives are divided into two components: the seaplane and the commercial airline operations. Seaplanes were first introduced in the late 1990s, with two seaplane operators, Trans Maldivian Airways (TMA) and Maldivian Air Taxi. Both operators were acquired by private equity fund Blackstone in 2013 and operations are now under the TMA name.

As the tourism sector further expanded into the peripheral atolls, especially after 2004, the need for airport transport hubs in the northern and southern parts of Maldives intensified. Changes in national development policy plans further helped to pave the development of domestic airports.

Prior to 1995, four domestic airports were established primarily to serve the local Maldivians. In 2011, the fifth domestic airport was developed and the period of 2011 to 2013 saw the acceleration in the pace of airport development. In addition, the government embarked on a plan in the early 2000s to establish 10 regional airports and airport hotels, to expand air transport services.

There are 17 airports in operation at present – 4 international and 13 domestic airports. Three domestic airports, namely Funadhoo Airport, Maavarulu Airport and Hoarafushi Airport were added in February, July and November 2020 respectively. With the country's multi-billion dollar tourism industry being the main contributor to the economy and that Maldives is one of the most dispersed countries in the world, domestic transport infrastructure is necessary to enhance connectivity and boost tourism.

TYPE	LIST OF AIRPORTS
International	Gan International Airport
	Hanimaadhoo International Airport
	Velana International Airport
	Maafaru International Airport
Domestic	Villa International Airport
	Dharavandhoo Airport
	Fuvahmulah Airport
	Ifuru Airport
	Kaadedhdhoo Airport
	Kadhdhoo Airport
	Kooddoo Airport
	Thimarafushi Airport
	Dhaalu Airport
	Kulhuduffushi Airport
	Funadhoo Airport
	Maavarulu Airport
	Hoarafushi Airport

Source: CBRE/Government Agencies/Airport Operators

Passenger Movements from International Carriers

According to Statistical Yearbook 2020, approximately 2.02 million international carrier passengers arrived via Velana International Airport in 2019, a 11.6% growth from 2018. The growth is in tandem with the number of international flight movements, which reported a growth of 15.7% from 23,820 flights in 2018 to 27,560 flights in 2019.

7.6 Tourism Investment and Regulation

Foreign Investment

Currently, all islands used for resorts are leased from the Government by individuals or companies. Bidding for the lease on the Islands is regulated by the Ministry of Tourism Act 1996.

The Republic of Maldives has introduced accommodative policies in an effort to attract foreign investment into the country. According to the Ministry of Economic Development, incentives for foreign investors offered by the government include:

- Right to 100% foreign ownership
- Legally back investment guarantee
- Provision for overseas arbitration of disputes
- Long term contractual agreements and long term lease of land
- Freedom to use foreign agreements and long term lease of land
- Freedom to use foreign managerial, technical and unskilled workers
- No foreign exchange restrictions
- No restrictions on the repatriations of earnings or profits

Tenth amendment to the Maldives Tourism Act (Act No. 2/99)

The latest amendment to the Maldives Tourism Act (Act No.2/99) was approved by the Parliament on 7 December 2020 and one of the key legislation was that of the President having the right to allocate islands to develop resorts, guesthouses, hotels and yacht marinas, for integrated tourism development and tourism-related real estate projects, and other ventures concerning the travel sector. In addition, there are also guidelines which allows the government to sell shares from tourist properties, where the government holds shares, under a joint-venture agreement with private investors. Per the guidelines, the government may sell shares held under Joint-Venture Agreements to other shareholders of the same property, at a fixed rate of US$ 5 per square meter.

Furthermore, the new amendements also include lowering the head lease rental rates for locations in the northern and southern atolls in order to encouage development in these locations. The government also invites investors and developers to bid for 16 out of a planned 28 islands for tourist resort development.

Lease Terms

Under the Tourism Act, in general, land and islands shall be leased to develop tourist resorts for a maximum period of 25 years from the date of possession of the land or when island is granted to the lessee.

The same Tourism Act also outlines the circumstances that land or island lease may be granted for a period exceeding 25 years. A 35-year lease may be granted to a tourist resort development when an initial investment size exceeds US$10 million. A 50-year lease may be granted where the lessee is a public company that meets all of the conditions:

- the public company is registered in the Maldives;

- the development and operation of the tourist resort is included as an object in the memorandum of association of the public company;
- the public company's shareholders are all Maldivian citizens and at least 50% of the company's shares are sold to the public;
- no more than 1% of the publicly-held shares are held by a single shareholder except where the shareholder is an investment company, in which case no more than 5% of the publicly-held shares should be held by that investment company; and the shares were sold to the public in a manner feasible for members of the public to purchase them and the shares were not sold to a determinate group of persons.

Lease period extensions of additional four, 20 or 25 years are also possible under various circumstances.

In accordance to the Tenth Amendment to the Tourism Act, there has been a change in lease period extension as follows:

Lease Extension up to 50 years	• US$100,000 per year of extension, where the lessee wishes to extend the lease period, within 2 years from 27 December 2020 • For any extension applications made 2 years after 27 December 2020, the lease extension will be charged at US$200,000 per year.
Lease Extension up to Additional 49 years (Total 99 years)	• Lump sum fee of US$5,000,000 provided leaseholders make such application within the first 2 years from 27 December 2020 • For any extension applications made 2 years after 27 December 2020, the lump sum fee lease extension shall be charged at US$10,000,000.

The above are provided that all requirements for an extension are met.

Land ownership

Up until July 2015, land ownership by foreigners was not allowed under the Maldivain consititution. In the tourism sector, for example, dozens of foreign companies running luxury resorts lease islands from the Maldivian government for a maximum of 99 years. With the Maldivian President's approval in July 2015, however, a new law will allow foreigners who invest more than US$1 billion to own land for the first time, in perpetuity, provided 70% of it is reclaimed from the Indian Ocean. However, the government cannot designate more than 10% of existing land in Maldives for such projects. The government asserts that the move is an effort to attract offshore investors into special economic zones set up to make the economy less reliant on tourism.

Land tenure system

Islands are awarded for resort development, through a public bidding system. For the selection of potential developers, the proposals submitted are evaluated using a merit point system where points are allocated for development concept, environmental aspects and employment. In the area of development concept, higher points are given to proposals that have Maldivian qualities and to ones that are unique in design. In the area of environment, higher points are given to proposals that suggest environmental protection and conservation measures over and above the legal requirements. Proposals that aim to attract local labour by providing improved physical facilities, or better incentives for staff and staff training, are also accorded higher points. Through this process the government is able to select projects that positively contribute to the tourism development goals. Hence, land tenure system helps to guide tourism along sustainable lines by:

- Ensuring that islands that are environmentally suitable are selected for resort development, and that such selections do not impinge on the productive capacity of other traditional, economic and social activities of the people;
- Using environmental criteria for evaluation of bids for proposed resort development. This way developers who wish to develop and operate resorts along environmentally friendly lines will be selected, and thus the tourism industry will expand guided by environmental principles;
- Ensuring that islands are allocated for developers who propose development of products that have "local colour". This way the industry can develop an identity and make it more diverse and product differentiated. In addition, it ensures that tourism facilities are not duplication of products in other destinations.
- The second wave of the Government's intervention was the adoption of laws governing resort construction and operation in the early 1980s. Hence to date, the Tourism Ministry imposes strict regulations and guidelines for resort construction and operation. Some of the regulations include:
- On 10th of April 2012, a decision was made by the cabinet to increase the built up area percentage of tourist facilities (Tourist Resorts, Hotels, Picnic Islands, Yacht marinas, etc.) from 20% to 30% of the total land area as per regulations formulated by Ministry of Tourism, Arts and Culture.
- The maximum height of the building has been limited to two stories provided that there is vegetation in the island to conceal these buildings;
- In construction of tourist accommodation, all rooms should face the beach and 5 linear metres of beach line has to be allocated to each tourist in front of their rooms. Only 68% of the beach length can be allocated to guest rooms as 20% has to be allocated to public use and 12% left as open space; and
- Construction on reef flats and lagoons are discouraged. However, as over-water bungalows are very popular among tourists they are permitted construction provided equal open space is left on the land for each building developed on the lagoon;
- Control and mandatory replacement for each tree that is cut down (certain rare and large trees have to be avoided when constructing a building). All buildings have to be located well away from the peripheral vegetation – at least 5 metres away from the shoreline to ensure that the peripheral vegetation most important for coastal protection is preserved;
- Allocating space for vegetation between each building. This is to ensure that substantial areas of indigenous vegetation are left untouched;
- All coastal works and larger projects have to be commenced after a thorough environmental impact assessment. Hard engineering solutions for dynamic coastlines are discouraged;
- Construction of rock-filled jetties and groynes are controlled. Design of boat piers and jetties should be in such a way that they do not obstruct the original flow of currents or disrupt the wave climate within the lagoon;

- Construction of seawalls, detached and submerged breakwaters are restricted. Instead, promotion of greater coral colonization on the peripheral reefs and other natural methods to protect shorelines are encouraged.

Bed Tax

As of the start of 2014, the previous tourism bed tax taken under the Maldives Tourism Act of 1999 was discontinued because of a deadline added to the act during its second amendment in 2010. The amount was set at US$8 per person per night bed tax. According to Maldives Inland Revenue Authority, the tourism tax accounted for 9.6% of the total revenue collected by the authority from January to November 2013. While the tax is a revenue source for the country which can be utilised to improve tourism infrastructure, hotel operators have voiced out their concerns on how it may affect their operations and utimately their bottom lines. The bed tax was subsequently reinstated on 06 February 2014 with immediate effect after the lapse, and officially abolished effective from 01 December 2014.

Green Tax

A green tax for tourists to the Maldives was introduced from November 2015 at a rate of US$6 per day of stay per tourist, in accordance with the Sixth Amendment to the Maldives Tourism Act. This applies to tourist resorts, tourist hotels and tourist vessels. According to the tourism ministry, the revenue generated from the new levy is to be spent on resolving waste management issues in the greater Male region. In addition, it is the responsibility of the operator / management of the tourist resorts, tourist hotels and tourist vessels to make the due payments to the Maldives Inland Revenue Authority.

Under the Eighth Amendment to Maldives Tourism Act in 2016, green tax is extended to tourists staying at guesthouses as well, payable at US$3 per day of stay.

Future Tourism Development

In order to maintain the competitiveness of Maldives, the government has introduced plans to diversify the market by developing new market segments. Traditionally, the Maldives was known as a Robinson Crusoe destination as tourists would come to get away from it all and to explore the underworld. Today, the Maldives is a world-renowned tourist destination and has become a romantic destination for honeymoon especially amongst Asian tourists. Besides attracting newlyweds, concentration has increasingly been given to attract visitors from other sources. For example, resorts have started to offer family packages to attract visitors who wish to travel to the Maldives with their families. Additionally, resorts have tapped into the senior market in recent years given that this group of people would normally have the ability to splurge on a holiday in the Maldives. Other segments like Health & Wellness, Meetings Incentives, Conferencing and Exhibitions (MICE) are being targeted too.

Today, tourists can find different recreational activities in the Maldives. Besides the usual tourist activities like diving, surfing and snorkelling, tourists can go for night fishing, big game fishing and dolphin cruises too. In future, golfers in the Maldives can hit on the world's first floating 18-hole golf course along with an underwater clubhouse and two luxury hotels which are all unveiled in plans presented by The Royal Indian Ocean. However all of the abovementioned are still in a planning stage and no concrete details have been firmed up yet.

Further, while Maldives continues to endorse the "one island, one resort" concept, we note that integrated developments are also gaining traction in the Maldives. The first integrated development introduced into Maldives market is CROSSROADS by Thailand-based developer, Singha Estate. It is a multi-island integrated leisure and entertainment resort with a dedicated marina located 15-minute speedboat ride away from the Velena International Airport. The development comprises nine islands and is expected to be developed across two phases with full completion originally slated to be in 2022. Phase one offers facilities such as beach club, marina centre and others along with iconic hotels like Hard Rock Hotel and SAii Lagoon Maldives (Curio Collection by Hilton). Both of the hotels are operational as of September 2019 while proposed Island 3 of Phase 1 CROSSROADS is scheduled for completion in 2022, offering a total of 80 villas targeted at the high-end luxury lifestyle segment. At present, there is limited information on Phase two of the integrated development.

Another integrated development that is to be introduced into the Maldives would be Rah Falhu Lagoon, developed by Singapore-based developer Pontiac Land Group. The integrated facility will consist of three luxury private resorts – comprising 64-key Capella Maldives, 100-key Ritz Carlton Maldives and 110-key Patina Maldives and a village island. The integrated development is slated for completion in 2021.

7.7 Covid-19 Updates and Policies

While the global pandemic caused Maldives to close its borders for 4 months from late March through mid July 2020, it was the first country to open its borders to international leisure visitors since 15 July 2020, albeit with precautionary advisories and safety measures in place.

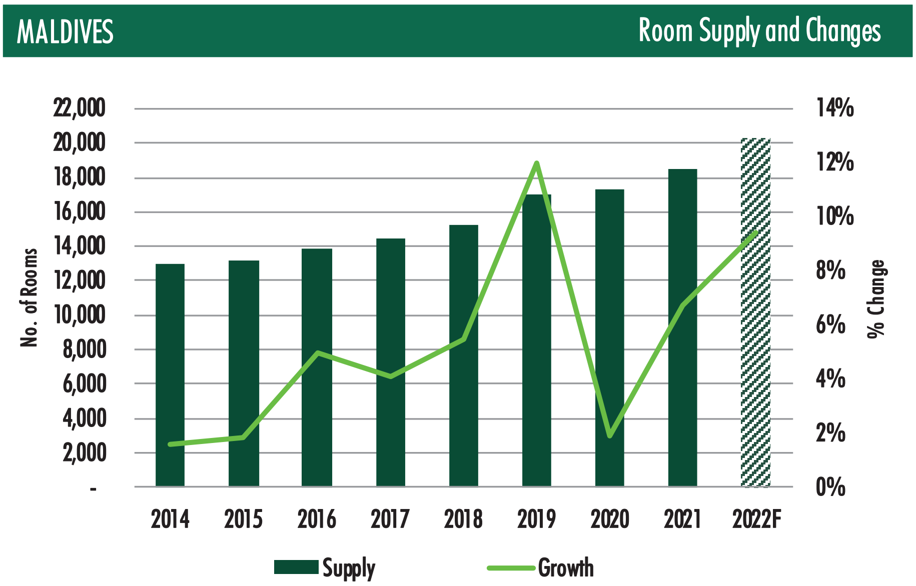
Covid-19 Updates within Maldives

- Reopening of Maldives for International Tourists on 15 July 2020
- Resorts, hotels and liveaboards located in uninhabited islands are to resume operations on 15 July 2020
- Hotels and guest houses located in inhabited islands are to resume operations on 1 August 2020
- Tourist facilities must be facilitated by trained medical professional to collect samples for Covid-19 testing, mandated on 10 August 2020
- Introducing 'Split Stay' arrangement for tourists visiting Maldives to encourage and allow tourists to experience more than one resort and enable longer stays during vacation
    - Requests for approval of 'split stays' should be submitted to the Ministry of Tourism two days prior to travelling date
- Ministry of Tourism issued a circular on 8 September 2020 for the conduct of negative PCR test no more than 72 hours prior to departure from first port of embarkation en route to Maldives
- On 15 October 2020, the conduct of negative PCR test has been extended to a maximum of 96 hours prior to departure from first port of embarkation en route to Maldives
- The emergence of new strain of Covid-19 virus in the UK in December 2020 caused public healthy interventions to prevent transmission of the virus
    - All visitors arriving from the UK, or was with a travel history to the UK within the past 14 days of arrival to thr Maldives (including transits/layours exceeding 12 hours) are required to complete a mandatory home-quarantine period of 10 days on arrival to the Maldives

  - The visitors will also require to undergo PCR tests on the 5th and 10th day of quarantine to detect any traces of virus
  - This is on top of presenting a Negative PCR result within a maximium of 96 hours prior to departure en route to the Maldives
- Inauguration of national immunisation program against Covid-19 announced on 2 February 2021 for local employees to receive vaccination, with priority given to health care professionals and front-line workers in the tourism industry
- Tourist VISA Extension – entry to Maldives valid for 30 days with extension up till a maximum of 90 days upon application and approval from the immigration authorities
- Emergence of new strain of Covid-19 in South Africa announced on 3 April 2021 by the Ministry of Tourism
- Ease of Travel Restrictions effective 20 April 2021
  - Travel quarantine will be exempted for all individuals, if travelling to an island where 60% of the island population have completed two doses of vaccination recognised by the World Health Organization (otherwise restrictions apply)
  - Travelers to Maldives who have completed their second dose of Covid-19 vaccination (recognized by WHO) 2 weeks prior to travel are now exempted from the pre-arrival negative PCR requirement and do not require to undergo or observe the travel quarantine on arrival to the Maldives
- Travel restrictions for travelers from India to high surge in new Covid-19 strain, effective 27 April 2021
- Effective 3 May 2021, mandatory requirement for all tourists (including those who have completed the prescribed dose(s) of a Covid-19 vaccine to present a negative result for a Nucleic Acid Test (PCR test) for Covid-19 on arrival, PCR test must be taken not more than 96 hours prior to scheduled time of departure from first port of embarkation
- Further strengthen travel restrictions for South Asian Countries (Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan, and Sri Lanka), including those with a transit time exceeding 24 hours and have a travel history to the above stated countries within the past 14 days, effective 13 May 2021 until further notice
- Travel restrictions for South Asian countries will be eased effective 15 July 2021 for guests staying in Tourist Resorts and Tourist Guesthouses on Local Islands effective 30 July 2021
- Inbound tourists residing in Tourist Guesthouses on Local Islands will be subjected to fulfilment of certain criteria relating to the vaccination status of the guest, island population or staff of all tourist facilities located on the island

8 Maldives Hotel Overview

8.1 Existing and Future Supply



Source: STR AM:PM

Our comments are as follows:

- According to STR AM:PM, there are currently 18,716 hotel and resort rooms across the Maldives market as at end 2021.
- The number of rooms have grown over the years, at a Compound Annual Growth Rate (CAGR) of 6.2% between 2016 to 2021 with stronger growth reported in 2018 and 2019. A y-o-y growth of 5.4% and 12.0% was recorded in 2018 and 2019 respectively. The market remained relatively quiet in 2020, only observing a growth of 1.9% with some of the projects that were scheduled for 2020 being postponed to 2021 and beyond.
- Approximately eight new resorts have opened in 2021, contributing to about 1,166 rooms.
- Key openings include the 40-key Cocogiri Maldives, 110-key Patina, the 100-key Ritz Carlton Maldives, 95-key Kuda Vilingili Resort, 499-key Siyam World, and 154-key Le Meridian Maldives Resort & Spa. The Patina Maldives and Ritz Carlton Maldives is part of the integrated development by Singapore's developer Pontiac Land Group which will also include the 64-key Capella Maldives.
- Moving forward, approximately 3,255 rooms are expected to enter the market between the remainder of 2022 to 2024, with majority of the supply anticipated to come online in 2022. Other notable openings include 80-key Alila Villas Maldives and several Centara resort properties which are slated to enter in 2023 or 2024.
- It is vital to note that the exact levels of supply are difficult to predict as many projects that are announced are seeking funding which can be difficult to obtain and some projects could be abandoned during the process or take a longer period to complete.

8.2 Hotel Performance

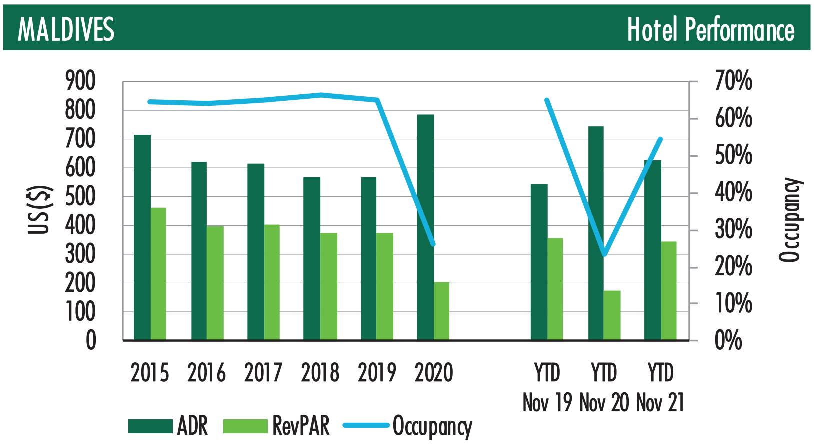
Despite visitor numbers at an all-time high, visitor growth has decelerated over the years due to weak economic conditions. Coupled with influx of supply into the market, occupancy levels in recent years are considerably weaker as compared to stronger years between 2011 to 2014.

According to STR, which captures the overall market performances for mostly properties in the upper upscale and luxury segment, occupancy rate in Maldives has seen some fluctuations in recent years. Occupancy rebounded from 2010 onwards, following the fall in 2009 due to GFC. It then peaked in 2013 before declining in the subsequent years, attributed to deceleration in visitor arrival growth and influx of supply. Occupancy rates then regained its growth momentum, increasing by 1.8% reaching 66.3% in 2018. Hotel rates on the other hand, have not been keeping in pace with occupancy levels with ADR on a declining trend since peaking in 2014.

In 2019, while the market witnessed a robust increase in visitor arrivals, occupancy levels remained under pressure and dipped slightly to 65.2% attributed to the substantial increase in room supply. Occupancy performance was generally healthier in the first half of 2019 before trending downwards in the last few months of 2019. Similar to occupancy, performance of ADR was stronger in first half of 2019, especially in the month of April and May 2019, where an increase of 26.8% and 11.4% were reported for the respective months. While ADR levels have fallen in the last few months of 2019, Maldives managed to record a slight uptick in ADR performance of 0.2%, reaching US$571.27 for full year 2019. This marks Maldives' first ADR increase since 2014.

In 2020, the impact arising from COVID-19 emerged as early as February 2020, where occupancy and ADR fell by 16.8% and 11.6% over similar period in 2019 respectively. The decline in occupancy accelerated from March 2020 onwards as Maldives shut its borders late March 2020. Occupancy levels were in the range of 0.3% to 1.5% during the period of closure, between April and June 2020. On the contrary, ADR remained strong and registered y-o-y increase in the same period. This is likely due to the resorts that remained open during that period were in the luxury to ultra-luxury segment, leading to a skewed data. Since reopening of borders in July 2020, occupancy levels improved to 5.5% and 6.5% for August and September 2020 respectively, showing gradual signs of recovery. The market continued to observe improvement in performance levels in the last quarter of the year and concluded 2020 with a RevPAR of US$206.22, with an occupancy of 26.1% and ADR of US$789.89. In terms of RevPAR levels, it is a decline of 44.6% compared to 2019 levels.

For YTD November 2021, ADR was at US$629.38, a 15.9% y-o-y decline with an occupancy level of 54.6%, equating to a RevPAR of US$343.70, a 96.4% y-o-y increase over the previous period. It represents a 7.8% decline compared to 2019 RevPAR of US$372.58. This result is largely influenced by the higher ADR and occupancy levels seen in the current market as resorts in Maldives continue to charge a premium to travellers as travel restrictions are still in place for other travel destinations.



Source: STR, CBRE Hotels - Figures on a Total Room Inventory basis

8.3 Trading Outlook

We have prepared estimates of the future supply and demand based on the information gathered from AM:PM, STR and CBRE's in house research. The details are set out in the table below.

MARKET ANALYSIS AND FORECASTS - Maldives							Currency: United States - Dollar		Historic Y/E December		Projection Y/E December		
Year	No. of rooms added	No of Rooms	Room Nights Available	% Change	Room Nights Occupied	% Change	Occupancy	Revenue	% Change	ADR	% Change	RevPAR	% Change
2012		12,365	4,513,225		2,935,401		65.04%	1,803,716,725		614.47		399.65	
2013	395	12,760	4,670,160	3.36%	3,338,368	13.73%	71.48%	2,235,169,283	23.92%	669.54	8.96%	478.61	19.76%
2014	200	12,960	4,730,400	1.27%	3,240,493	-2.93%	68.50%	2,397,161,115	7.25%	739.75	10.49%	506.76	5.88%
2015	235	13,195	4,816,175	1.78%	3,107,753	-4.10%	64.53%	2,228,836,354	-7.02%	717.19	-3.05%	462.78	-8.68%
2016	654	13,849	5,054,885	4.72%	3,243,894	4.38%	64.17%	2,020,231,476	-9.36%	622.78	-13.16%	399.66	-13.64%
2017	569	14,418	5,276,988	4.21%	3,431,891	5.80%	65.04%	2,123,796,653	5.13%	618.84	-0.63%	402.46	0.70%
2018	785	15,203	5,549,095	4.90%	3,677,796	7.17%	66.28%	2,096,707,596	-1.28%	570.10	-7.88%	377.85	-6.12%
2019	1,827	17,030	6,215,950	10.73%	4,052,799	10.20%	65.20%	2,315,242,713	10.42%	571.27	0.21%	372.47	-1.42%
2020	321	17,351	6,333,115	1.85%	1,653,395	-59.20%	26.11%	1,305,999,574	-43.59%	789.89	38.27%	206.22	-44.63%
2021	1,365	18,716	6,850,056	7.55%	3,744,834	126.49%	54.67%	2,466,226,124	88.84%	658.57	-16.63%	360.03	74.59%
2022	*1,707*	*20,423*	*7,454,395*	*8.11%*	4,382,749	*17.03%*	*58.8%*	*2,742,019,232*	*11.18%*	*625.64*	*-5.00%*	*367.84*	*2.17%*
2023	*462*	*20,885*	*7,623,025*	*2.21%*	4,723,134	*7.77%*	*62.0%*	*2,807,228,370*	*2.38%*	*594.36*	*-5.00%*	*368.26*	*0.11%*
2024	*1,086*	*21,971*	*8,019,415*	*4.94%*	5,222,838	*10.58%*	*65.1%*	*3,181,836,902*	*13.34%*	*609.22*	*2.50%*	*396.77*	*7.74%*
2025	*774*	*22,745*	*8,324,670*	*3.67%*	5,459,791	*4.54%*	*65.6%*	*3,409,347,414*	*7.15%*	*624.45*	*2.50%*	*409.55*	*3.22%*
2026	*774*	*23,519*	*8,584,435*	*3.03%*	5,677,064	*3.98%*	*66.1%*	*3,633,648,379*	*6.58%*	*640.06*	*2.50%*	*423.28*	*3.35%*
2027	*774*	*24,293*	*8,866,945*	*3.19%*	5,875,762	*3.50%*	*66.3%*	*3,854,846,724*	*6.09%*	*656.06*	*2.50%*	*434.74*	*2.71%*
2028	*774*	*25,067*	*9,149,455*	*3.09%*	6,081,413	*3.50%*	*66.5%*	*4,089,510,518*	*6.09%*	*672.46*	*2.50%*	*446.97*	*2.81%*
2029	*774*	*25,841*	*9,457,806*	*3.26%*	6,294,263	*3.50%*	*66.6%*	*4,338,459,471*	*6.09%*	*689.27*	*2.50%*	*458.72*	*2.63%*
2030	*774*	*26,615*	*9,714,475*	*2.64%*	6,514,562	*3.50%*	*67.1%*	*4,602,563,191*	*6.09%*	*706.50*	*2.50%*	*473.78*	*3.28%*
2031	*774*	*27,389*	*9,996,985*	*2.83%*	6,742,572	*3.50%*	*67.4%*	*4,882,744,225*	*6.09%*	*724.17*	*2.50%*	*488.42*	*3.09%*
2032	*774*	*28,163*	*10,279,495*	*2.75%*	6,978,562	*3.50%*	*67.9%*	*5,179,981,280*	*6.09%*	*742.27*	*2.50%*	*503.91*	*3.17%*
HISTORICAL CAGR		4.71%	4.75%		9.51%			7.32%		1.62%		-3.73%	
5 YEAR CAGR		3.59%	3.59%		6.68%			7.29%		0.57%		3.57%	
10 YEAR CAGR		3.31%	3.31%		4.90%			6.62%		1.64%		3.20%	

Note: Forecasts in italics. Historic figures based upon STR Data

Based on supply data gathered from AM:PM, historical Room Nights Available (RNA) grew at a CAGR of 4.71% between 2012 and 2021. The highest growth rate was recorded in 2019 where a y-o-y increase of 10.73% was contributed by addition of approximately 1,827 rooms. The supply pipeline is anticipated to be strong for 2022, with some hotels originally slated for opening in 2020 and 2021 being pushed to 2022. However, the situation had been made uncertain considering the fluidity from Covid-19. Thereafter, supply is anticipated to taper off and we have projected for an annual increment of 774 rooms a year after 2025. RNA is expected to grow at a CAGR of 3.59% and 3.31% over a 5-year and 10-year period respectively.

In terms of Room Nights Occupied (RNO), it grew by 9.51% CAGR from 2012 to 2021 and is expected to grow at a CAGR of 6.68% and 4.90% for 5-year and 10-year period respectively. Our projections in the future years have had regard to the recovery of major airport passenger volume in the APAC region by research institutions such as International Air Transport Association (IATA) and STR. Specifically, the reports from IATA and STR indicated that global air passenger demand is not expected to make a full recovery to 2019 levels until 2023/2024. Taking the above into consideration, we are of the view that disruptions caused by COVID-19 will continue for the next three to four years. Our projections for occupancy and ADR are as follow:

- We have forecast an occupancy of 58.8% for full year 2022, a higher occupancy compared to full year 2021 at 54.67%. Occupancy levels have recovered tremendously since 2020's occupancy level of 26.11%. The occupancy rates grew by 88.84% y-o-y from 2020 to 2021, although we expect this recovery to taper down as occupancy level recovers and note the increased new supply coming into the Maldives market in 2022 of about 1,707 rooms added. Therefore, occupancy is forecasted to only grow by 4.2% points, a 11.18% y-o-y growth rate.

- We have projected occupancy levels to normalcy of 65.1% in 2024, taking into consideration of the projected recovery period where full recovery is anticipated sometime between 2023 and 2024. Thereafter, occupancy is expected to be in the higher range of 65% in the longer term. The RNO is expected to grow at a CAGR of 4.90% over a 10-year period between 2022 to 2032, with stronger growth in the initial years supported by the anticipated recovery for the Maldives market.

- In terms of ADR, rates for full year 2021 were higher than historical pre-covid years at US$658.57 as a result of skewed ADR movements supported operation of luxury to ultra-luxury resorts during the period of border closure. We expect the price correction to continue well into 2022 and 2023 and thus expect ADR to be at about US$625.64 in 2022 and US$594.36 in 2023. This market price correction and the reduction in ADR is due to our anticipation of resort owners offering competitive pricing to drive occupancy levels as the market reopens progressively. ADR is forecasted to recover gradually after the correction. Following which, we have projected the ADR in 2024 to achieve US$609.22, slightly higher than what has been achieved in 2019 as the market observes a full recovery, with expected pent-up travel demand, allowing resort operators in Maldives to command a higher ADR.

- In the longer term, we have allowed for room rate growth across Maldives to be in the range of 2.5%, slightly above Maldives' projected long-term inflation rate.

8.4 Analysis of Market Evidence

In determining our valuation assessment, a wide range of sales have been considered, with each transaction having varying degrees of comparability.

Property	Type of property	Location	Contract Date	Sale Price	Rooms	Price per room	Vendor	Purchaser	VP, managed or leased	Projected Initial Yield	Internal Rate of Return
Dusit Mudhdhoo	Resort	Baa Atoll, Maldives	Jun 2011	US$ 50.29M	100	US$ 502,898	Coastline Hotels & Resorts Pte. Ltd	Dusit International	VP	N/A	N/A
Soneva Gili	Resort	North Male Atoll, Maldives	May 2012	US$ 37.28M	45	US$ 828,415	Hibernia Worldwide Finance BV and Ramon Investments Limited	HPL Hotels and Resorts	Managed	14.82%	15.89%
Angsana Velavaru	Resort	South Nilandhe Atoll, Maldives	Jan 2013	US$ 70.64M	113	US$ 625,135	Banyan Tree Holdings	CDL Hospitality REIT	Managed	9.25%	12.61%
Club Faru	Resort	Farukolhufushi, Maldives	May 2013	US$ 6.41M	152	US$ 42,148	MTDC OBO MTDC	Onyx Hospitality	N/K	N/A	N/A
Six Senses Laamu	Resort	Laamu Atoll, Maldives	Sep 2013	US$ 70.12M	97	US$ 722,907	Olhuveli Laamu Holdings Pvt Ltd	Hotel Properties Ltd	Managed	4.91%	13.24%
Niyama	Resort	Dhaalu Atoll, Maldives	Oct 2013	US$ 45.09M	86	US$ 524,271	Deep Blue Pte Ltd	Minor Group	N/K	N/A	N/A
Jumeirah Dhevanafushi	Resort	Gaafu Alifu Atoll, Maldives	Dec 2013	US$ 59.60M	35	US$ 1,702,857	Xanadu Holdings Pvt Ltd	CDL Hospitality REIT	Managed	7.65%	12.18%
Herathera Island Resort	Resort	Seenu Atoll, Maldives	Mar 2014	US$ 33.16M	271	US$ 122,352	MTDC	Canaries Pte Ltd	N/K	N/A	N/A
Outrigger Konotta Maldives Resort	Resort	Gaafu Dhaalu Atoll, Maldives	Sep 2014	US$ 40.11M	48	US$ 835,639	Platinum Capital Holdings	Outrigger Enterprises Inc	N/K	N/A	N/A
Reethi Beach Resort	Resort	Baa Atoll, Maldives	May 2015	US$ 33.00M	124	US$ 266,129	N/K	SC Capital Partners	Leased	6.00%	N/A
The Zitahli Kuda-Funafaru Resort and Spa	Resort	Noonu Atoll, Maldives	Feb 2016	US$ 31.72M	50	US$ 634,409	AAA Group	Roxy-Pacific Holdings Ltd	N/K	N/A	N/A
Kodhipparu Island Resort	Resort	North Male, Maldives	Oct 2016	US$ 66.26M	120	US$ 552,187	N/K	JV Chip Eng and Park Hotels	VP	7.50%	9.50%
Cheval Blanc Randheli	Resort	Noonu Atoll, Maldives	2017	US$ 215.00M	46	US$ 4,673,913	I&T Management	Murban	N/K	6.50%	N/A
Loama Resort Maldives at Maamigili	Resort	Raa Atoll, Maldives	Dec 2017	US$ 46.23M	105	US$ 440,273	Loama Hotels & Resorts Limited	Trinitas Japan Pte Ltd	N/K	N/A	N/A
Ranveli Island Resort	Resort	South Ari Atoll, Maldives	Dec 2017	N/K	100	N/K	N/K	Asia Prestige Management	N/K	N/A	N/A
Outrigger Konotta Maldives Resort	Resort	Gaafu Dhaalu Atoll, Maldives	Jun 2018	US$ 48.94M	53	US$ 923,486	KSL Capital Partners	Singha Estate	N/K	N/A	N/A
Mirihi Island Resort	Resort	South Ari Atoll, Maldives	Dec 2018	US$ 32.00M	37	US$ 864,888	Crown & Champa Resorts	HNWI from Thailand	VP	10.00%	N/A
Conrad Island Rangali Maldives	Resort	South Ari Atoll, Maldives	Dec 2018	Confidential	151	Confidential	Crown Company Pvt Ltd	Blackstone	Managed	7.60%	N/A
Dusit Thani Maldives Resort	Resort	Baa Atoll, Maldives	Mar 2019	US$ 63.00M	94	US$ 670,213	Dusit Thani Plc.	Dusit Thani Freehold and Leasehold Real Estate Investment Trust	N/K	N/A	N/A
Finolhu Maldives	Resort	Baa Atoll, Maldives	Apr 2019	US$ 83.60M	125	US$ 668,800	Coastline Group of Companies	Seaside Hotels & Resorts	VP	3.60%	N/A
Minor Hotels Maldives Hotels Portfolio 2019	Resort	South Male Atoll, Maldives	Nov 2019	US$ 174.00M	197	US$ 883,248	Minor International	Blackstone	Sale & Manage Back	N/A	N/A
Kanuhura Maldives	Resort	Lhaviyani Atoll, Maldives	Mar 2021	US$ 41.5M	80	US$ 518,750	Sun Resorts Limited	Hotel Properties Limited	VP	N/A	N/A
LUX* North Male Atoll Maldives	Resort	North Atoll, Maldives	Feb 2021	Confidential	67	Confidential	Trifidus Investment Private Limited	Dubai Holding (L.L.C.)	VP	2.14%	10.78%
Cheval Blanc Randheli	Resort	Noonu Atoll, Maldives	Jun 2021	Confidential	46	Confidential	Murban	Alpha Dhabi Holding (Subsidiary of International Holding Company)	N/K	N/A	N/A
Faarufushi Maldives	Resort	Raa Atoll, Maldives	Oct 2021	Confidential	80	Confidential	Universal Enterprises Pvt Ltd	Emerald Collection	VP	N/A	N/A

Source: CBRE Hotels, RCA

The market is fairly thin in the Maldives but there have been several transactions over the past three years. The analysis of some needs to be treated with caution as some are sub-leases, and therefore less attractive as there is no right to extend these and some properties, like Konotta, required capital expenditure.

The recent transactions and proposed sales support a continued strengthening of investment yields. The evidence above is somewhat varied but we would comment as follows:

Item	Comment
Initial Yield	The sales show a low of 3.6% for a property that had not reached the stabilised level of performance at the date of sale. The highest figure, of 14.8%, was for a property on a short lease (only 16 years unexpired) which is not truly comparable. The volatility of the hotel market and the differing status of the trading for each property mean that initial yields are seldom a reliable guide for resort hotels.
Stabilised Yield	We have prepared our analysis of many of the above transactions. Since this approach represents a return analysis of between 3 and 5 years it is far less volatile than the initial yield approach and enables better comparisons to be made. Apart from the hotel held under a short lease the historic yields have been between 7.5% and 9.7%. The yields have been reducing over time due to pressure from increased investor interest coupled with falling returns and interest rates globally.
10 year IRR	The evidence shows a range of 9.5% to 15.9%. Excluding the short lease property, the upper part of the range is reduced to 13.2%.

Terminal Yield	Generally, this is higher than the stabilised yield as the property is older and, in the case of all these properties, the remaining lease is shorter. In addition, we have capitalised only the remaining lease term. In our analysis of sales, we have generally increased the terminal yield by 25 basis points above the stabilised yield.
Price per room	The sales have a broad range of prices from US$42,000 to US$4,700,000 per room. The variation reflects all the factors involved in the property – its quality, historic trading record, location, age, outstanding lease term etc. In our opinion the Cheval Blanc is substantially superior as it has a good track record and is of superior quality. On the other hand, other sales such as that of Loama Resort are of less superior quality properties and most do not have vacant possession available. In addition, the short term lease reduces the value by about 20% compared to a 99 year lease and about 17% compared to a 50 year lease.

The high yield market has seen a slew of transactions happening in 2018 and 2019, with investors ranging from institutional investors such as Blackstone to wealthy families. While there are no reported transactions in the market as a result of challenges brought on by Covid-19 pandemic in 2020, our observations reveal that there is a renewed interest in the Maldives in 2021 from Asian, Middle Eastern and European investors. These investors are anticipating for the Maldives market to continue making a recovery, supported by the strong pent-up demand for international leisure travel.

In addition, the latest amendments from the government to the 10th Amendment to the Tourism Act in 2020 to lower the rental rates in the northern and southern atolls to boost development and the invitation from the government to invite investors to bid for 16 out of a planned 28 islands for development is also a good demonstration to investors that the Maldives government continue to support foreign investment through its policies on tourism investment.

At the same time, it is still quite rare to see distressed assets for disposal unless they are over leveraged. Furthermore, this is also likely due to owners and hoteliers' optimism on the market recovery. In addition, most owners – either institutional investors or wealthy families are still financially strong and can hold on to their assets as they wait for occupier demand to make a full recovery. We also note that there is a global overweight of capital at the moment looking for the right opportunity and timing to enter the market. Once occupier demand resumes, or is forecast to do so, investor demand will do likewise.

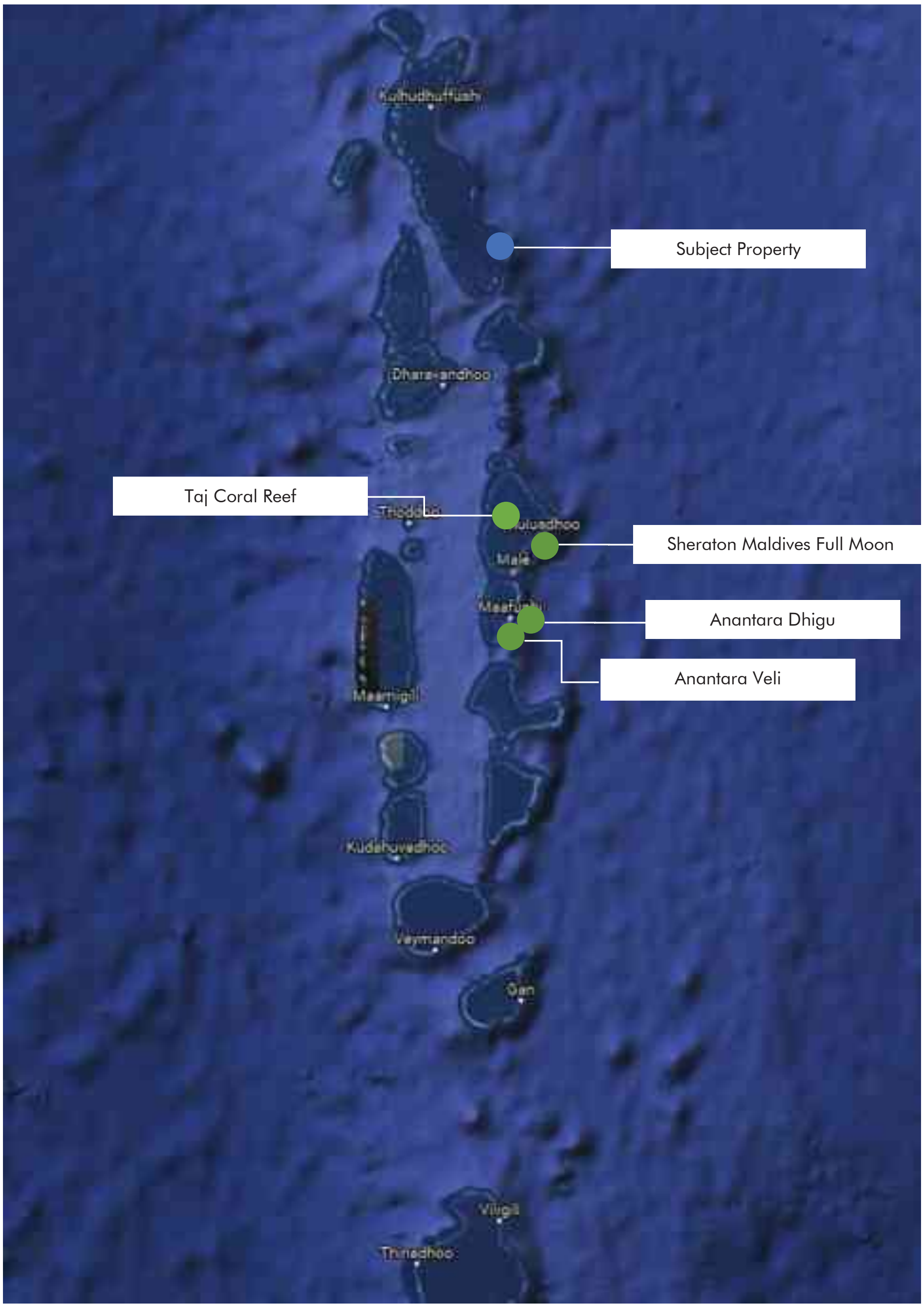
In the first quarter of 2021, the Kanuhura Maldives Resort was sold by vendor Sun Resorts Limited to Singapore based Hotel Properties Limited for US$41,500,000 or approximately US$518,000 per key. Any potential investor or buyer would be unable to build a new 80-key good quality upscale or upper upscale product from a greenfield site at this transacted price and this represents a good opportunity for the buyer.

Our detailed analysis indicates that the following ranges are appropriate for the subject property:

Market Parameters	Range		
Stabilised Yield	8.00%	to	8.50%
10 Years IRR	10.00%	to	11.00%

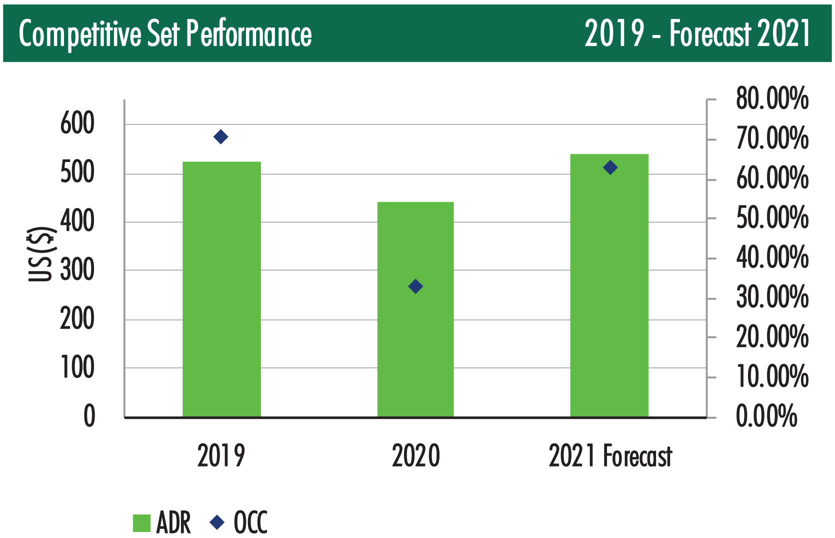
8.5 Competitive Set Performance

We understand from the management that they do not have a specific competitor set. From our own evaluation of the subject Property's occupancy and ADR positioning, brand affiliation, location, facilities and quality of the area's hotel properties, there are several properties that are considered to be competitors of the subject Property. We identify these properties as Dhigu Resort & Spa Maldives, Anantara Veli Maldives Resort, Sheraton Maldives Full Moon Resort & Spa, and Taj Coral Reef Resort & Spa.



8.5.1 Competitive Set Performance

We obtain the ADR and occupancy performance of the competitive set from STR, which is the leading provider of data benchmarking in the hotel sector. The following charts present the performance of the competitive set from 2019 to 2021 (Forecast).



Source: STR, CBRE Hotels - Figures on a Total Room Inventory basis

Occupancy level of the competitive set is in the low 70% level in 2019, which is generally in line with the market occupancy. We note that this is still a healthy level, given that there is a strong influx of rooms which entered the market in 2017 and 2018. We believe that this level of occupancy performance is due to the strong performance of the competitive set which are mostly well established and well managed resort properties. In Forecast year 2021, we can see that the ADR is already higher than the 2019 levels, whilst the occupancy levels are significantly lower than 2019 levels. The higher ADR can be explained by high demand for Maldives travel due to global travel restrictions, whilst the occupancy is still on the recovery route to pre-covid 2019 levels and is anticipated to reach 2019 levels by 2024 when the market performance is set to stabilize.

9 Financial Trading Analysis & Forecast

9.1 Introduction

We have been provided with historic trading details for the calendar year 2019, 2020 and management's forecast for calendar year 2021 and the management's budget for calendar year 2022. We have also been provided with the 5-year trading forecast. An analysis of the historic trading, in accordance with the Uniform System of Accounts for Hotels, has been summarised overleaf.

An overview of the financial performance of the property has been compiled, and addresses the business profile, average room rates, occupancy, average spend per guest, department revenue and costs, and overhead and fixed expenses. An analysis of historic trading, together with the parameters adopted in preparing our financial forecast, is included within each commentary.

Noku Maldives

TRADING SUMMARY

Figures Expressed in US$

ACCOUNT TYPE	ACTUAL		ACTUAL		FORECAST		BUDGET	
MONTHS	12		12		12		12	
PERIOD ENDING	Dec-19		Dec-20		Dec-21		Dec-22	
NO OF ROOMS	50		50		48		50	
OCCUPANCY	32%		31%		38%		50%	
AVERAGE DAILY RATE	282		216		396		373	
REVPAR (US$)	90		68		149		187	
TOTAL REVPOR (US$)	635		429		721		692	
	US$	Ratio	US$	Ratio	US$	Ratio	US$	Ratio
OPERATING REVENUE								
ROOMS	1,645,234	44.4%	1,244,142	50.4%	2,631,761	54.9%	3,407,456	53.9%
FOOD	627,361	16.9%	410,581	16.6%	884,973	18.5%	927,877	14.7%
BEVERAGE	186,852	5.0%	178,329	7.2%	234,943	4.9%	296,388	4.7%
F & B OTHER	20,069	0.5%	5,746	0.2%	10,150	0.2%	11,400	0.2%
F & B TOTAL	834,282	22.5%	594,656	24.1%	1,130,066	23.6%	1,235,665	19.6%
OTHER OPERATED DEPTS	248,779	6.7%	146,029	5.9%	305,476	6.4%	408,148	6.5%
MISCELLANEOUS	979,354	26.4%	484,836	19.6%	729,177	15.2%	1,264,912	20.0%
TOTAL OPERATING REVENUE	3,707,649	100.0%	2,469,663	100.0%	4,796,480	100.0%	6,316,182	100.0%
DEPARTMENTAL EXPENSES								
ROOMS	575,410	35.0%	413,046	33.2%	538,185	20.4%	659,750	19.4%
F & B TOTAL	759,560	91.0%	558,687	94.0%	728,806	64.5%	785,227	63.5%
OTHER OPERATED DEPTS	93,090	37.4%	79,622	54.5%	129,868	42.5%	152,342	37.3%
MISCELLANEOUS	997,078	101.8%	517,561	106.7%	735,457	100.9%	1,151,057	91.0%
TOTAL DEPARTMENTAL EXPENSES	2,425,138	65.4%	1,568,916	63.5%	2,132,315	44.5%	2,748,376	43.5%
DEPARTMENTAL INCOME								
ROOMS	1,069,824	65.0%	831,096	66.8%	2,093,577	79.6%	2,747,706	80.6%
F & B TOTAL	74,722	9.0%	35,969	6.0%	401,260	35.5%	450,438	36.5%
OTHER OPERATED DEPTS	155,689	62.6%	66,407	45.5%	175,609	57.5%	255,807	62.7%
MISCELLANEOUS	-17,724	-1.8%	-32,725	-6.7%	-6,280	-0.9%	113,855	9.0%
TOTAL DEPARTMENTAL INCOME	1,282,511	34.6%	900,747	36.5%	2,664,165	55.5%	3,567,806	56.5%
UNDISTRIBUTED OPERATING EXPENSES								
ADMINISTRATION & GENERAL	623,205	16.8%	707,389	28.6%	795,332	16.6%	902,521	14.3%
INFO AND TELECOMMS SYSTEMS	0	0.0%	0	0.0%	0	0.0%	166,867	2.6%
SALES & MARKETING	139,589	3.8%	187,177	7.6%	122,919	2.6%	167,071	2.6%
PROPERTY OPERATION & MAINT.	350,801	9.5%	516,760	20.9%	432,804	9.0%	473,462	7.5%
UTILITIES	621,246	16.8%	406,298	16.5%	340,005	7.1%	400,970	6.3%
TOTAL UNDISTRIBUTED EXPENSES	1,734,841	46.8%	1,817,624	73.6%	1,691,060	35.3%	2,110,891	33.4%
GROSS OPERATING PROFIT	-452,330	-12.2%	-916,877	-37.1%	973,105	20.3%	1,456,915	23.1%
MANAGEMENT FEES								
MANAGEMENT FEE - BASE	0	0.0%	0	0.0%	0	0.0%	0	0.0%
MANAGEMENT FEE - INCENTIVE	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL MANAGEMENT FEES	0	0.0%	0	0.0%	0	0.0%	0	0.0%
INC. BEFORE NON-OP INC. AND EXP.	-452,330	-12.2%	-916,877	-37.1%	973,105	20.3%	1,456,915	23.1%
NON-OPERATING INCOME AND EXPENSES								
LEASE RENT	719,167	19.4%	591,993	24.0%	719,167	15.0%	719,167	11.4%
PROPERTY RATES & TAXES	0	0.0%	0	0.0%	0	0.0%	0	0.0%
PROPERTY INSURANCE	72,428	2.0%	53,290	2.2%	52,723	1.1%	52,560	0.8%
OTHER OWNER EXPENSES	0	0.0%	0	0.0%	0	0.0%	0	0.0%
TOTAL NON-OP INC. AND EXP.	791,595	21.4%	645,283	26.1%	771,890	16.1%	771,727	12.2%
EBITDA	-1,243,925	-33.6%	-1,562,160	-63.3%	201,215	4.2%	685,188	10.8%
REPLACEMENT RESERVE (FF&E)	0	0.0%	0	0.0%	0	0.0%	0	0.0%
EBITDA LESS REPLACEMENT RESERVE	-1,243,925	-33.6%	-1,562,160	-63.3%	201,215	4.2%	685,188	10.8%
OTHER INCOME	0	0.0%	0	0.0%	0	0.0%	0	0.0%
NET INCOME	-1,243,925	-33.6%	-1,562,160	-63.3%	201,215	4.2%	685,188	10.8%

Noku Maldives

TRADING SUMMARY (YEAR TO DATE)

Figures Expressed in US$

ACCOUNT TYPE	YTD ACTUAL		YTD ACTUAL	
MONTHS	8		8	
PERIOD ENDING	Aug-21		Aug-20	
NO OF ROOMS	48		47	
OCCUPANCY	32%		27%	
AVERAGE DAILY RATE	389		295	
REVPAR (US$)	124		80	
TOTAL REVPOR (US$)	746		611	
	US$	Ratio	US$	Ratio
OPERATING REVENUE				
ROOMS	1,454,332	52.2%	926,378	48.2%
FOOD	548,119	19.7%	311,651	16.2%
BEVERAGE	130,209	4.7%	143,090	7.5%
F & B OTHER	6,168	0.2%	4,697	0.2%
F & B TOTAL	684,496	24.6%	459,438	23.9%
OTHER OPERATED DEPTS	193,562	6.9%	120,813	6.3%
MISCELLANEOUS	452,803	16.3%	413,384	21.5%
TOTAL OPERATING REVENUE	2,785,193	100.0%	1,920,012	100.0%
DEPARTMENTAL EXPENSES				
ROOMS	333,853	23.0%	315,572	34.1%
F & B TOTAL	462,767	67.6%	408,779	89.0%
OTHER OPERATED DEPTS	84,351	43.6%	64,051	53.0%
MISCELLANEOUS	445,205	98.3%	456,838	110.5%
TOTAL DEPARTMENTAL EXPENSES	1,326,176	47.6%	1,245,239	64.9%
DEPARTMENTAL INCOME				
ROOMS	1,120,479	77.0%	610,807	65.9%
F & B TOTAL	221,729	32.4%	50,659	11.0%
OTHER OPERATED DEPTS	109,212	56.4%	56,761	47.0%
MISCELLANEOUS	7,598	1.7%	-43,454	-10.5%
TOTAL DEPARTMENTAL INCOME	1,459,017	52.4%	674,773	35.1%
UNDISTRIBUTED OPERATING EXPENSES				
ADMINISTRATION & GENERAL	503,957	18.1%	509,988	26.6%
INFO AND TELECOMMS SYSTEMS	0	0.0%	0	0.0%
SALES & MARKETING	75,247	2.7%	153,771	8.0%
PROPERTY OPERATION & MAINT.	284,426	10.2%	341,162	17.8%
UTILITIES	213,229	7.7%	306,202	15.9%
TOTAL UNDISTRIBUTED EXPENSES	1,076,858	38.7%	1,311,124	68.3%
GROSS OPERATING PROFIT	382,159	13.7%	-636,351	-33.1%
MANAGEMENT FEES				
MANAGEMENT FEE - BASE	0	0.0%	0	0.0%
MANAGEMENT FEE - INCENTIVE	0	0.0%	0	0.0%
TOTAL MANAGEMENT FEES	0	0.0%	0	0.0%
INC. BEFORE NON-OP INC. AND EXI	382,159	13.7%	-636,351	-33.1%
NON-OPERATING INCOME AND EXPENSES				
LEASE RENT	0	0.0%	395,280	20.6%
PROPERTY RATES & TAXES	0	0.0%	0	0.0%
PROPERTY INSURANCE	35,207	1.3%	35,527	1.9%
OTHER OWNER EXPENSES	0	0.0%	0	0.0%
TOTAL NON-OP INC. AND EXP.	35,207	1.3%	430,807	22.4%
EBITDA	346,952	12.5%	-1,067,158	-55.6%
REPLACEMENT RESERVE (FF&E)	0	0.0%	0	0.0%
EBITDA LESS REPLACEMENT RESERVE	346,952	12.5%	-1,067,158	-55.6%
OTHER INCOME	0	0.0%	0	0.0%
NET INCOME	346,952	12.5%	-1,067,158	-55.6%

9.2 Average Room Rate & Occupancy

The table below compares the average room rates and occupancy levels of the subject property with the competitive set properties and market average and outlines our forecast for each.

Fair Share Analysis for Noku Maldives

Figures Expressed in US$

PERIOD	YEAR	OCCUPANCY					AVERAGE DAILY RATE						REVPAR				
		Market	Selected Props (SP)	SP Index	Subject	Index	Market	% Change	Selected Props (SP)	SP Index	Subject	Index	Market	Selected Props (SP)	SP Index	Subject	Index
Historic Y/E December																	
	2017	65%			0%		619	0.0%			0		402			0	0.00
	2018	66%	64%	0.97	0%	0.00	570	-7.9%	588	1.03	0	0.00	378	378	1.00	0	0.00
	2019	65%	71%	1.09	32%	0.45	571	0.2%	522	0.91	282	0.54	372	370	0.99	90	0.24
	2020	26%	33%	1.27	31%	0.95	790	38.3%	442	0.56	216	0.49	206	147	0.71	68	0.33
	AVE/CAGR	56%	56%	1.11	32%		6.3%		-13.3%	0.83	-23.4%	0.26	-20.0%	-37.7%	0.90	-24.6%	
	2021 Forecast	*55%*	*63%*	*1.15*	*38%*	*0.69*	*659*		*539*	*0.82*	*396*	*0.60*	*360*	*339*	*0.94*	*149*	*0.42*
Projection Y/E December																	
1	2022	59%	67.7%	1.15	51%	0.75	626	-20.8%	563	0.90	380	0.68	368	381	1.04	193	0.52
2	2023	62%	71.3%	1.15	61%	0.85	594	-5.0%	535	0.90	428	0.80	368	382	1.04	259	0.70
3	2024	65%	70.8%	1.09	67%	0.95	609	2.5%	548	0.90	466	0.85	397	388	0.98	314	0.79
4	2025	66%	71.3%	1.09	70%	0.98	624	2.5%	562	0.90	495	0.88	410	401	0.98	346	0.84
5	2026	66%	71.9%	1.09	70%	0.98	640	2.5%	576	0.90	507	0.88	423	414	0.98	357	0.84
6	2027	66%	72.1%	1.09	71%	0.98	656	2.5%	590	0.90	520	0.88	435	425	0.98	367	0.84
7	2028	66%	72.3%	1.09	71%	0.98	672	2.5%	605	0.90	533	0.88	447	437	0.98	377	0.84
8	2029	67%	72.4%	1.09	71%	0.98	689	2.5%	620	0.90	546	0.88	459	449	0.98	387	0.84
9	2030	67%	72.9%	1.09	71%	0.98	707	2.5%	636	0.90	560	0.88	474	464	0.98	400	0.84
10	2031	67%	73.3%	1.09	72%	0.98	724	2.5%	652	0.90	574	0.88	488	478	0.98	412	0.84
5Yr	AVE/CAGR	64%	71%	1.11	64%	0.90	-4.1%		5.4%	0.90	18.6%	0.82	15.5%	23.1%	1.00	39.4%	0.74
10Yr	AVE/CAGR	65%	72%	1.10	67%	0.94	-0.9%		4.0%	0.90	10.3%	0.85	9.0%	12.5%	0.99	19.7%	0.79

Source: Historical data supplied by Hotel Management & STR
Forecast by CBRE Hotels

Our comments are as below:

- Overall Maldives market has seen an influx of supply over the years, particularly in 2019 causing some downwards pressure on market occupancy performance.
- Since the acquisition of the property in 2016, the management had partially closed the property for a complete renovation. The renovation took approximately close to two years and the property reopened on 1 August 2018 as NOKU Maldives.
- Prior to the reopening as NOKU Maldives, the management had been targeting the lower paying segment of the market and embarking on building up volume and the occupancy performance of the property. We understand from the management that after the renovation, the target positioning of the property is that of an upper upscale 5-star resort.
- Despite the targeted positioning of the resort in the upper upscale segment post-renovation, the overall performance of the resort, in particular, ADR, is notably lower than resorts in Maldives' upper upscale segment. This could be likely driven by the fact that the property is only into first full year of operations and the robust addition in supply is likely to have weighed on ADR of the property in 2019.
- To further enhance on the ADR and overall performance of the property, the management had implemented a series of strategies and marketing efforts which include, working with Destination Management Companies to bring in higher volume of business and diversifying efforts to target on the high yielding segments from Asian markets such as China, Japan and Korea, Gulf Cooperation Council (GCC) markets and European markets such as UK, Netherlands, France, etc.
- Furthermore, the subject property had joined the Preferred Hotels platform, which is likely able to help increase exposure and brand awareness.
- In addition, the Director of Sales for the Group had now been tasked with helping out the Sales and Marketing team to expand its marketing efforts.
- With the opening of the new domestic airport at Maafaru in 2019, guests now have an alternative option in addition to the seaplane which is typically more expensive and only operates in the daytime.
- We further understand that there had been a change in the General Manager for the Subject Property and the new General Manager joined the management team in August 2020.

- The General Manager highlighted that the focus of his strategy is to 'reset' the Property's position in the market and the onset of the Covid-19 Pandemic gave them the opportunity to do so. Moving forward, the goal of the management team is to achieve a higher ADR positioning than previously, which reflects the vision of the Owner.
- Taking into consideration of the details covered in Section 8.3 Trading Outlook, we are of the view that disruptions caused by Covid-19 will continue for the next two to three years. The Property's trading performance is accordingly impacted in the initial years before returning to a stabilised level in Year Four.
- Our projections are on the basis that there will be no major waves of infection that would lead to a lockdown in Maldives, closure of Maldives' borders or lockdown for the respective Maldives' feeder markets.
- Taking into consideration of the proposed and ongoing marketing efforts by the management mentioned above, we project the property to end its first year with an occupancy of 51%. As mentioned by the Hotel GM, the management is continuing with its efforts to build up its brand recognition and product awareness at trade fairs and through the various marketing promotions. Considering 2021's performance and the management's 2022 budget, we expect the property to attain an occupancy rate in the 50% range in the forecast year 1.
- Occupancy is projected to rise in the next few years and to reach 70% in year 4 as it establishes itself in the market, outperforming the projected market occupancy, with an index of 0.95.
- In terms of ADR, we forecast that the ADR of the Resort to be US$380 in the forecast year 1.
- Stiff competition is expected from the general Maldives market and given its intended positioning as an upper upscale property, therefore we propose for the Subject Property to market itself below the market average in terms of ADR in its stabilised year. The management of the subject property is aiming for a price repositioning to achieve an ADR that can close the gap with the competitor set and hence, we have projected an ADR of US$495, which represents an index of 0.88.
- As a result, we expect the property to achieve a RevPAR of US$193 in the first projected year and gradually growing to US$346 in the stabilised year 4.

9.3 Rooms Department

The following analysis of the Rooms division details forecast average rates and occupancy together with payroll and other costs.

Rooms Department Analysis and Adopted Forecast excluding Service Charges										
A = Actual, B = Budget, F = Forecast, P=Projection, BM = Benchmark			A	A	F	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
MONTHS			12	12	12	Year 1	Year 2	Year 3	Year 4	Year 5
PERIOD ENDING			Dec-19	Dec-20	Dec-21	2022	2023	2024	2025	2026
INCOME										
		OCCUPANCY	32.0%	31.5%	37.8%	50.8%	60.6%	67.3%	69.9%	70.5%
		ADR (US$)	281.91	215.88	395.58	380.08	427.94	466.05	494.56	506.93
		REVPAR (US$)	90.15	67.99	149.46	192.95	259.46	313.56	345.66	357.26
COSTS										
	Payroll	US$ POR	71.66	56.50	43.56	50.00	45.19	42.91	42.62	43.22
	Other	US$ POR	26.94	15.17	37.34	25.00	25.50	26.01	26.53	27.06
Total Rooms Costs		US$ POR	98.60	71.67	80.89	75.00	70.69	68.92	69.15	70.28
		US$ PAR	31.53	22.57	30.56	38.07	42.86	46.37	48.33	49.53
ROOMS PROFIT		US$ POR	183.31	144.21	314.68	305.08	357.25	397.13	425.41	436.65
		US$ PAR	58.62	45.42	118.90	154.87	216.60	267.19	297.33	307.73
		% Dep Rev	65.0%	66.8%	79.6%	80.3%	83.5%	85.2%	86.0%	86.1%

Revenue has been assessed on the basis of the occupancy and ADR factors previously discussed.

We anticipate that the cost of labour to be high during the first projected year and to decline in the subsequent years due to better controlling of expenses as the operations stabilised and the property starts to enjoy the economies of scale. We also expect profit margins to increase as the Property strengthens its positioning and customer base over the next few years. The projected total room costs on a per occupied room basis are between the range of US$69.15 to US$75.00.

As a result, rooms profit is expected to grow from US$305.08 to US$425.41 on a per occupied room basis or in the 86% range from year 4 onwards.

9.4 Food & Beverage Department

Department revenue is expected to be derived from the four F&B outlets, room service and other functions. The following table provides an overview of the Food and Beverage department.

Food & Beverage Department Analysis and Adopted Forecast											
A = Actual, B = Budget, F = Forecast, P=Projection, BM = Benchmark			A	A	F	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
MONTHS			12	12	12	Year 1	Year 2	Year 3	Year 4	Year 5
PERIOD ENDING			Dec-19	Dec-20	Dec-21	2022	2023	2024	2025	2026
INCOME										
Food		US$ POR	107.50	71.24	133.02	109.07	199.49	203.48	207.55	211.70
Beverage		US$ POR	32.02	30.94	35.31	32.94	50.97	51.99	53.03	54.09
F & B Other		US$ POR	3.44	1.00	1.53	1.74	1.78	1.81	1.85	1.89
F & B Total		US$ POR	142.95	103.19	169.86	143.75	252.23	257.28	262.42	267.67
		US$ PAR	45.71	32.49	64.18	72.97	152.93	173.10	183.42	188.64
COSTS										
F & B	Cost of Food Sold	% Dep Rev	28.8%	22.3%	29.8%	24.0%	24.0%	24.0%	24.0%	24.0%
	Cost of Bev Sold	% Dep Rev	17.1%	13.3%	20.3%	19.0%	19.0%	19.0%	19.0%	19.0%
	Payroll	% Dep Rev	56.5%	63.3%	30.8%	23.0%	22.4%	22.1%	22.0%	22.0%
	Other	% Dep Rev	9.1%	11.3%	6.1%	6.9%	6.9%	6.9%	6.9%	6.9%
TOTAL F & B COSTS		% Dep Rev	91.0%	94.0%	64.5%	52.5%	52.2%	51.8%	51.7%	51.7%
		US$ POR	130.15	96.94	109.55	75.42	131.57	133.35	135.69	138.33
Food & Beverage Profit		% Dep Rev	9.0%	6.0%	35.5%	47.5%	47.8%	48.2%	48.3%	48.3%
		US$ POR	12.80	6.24	60.31	68.33	120.66	123.93	126.74	129.34

The majority of F&B revenue is expected to be generated from in-house guests. Due to the scarcity of food resources and the need to import them to the resort, F&B costs are typically higher in the Maldives. F&B costs is expected to start off with 52.5% for projected year 1 and decline to 51.7% in year 4. In terms of profit margin, F&B departmental profit is projected to increase from 47.5% to 48.3%.

9.5 Other Operating Departments

Other Trading Departments include Spa and Wellness, Dive and Watersports Centre, Guest Transportation, Guest Laundry, Shop and other miscellaneous income. An analysis of historic and forecast trading is included in the following table.

Other Trading Department Analysis and Adopted Forecast										
A = Actual, B = Budget, F = Forecast, P=Projection, BM = Benchmark			A	A	F	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
MONTHS			12	12	12	Year 1	Year 2	Year 3	Year 4	Year 5
PERIOD ENDING			Dec-19	Dec-20	Dec-21	2022	2023	2024	2025	2026
INCOME										
OTHER OPERATED DEPTS		US$ POR	42.63	25.34	45.92	48.00	48.96	49.94	50.94	51.96
		US$ PAR	13.63	7.98	17.35	24.37	29.68	33.60	35.60	36.62
MISCELLANEOUS		US$ POR	167.81	84.13	109.60	138.59	141.36	144.19	147.07	150.02
		US$ PAR	53.66	26.49	41.41	70.36	85.71	97.01	102.79	105.72
Total Operating Revenue		US$ POR	635.31	428.54	720.95	710.42	870.49	917.46	955.00	976.57
		US$ PAR	203.16	134.95	272.40	360.64	527.79	617.27	667.48	688.24
COSTS & PROFIT										
OTHER OPERATED DEPTS	Cost of Sales	% Dep Rev	6.6%	5.1%	19.9%	15.6%	15.6%	15.6%	15.6%	15.6%
	Payroll	% Dep Rev	29.4%	45.0%	17.4%	17.0%	16.1%	15.7%	15.5%	15.5%
	Other	% Dep Rev	1.4%	4.4%	5.2%	4.7%	4.7%	4.7%	4.7%	4.7%
Total Other Operated Depts Costs		% Dep Rev	37.4%	54.5%	42.5%	37.2%	36.4%	35.9%	35.7%	35.7%
		US$ POR	15.95	13.82	19.52	17.85	17.80	17.92	18.19	18.53
Other Operated Depts Profit		% Dep Rev	62.6%	45.5%	57.5%	62.8%	63.6%	64.1%	64.3%	64.3%
		US$ POR	26.68	11.52	26.40	30.15	31.16	32.02	32.75	33.43
MISCELLANEOUS	Cost of Sales	% Dep Rev	96.3%	97.3%	81.2%	84.4%	84.4%	84.4%	84.4%	84.4%
	Payroll	% Dep Rev	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	% Dep Rev	5.5%	9.5%	19.7%	9.4%	9.4%	9.4%	9.4%	9.4%
Total Miscellaneous Costs		% Dep Rev	101.8%	106.7%	100.9%	93.8%	93.8%	93.8%	93.8%	93.8%
		US$ POR	170.85	89.81	110.55	130.00	132.60	135.25	137.95	140.71
Miscellaneous Profit		% Dep Rev	-1.8%	-6.7%	-0.9%	6.2%	6.2%	6.2%	6.2%	6.2%
		US$ POR	-3.04	-5.68	-0.94	8.59	8.77	8.94	9.12	9.30

Other Operated Departments comprise income from Spa, the Dive and Watersports Centre and guest transportation. The bulk of the revenue comes from transportation which is largely from the seaplane flights for guests from Velana International Airport to the property. It can be observed that the costs from this department is equally high as the management needs to pay these fees onto the domestic airline operator. With the opening of Maafaru International Airport in 2019, it is likely to alleviate some of the cost within this department. Alongside with other revenue and expenses within the department, the operating profit from the Other Operated Departments is projected to be low 30% range.

Minor Operated Department and Miscellaneous Department includes income from guest laundry, shop and other miscellaneous income. These make up a small proportion of the total revenue and are benchmarked against the market average. These revenues are forecasted to grow in line with inflation.

9.6 Undistributed Operating Expenses

The Uniform System of Accounts for Hotels provides for five categories of expenses which relate to the operation of the hotel and which are not easily identified with any one operating department. The table below provides our analysis of past trading, and management's budget plus details of those ratios adopted in our cash flow forecast for the subject property.

Undistributed Operating Expenses Analysis and Adopted Forecast										
A = Actual, B = Budget, F = Forecast, P=Projection, BM = Benchmark			A	A	F	ADOPTED	ADOPTED	ADOPTED	ADOPTED	ADOPTED
MONTHS			12	12	12	Year 1	Year 2	Year 3	Year 4	Year 5
PERIOD ENDING			Dec-19	Dec-20	Dec-21	2022	2023	2024	2025	2026
UNDISTRIBUTED OPERATING EXPENSES										
ADMINISTRATION & GENERAL										
	Payroll	US$ PAR	17.04	15.28	20.57	20.00	23.18	25.45	26.67	27.36
	Other	US$ PAR	17.11	23.37	24.60	22.43	22.88	23.33	23.80	24.28
Total A & G Costs		US$ PAR	34.15	38.66	45.17	42.43	46.05	48.79	50.47	51.64
		% Gross Rev	16.8%	28.6%	16.6%	11.8%	8.7%	7.9%	7.6%	7.5%
INFO AND TELECOMMS SYSTEMS										
	Payroll	US$ PAR	0.00	0.00	0.00	1.77	2.12	2.38	2.51	2.58
	Other	US$ PAR	0.00	0.00	0.00	7.37	7.52	7.67	7.82	7.98
Total I & T Costs		US$ PAR	0.00	0.00	0.00	9.14	9.64	10.05	10.33	10.56
		% Gross Rev	0.0%	0.0%	0.0%	2.5%	1.8%	1.6%	1.5%	1.5%
SALES & MARKETING										
	Payroll	US$ PAR	4.19	3.68	4.26	4.26	20.00	22.19	23.34	23.96
	Other	US$ PAR	3.46	6.55	2.72	4.16	4.24	4.33	4.42	4.50
Total S & M Costs		US$ PAR	7.65	10.23	6.98	8.42	24.24	26.52	27.75	28.47
		% Gross Rev	3.8%	7.6%	2.6%	2.3%	4.6%	4.3%	4.2%	4.1%
PROPERTY OPERATION & MAINT.										
	Payroll	US$ PAR	14.82	15.56	13.69	13.36	16.28	18.42	19.52	20.08
	Other	US$ PAR	4.41	12.68	10.89	10.96	11.18	11.41	11.63	11.87
Total POM Costs		US$ PAR	19.22	28.24	24.58	24.33	27.46	29.83	31.16	31.95
		% Gross Rev	9.5%	20.9%	9.0%	6.7%	5.2%	4.8%	4.7%	4.6%
UTILITIES		US$ POR	106.45	70.50	51.11	43.34	44.20	45.09	45.99	46.91
		US$ PAR	34.04	22.20	19.31	22.00	26.80	30.33	32.14	33.06
		% Gross Rev	16.8%	16.5%	7.1%	6.1%	5.1%	4.9%	4.8%	4.8%
TOTAL UNDISTRIBUTED EXPENSES										
		US$ POR	297.27	315.40	254.18	209.43	221.34	216.29	217.27	220.89
		US$ PAR	95.06	99.32	96.04	106.32	134.20	145.52	151.86	155.67
		% Gross Rev	46.8%	73.6%	35.3%	29.5%	25.4%	23.6%	22.8%	22.6%

The major component of Administration and General is due to wages and benefits, and is a result of both increased direct wages costs. The total administration and general costs remain reasonable by industry standards. The minimum wage of US$519 (8,000 Maldivian rufiyaa) for local Maldivians is also set to take effect from January 2022. This is expected to increase the payroll costs for the Property.

As a fairly new product in the market, more costs are expected to be incurred to improve performance of the property. The total sales and marketing costs is expected to be budgeted on the higher side at the start of operations. As the property stabilise, these costs will reflect the cost of sale representatives and ongoing marketing initiatives to promote the property.

All other costs are projected to be in line with industry parameters and are forecasted to remain consistent.

9.7 Overhead Expenses

9.7.1 Property Costs

Overhead property costs include Property Insurance and Government Lease Rental. These costs have been forecast to increase in line with inflation and the lease rental is assumed to be fixed throughout the lease term.

9.7.2 Furniture, Fittings & Equipment Reserve

It is common for hotel management agreements to provide for the provision of a reserve to fund ongoing works [not of a capital nature] to ensure that the quality of the hotel in terms of FF&E (furniture, fittings and equipment) is maintained to a standard to ensure trading is not compromised.

We have assumed an allowance of 4% of total revenue within our forecast, which is in line with the market standards.

Our assessment does not include an adjustment for, nor account for any surplus or deficiency of any existing FF&E reserve.

9.8 Management Fees

As the Property is self-managed by the Client, we assumed that vacant possession is available for the purpose of this valuation. In this assumption, a new operator can be appointed and we consider that management agreement terms achievable generally in the market can be adopted.

Base Fee: 2.00% of Total Revenue

Incentive Fee: 6.00% of Adjusted Gross Operating Profit (Gross Operating Profit less Base Fee)

9.9 CPI & Wages Indices

As detailed earlier, revenues have been assessed on the basis of market opinion and not an indexation factor. Operational costs and expenses are varied in accordance with occupancy and inflationary effects, in this respect we have referred to the forecasts prepared by Oxford Economics and assumed the following:

Forecast Year Ending December	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Inflation rate	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Labour Cost	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

9.10 Summary of Trading Forecast

A summary of our 10 year cash flow forecast for the property follows:

Noku Maldives
TRADING FORECAST
(Expressed in Escalated Values - US$)

PERIOD	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
YEAR ENDING DECEMBER	2022		2023		2024		2025		2026	
NO OF ROOMS	50		50		50		50		50	
OCCUPANCY	51%		61%		67%		70%		70%	
AVERAGE DAILY RATE	380		428		466		495		507	
ADR GROWTH			12.6%		8.9%		6.1%		2.5%	
REVPAR (US$)	193		259		314		346		357	
	US$	Ratio	US$	Ratio	US$	Ratio	US$	Ratio	US$	Ratio
OPERATING REVENUE										
ROOMS	3,521,271	53.5%	4,735,171	49.2%	5,738,125	50.8%	6,308,368	51.8%	6,519,945	51.9%
FOOD	1,010,475	15.4%	2,207,355	22.9%	2,505,266	22.2%	2,647,362	21.7%	2,722,805	21.7%
BEVERAGE	305,176	4.6%	563,988	5.9%	640,105	5.7%	676,411	5.6%	695,688	5.5%
F & B OTHER	16,138	0.2%	19,660	0.2%	22,313	0.2%	23,579	0.2%	24,251	0.2%
F & B TOTAL	1,331,789	20.2%	2,791,002	29.0%	3,167,684	28.0%	3,347,352	27.5%	3,442,744	27.4%
OTHER OPERATED DEPTS	444,704	6.8%	541,748	5.6%	614,864	5.4%	649,738	5.3%	668,254	5.3%
MISCELLANEOUS	1,284,001	19.5%	1,564,199	16.2%	1,775,308	15.7%	1,876,001	15.4%	1,929,463	15.4%
TOTAL OPERATING REVENUE	6,581,765	100.0%	9,632,120	100.0%	11,295,980	100.0%	12,181,460	100.0%	12,560,406	100.0%
DEPARTMENTAL EXPENSES										
ROOMS	694,849	19.7%	782,205	16.5%	848,511	14.8%	882,029	14.0%	903,931	13.9%
F & B TOTAL	698,744	52.5%	1,455,853	52.2%	1,641,802	51.8%	1,730,774	51.7%	1,779,159	51.7%
OTHER OPERATED DEPTS	165,356	37.2%	196,952	36.4%	220,591	35.9%	231,961	35.7%	238,315	35.7%
MISCELLANEOUS	1,204,381	93.8%	1,467,203	93.8%	1,665,222	93.8%	1,759,671	93.8%	1,809,818	93.8%
TOTAL DEPARTMENTAL EXPENSES	2,763,331	42.0%	3,902,214	40.5%	4,376,126	38.7%	4,604,436	37.8%	4,731,223	37.7%
DEPARTMENTAL INCOME										
ROOMS	2,826,422	80.3%	3,952,966	83.5%	4,889,614	85.2%	5,426,339	86.0%	5,616,014	86.1%
F & B TOTAL	633,045	47.5%	1,335,149	47.8%	1,525,882	48.2%	1,616,578	48.3%	1,663,585	48.3%
OTHER OPERATED DEPTS	279,347	62.8%	344,795	63.6%	394,273	64.1%	417,777	64.3%	429,939	64.3%
MISCELLANEOUS	79,620	6.2%	96,995	6.2%	110,086	6.2%	116,330	6.2%	119,645	6.2%
TOTAL DEPARTMENTAL INCOME	3,818,434	58.0%	5,729,906	59.5%	6,919,855	61.3%	7,577,024	62.2%	7,829,183	62.3%
UNDISTRIBUTED OPERATING EXPENSES										
ADMINISTRATION & GENERAL	774,324	11.8%	840,456	8.7%	892,823	7.9%	921,072	7.6%	942,389	7.5%
INFO AND TELECOMMS SYSTEMS	166,867	2.5%	175,968	1.8%	183,887	1.6%	188,599	1.5%	192,722	1.5%
SALES & MARKETING	153,640	2.3%	442,470	4.6%	485,309	4.3%	506,496	4.2%	519,521	4.1%
PROPERTY OPERATION & MAINT.	443,954	6.7%	501,172	5.2%	545,919	4.8%	568,637	4.7%	583,037	4.6%
UTILITIES	401,500	6.1%	489,116	5.1%	555,129	4.9%	586,615	4.8%	603,332	4.8%
TOTAL UNDISTRIBUTED EXPENSES	1,940,286	29.5%	2,449,182	25.4%	2,663,067	23.6%	2,771,420	22.8%	2,841,001	22.6%
GROSS OPERATING PROFIT	1,878,149	28.5%	3,280,724	34.1%	4,256,788	37.7%	4,805,604	39.5%	4,988,182	39.7%
MANAGEMENT FEES										
MANAGEMENT FEE - BASE	131,635	2.0%	192,642	2.0%	225,920	2.0%	243,629	2.0%	251,208	2.0%
MANAGEMENT FEE - INCENTIVE	104,791	1.6%	185,285	1.9%	241,852	2.1%	273,719	2.2%	284,218	2.3%
TOTAL MANAGEMENT FEES	236,426	3.6%	377,927	3.9%	467,772	4.1%	517,348	4.2%	535,427	4.3%
INC. BEFORE NON-OP INC. AND EXP.	1,641,723	24.9%	2,902,797	30.1%	3,789,016	33.5%	4,288,257	35.2%	4,452,756	35.5%
NON-OPERATING INCOME AND EXPENSES										
LEASE RENT	719,167	10.9%	719,167	7.5%	719,167	6.4%	719,167	5.9%	719,167	5.7%
PROPERTY INSURANCE	56,951	0.9%	58,090	0.6%	59,414	0.5%	60,436	0.5%	61,645	0.5%
TOTAL NON-OP INC. AND EXP.	776,117	11.8%	777,256	8.1%	778,581	6.9%	779,603	6.4%	780,812	6.2%
EBITDA	865,605	13.2%	2,125,540	22.1%	3,010,435	26.7%	3,508,653	28.8%	3,671,944	29.2%
REPLACEMENT RESERVE (FF&E)	263,271	4.0%	385,285	4.0%	451,839	4.0%	487,258	4.0%	502,416	4.0%
EBITDA LESS REPLACEMENT RESERVE	602,335	9.2%	1,740,255	18.1%	2,558,596	22.7%	3,021,395	24.8%	3,169,527	25.2%
NET INCOME	602,335	9.2%	1,740,255	18.1%	2,558,596	22.7%	3,021,395	24.8%	3,169,527	25.2%

PERIOD	YEAR 6		YEAR 7		YEAR 8		YEAR 9		YEAR 10	
YEAR ENDING DECEMBER	2027		2028		2029		2030		2031	
NO OF ROOMS	50		50		50		50		50	
OCCUPANCY	71%		71%		71%		71%		72%	
AVERAGE DAILY RATE	520		533		546		560		574	
ADR GROWTH	2.5%		2.5%		2.5%		2.5%		2.5%	
REVPAR (US$)	367		377		387		400		412	
	US$	Ratio	US$	Ratio	US$	Ratio	US$	Ratio	US$	Ratio
OPERATING REVENUE										
ROOMS	6,696,469	52.0%	6,903,623	52.2%	7,065,744	52.3%	7,297,821	52.4%	7,523,288	52.5%
FOOD	2,782,882	21.6%	2,854,975	21.6%	2,907,766	21.5%	2,988,623	21.5%	3,065,928	21.4%
BEVERAGE	711,037	5.5%	729,457	5.5%	742,946	5.5%	763,605	5.5%	783,357	5.5%
F & B OTHER	24,786	0.2%	25,428	0.2%	25,898	0.2%	26,618	0.2%	27,307	0.2%
F & B TOTAL	3,518,705	27.3%	3,609,861	27.3%	3,676,610	27.2%	3,778,846	27.1%	3,876,591	27.1%
OTHER OPERATED DEPTS	682,999	5.3%	700,692	5.3%	713,649	5.3%	733,493	5.3%	752,466	5.3%
MISCELLANEOUS	1,972,035	15.3%	2,023,123	15.3%	2,060,532	15.2%	2,117,829	15.2%	2,172,610	15.2%
TOTAL OPERATING REVENUE	12,870,208	100.0%	13,237,299	100.0%	13,516,535	100.0%	13,927,989	100.0%	14,324,955	100.0%
DEPARTMENTAL EXPENSES										
ROOMS	923,072	13.8%	945,750	13.7%	962,718	13.6%	986,258	13.5%	1,009,288	13.4%
F & B TOTAL	1,818,181	51.7%	1,864,922	51.7%	1,899,254	51.7%	1,951,123	51.6%	2,000,863	51.6%
OTHER OPERATED DEPTS	243,509	35.7%	249,719	35.6%	254,295	35.6%	261,109	35.6%	267,664	35.6%
MISCELLANEOUS	1,849,750	93.8%	1,897,670	93.8%	1,932,759	93.8%	1,986,503	93.8%	2,037,887	93.8%
TOTAL DEPARTMENTAL EXPENSES	4,834,512	37.6%	4,958,060	37.5%	5,049,026	37.4%	5,184,993	37.2%	5,315,702	37.1%
DEPARTMENTAL INCOME										
ROOMS	5,773,397	86.2%	5,957,874	86.3%	6,103,026	86.4%	6,311,562	86.5%	6,514,000	86.6%
F & B TOTAL	1,700,525	48.3%	1,744,939	48.3%	1,777,356	48.3%	1,827,723	48.4%	1,875,728	48.4%
OTHER OPERATED DEPTS	439,489	64.3%	450,973	64.4%	459,354	64.4%	472,385	64.4%	484,802	64.4%
MISCELLANEOUS	122,285	6.2%	125,453	6.2%	127,773	6.2%	131,326	6.2%	134,723	6.2%
TOTAL DEPARTMENTAL INCOME	8,035,696	62.4%	8,279,239	62.5%	8,467,508	62.6%	8,742,996	62.8%	9,009,253	62.9%
UNDISTRIBUTED OPERATING EXPENSES										
ADMINISTRATION & GENERAL	961,958	7.5%	984,996	7.4%	1,002,419	7.4%	1,025,376	7.4%	1,048,125	7.3%
INFO AND TELECOMMS SYSTEMS	196,663	1.5%	201,281	1.5%	204,802	1.5%	209,251	1.5%	213,709	1.5%
SALES & MARKETING	530,634	4.1%	543,842	4.1%	553,671	4.1%	567,658	4.1%	581,257	4.1%
PROPERTY OPERATION & MAINT.	595,454	4.6%	610,193	4.6%	621,187	4.6%	636,666	4.6%	651,759	4.5%
UTILITIES	616,644	4.8%	632,619	4.8%	644,317	4.8%	662,233	4.8%	679,363	4.7%
TOTAL UNDISTRIBUTED EXPENSES	2,901,354	22.5%	2,972,931	22.5%	3,026,396	22.4%	3,101,184	22.3%	3,174,213	22.2%
GROSS OPERATING PROFIT	5,134,341	39.9%	5,306,308	40.1%	5,441,112	40.3%	5,641,812	40.5%	5,835,041	40.7%
MANAGEMENT FEES										
MANAGEMENT FEE - BASE	257,404	2.0%	264,746	2.0%	270,331	2.0%	278,560	2.0%	286,499	2.0%
MANAGEMENT FEE - INCENTIVE	292,616	2.3%	302,494	2.3%	310,247	2.3%	321,795	2.3%	332,912	2.3%
TOTAL MANAGEMENT FEES	550,020	4.3%	567,240	4.3%	580,578	4.3%	600,355	4.3%	619,412	4.3%
INC. BEFORE NON-OP INC. AND EXP.	4,584,321	35.6%	4,739,068	35.8%	4,860,535	36.0%	5,041,457	36.2%	5,215,629	36.4%
NON-OPERATING INCOME AND EXPENSES										
LEASE RENT	719,167	5.6%	719,167	5.4%	719,167	5.3%	719,167	5.2%	719,167	5.0%
PROPERTY INSURANCE	62,878	0.5%	64,311	0.5%	65,418	0.5%	66,727	0.5%	68,061	0.5%
TOTAL NON-OP INC. AND EXP.	782,045	6.1%	783,478	5.9%	784,585	5.8%	785,894	5.6%	787,228	5.5%
EBITDA	3,802,276	29.5%	3,955,590	29.9%	4,075,949	30.2%	4,255,563	30.6%	4,428,401	30.9%
REPLACEMENT RESERVE (FF&E)	514,808	4.0%	529,492	4.0%	540,661	4.0%	557,120	4.0%	572,998	4.0%
EBITDA LESS REPLACEMENT RESERVE	3,287,468	25.5%	3,426,098	25.9%	3,535,288	26.2%	3,698,444	26.6%	3,855,403	26.9%
NET INCOME	3,287,468	25.5%	3,426,098	25.9%	3,535,288	26.2%	3,698,444	26.6%	3,855,403	26.9%

Prepared Jan-21

10 Valuation Rationale

(Refer to Critical Assumptions section, Assumptions, Disclaimers, Limitations & Qualifications section – Premise 1, Premise 2, Premise 3, Premise 4, Premise 14.)

10.1 Introduction

Our assessment has been made based on the following valuation approaches:

- Capitalisation Analysis (Stabilised Year 4)
- 10-year Discounted Cash Flow Analysis

The parameters within each approach have been selected after comparison to appropriate sales evidence and comparative risk in trading levels.

10.2 Capitalisation Analysis – Stabilised (Forecast 4 Year) EBITDA

This analysis is used where the income stream is expected to vary greater than the rate of underlying inflation due to foreseeable changing market conditions, a recovering or declining business following an internal or external event, or to reflect the effect of capital expenditure.

This analysis takes into account the forecast income over the first four years of the cash flow, which allows adjustment in income from current levels to anticipated levels of trading, reflecting our forecast of market conditions.

In this analysis we have capitalised the projected net income for the remainder of the lease term at an adopted investment yield of 7.00%.

The present value of the forecast capital expenditure for the next 5 years has then been deducted from the core value.

The capitalisation of Stabilised Year 4 EBITDA analysis suggests a value of U$33,500,000.

Our full valuation calculations follow, including sensitivity analyses based on variations to the adopted capitalisation rate, ADR and occupancy rate. A running yield analysis based on the adopted value is also provided.

CAPITALISATION: STABILISED YEAR APPROACH

Figures Expressed in US$				Valuation Date	31-Dec-21
Period	Net Operating Income	Discounted for Inflation	Income Adjustments		Capitalised to Lease Expiry @ 7.00%
Stabilised Year 4	3,021,395	2,847,128			36,863,855
Year 1	602,335	602,335	-2,244,793	-2,097,938	
Year 2	1,740,255	1,706,133	-1,140,995	-996,589	
Year 3	2,558,596	2,459,243	-387,885	-316,630	
Total Adjustments					-3,411,157
Capitalised to Lease Expiry					33,452,699
Capex Required					0
Other Adjustments					0
					33,452,699
Valuation Rounded To:					33,500,000
				Value per Room (US$)	670,000

Yield on Value and Capex

Year 1 Net Operating Income (US$)	602,335	1.8%
Year 2 Net Operating Income (US$)	1,740,255	5.2%
Year 3 Net Operating Income (US$)	2,558,596	7.6%
Year 4 Net Operating Income (US$)	3,021,395	9.0%
Year 5 Net Operating Income (US$)	3,169,527	9.5%

Stabilised Yield Sensitivity

7.50%	31,750,000
7.00%	33,500,000
6.50%	35,750,000

ADR & Occupancy Sensitivity

ADR	Occupancy -5.00%	Occupancy 0.00%	Occupancy 5.00%
-5.00%	24,800,000	30,250,000	35,750,000
-2.50%	26,250,000	32,000,000	37,500,000
0.00%	27,750,000	**33,500,000**	39,250,000
2.50%	29,250,000	35,250,000	41,000,000
5.00%	30,750,000	36,750,000	42,750,000

10.3 Discounted Cash Flow Analysis

This form of analysis allows an investor or owner to make an assessment of the longer term return that is likely to be derived from a property with a combination of both income and capital growth over an assumed investment horizon. In undertaking this analysis, a wide range of assumptions are made including a target or pre-selected internal rate of return, income growth, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associated with the initial purchase of the property and also its disposal at the end of the investment period.

Having regard to these factors, we have carried out a discounted cash flow analysis over a five and ten year investment horizon. We have assumed that the property is sold at the commencement of the sixth year of the cash flow in regard to the five year discounted cash flow and/or the eleventh year in regard to the ten year discounted cash flow. The cash flow analysis comprises annual income streams and we have discounted the income of each year of the cash flow on a midpoint basis, which assumes an income of six months in arrears and six months in advance.

The analysis proceeds on a before tax basis, and while we have not qualified any potential taxation benefits associated with the property, we are of the view that these are an issue which a prospective purchaser would reflect in its consideration.

The analysis is predicated on the assumption of a cash purchase. No allowance for interest and other funding costs have been made.

Our cash flow analysis is based on the future trading and capital expenditure estimates detailed previously, and the following specific assumptions:

DCF Assumptions	10 yr
Total Acquisition Costs	0.25%
Selling Costs	1.25%
Terminal Yield	8.00%
Discount Rate	10.00%

The five year discounted cash flow analysis suggests a value of and the ten year discounted cash flow analysis suggests a value of US$33,250,000.

Our detailed calculations follow over page; including sensitivity analyses based on variations to the discount rate and terminal yield, and ADR and occupancy rate. A running yield analysis over the cash flow horizon is also provided.

TEN YEAR DISCOUNTED CASH FLOW ANALYSIS

Purchase Considerations		Valuation Date	31-Dec-21
Other Adjustments	0		
Purchase Price (US$'000)	33,302	Discount Rate	10.00%
Resultant Initial Yield	1.81%	RESULTANT PURCHASE PRICE (US$'000)	33,250
Legal and Other Acquisition Costs	0.25%		
Stamp Duty	US$0 on the first US$1,033,000 and 0.00% on the remainder	ADOPT:	US$ 33,250,000
Selling Considerations		Year 1 Yield (EBITDA)	1.8%
Terminal Yield	8.00%	Income %	50.9%
Agents Commission	0.75%	Terminal Value %	49.1%
Legal Costs	0.25%	Value per Room (US$)	665,000
Marketing Costs	0.25%		
Growth in Hotel NOP Yr 11	4.24%		

Year Ending December			0	1	2	3	4	5	6	7	8	9	10
Year No.			1	2	3	4	5	6	7	8	9	10	11
Figures Expressed in US$													
Forecast Assumptions	CAGR												
CPI	#NAME?		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Nominal Wage Growth	#NAME?		2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Hotel													
No of Rooms			50	50	50	50	50	50	50	50	50	50	
Occupancy Rate			50.8%	60.6%	67.3%	69.9%	70.5%	70.6%	70.8%	70.9%	71.5%	71.9%	
Average Daily Rate ADR	5.0%		380	428	466	495	507	520	533	546	560	574	
RevPAR	9.1%		193	259	314	346	357	367	377	387	400	412	
Management Fee - Base			2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
Management Fee - Incentive			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	
FF&E Reserve			4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	
Purchase Considerations			Figures Expressed in US$'000										
Purchase Price (US$'000)		-33,302											
Total Acquisition Costs		-83											
Hotel Operation	CAGR												
Total Operating Revenue	7.5%		6,582	9,632	11,296	12,181	12,560	12,870	13,237	13,517	13,928	14,325	
Total Departmental Expenses	5.5%		-2,763	-3,902	-4,376	-4,604	-4,731	-4,835	-4,958	-5,049	-5,185	-5,316	
Total Departmental Income	8.8%		3,818	5,730	6,920	7,577	7,829	8,036	8,279	8,468	8,743	9,009	
Total Undistributed Expenses	4.3%		-1,940	-2,449	-2,663	-2,771	-2,841	-2,901	-2,973	-3,026	-3,101	-3,174	
Gross Operating Profit	11.8%		1,878	3,281	4,257	4,806	4,988	5,134	5,306	5,441	5,642	5,835	
Management Fee - Base			-132	-193	-226	-244	-251	-257	-265	-270	-279	-286	
Management Fee - Incentive			-105	-185	-242	-274	-284	-293	-302	-310	-322	-333	
Total Non-OP INC. and EXP.	0.2%		-776	-777	-779	-780	-781	-782	-783	-785	-786	-787	
Replacement Reserve (FF&E)			-263	-385	-452	-487	-502	-515	-529	-541	-557	-573	
EBITDA Less Replacement Reserve	17.2%		602	1,740	2,559	3,021	3,170	3,287	3,426	3,535	3,698	3,855	
Other Income			0	0	0	0	0	0	0	0	0	0	
Net Income (Valuation Purposes)			602	1,740	2,559	3,021	3,170	3,287	3,426	3,535	3,698	3,855	4,019
Capital Expenditure			0	0	0	0	0	0	0	0	0	0	
Selling Considerations													
Sale Price													42,903
Selling Costs													-536
Net Cashflow			602	1,740	2,559	3,021	3,170	3,287	3,426	3,535	3,698	3,855	42,366
PV of Net Cash Flow		33,385	574	1,508	2,016	2,164	2,064	1,946	1,844	1,730	1,645	1,559	16,334
EBITDA less Rep. Res. As % of Total Op Revenue			9.2%	18.1%	22.7%	24.8%	25.2%	25.5%	25.9%	26.2%	26.6%	26.9%	
After Management & FF & E			1.8%	5.2%	7.7%	9.1%	9.5%	9.9%	10.3%	10.6%	11.1%	11.6%	
Before Management Fees but after FF&E			3.3%	7.5%	10.5%	12.1%	12.7%	13.1%	13.6%	14.0%	14.6%	15.2%	

Sensitivity Analysis

Ten Year DCF Sensitivity by IRR and Terminal Yield

Terminal Yield	Internal Rate of Return				
	11.00%	10.50%	10.00%	9.50%	9.00%
9.00%	30,000	31,000	32,000	33,250	34,500
8.50%	30,500	31,750	32,750	33,750	35,000
8.00%	31,250	32,250	**33,500**	34,500	35,750
7.50%	32,000	33,000	34,250	35,250	36,500
7.00%	32,500	33,750	35,000	36,250	37,500

Ten Year DCF Sensitivity by changes in Occ & ADR

ADR	Occupancy				
	-5.00%	-2.50%	0.00%	2.50%	5.00%
-5.00%	25,200	27,750	30,250	33,000	35,500
-2.50%	26,500	29,250	31,750	34,500	37,000
0.00%	28,000	30,750	**33,500**	36,000	38,750
2.50%	29,500	32,250	35,000	37,750	40,250
5.00%	31,000	33,750	36,500	39,250	42,000

This analysis is purely for the purposes of a guide and sets out one permutation in support of our opinion of value

10.4 Valuation Summary

We summarise our various approaches to value as follows:

Valuation Approaches			
Stabilised Yield		7.00%	US$33,500,000
10 Yr DCF	IRR	10.00%	US$33,250,000
	Terminal Yield	8.00%	

Having regard to these analyses and the available market evidence, we have adopted a value of US$33,500,000 (THIRTY THREE MILLION FIVE HUNDRED THOUSAND US DOLLARS) for the Noku Maldives resort.

Our adopted value indicates the following parameters:

Adopted Value Analysis		
Initial Yield		1.80%
Stabilised Yield		7.01%
Value per Room (US$)		US$670,000
10 Yr DCF	IRR	9.96%
	Terminal Yield	8.00%

10.5 Previous Sale

The Property was acquired by Roxy-Pacific Holdings Limited for US$31 million in February 2016.

10.6 Contract of Sale

We are not aware of any current contract of sale over the subject property.

11 Contact Details

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APPENDICES

Appendix I Valuation Definitions and Terminology

Uniform System of Accounts	The Uniform System Of Accounts for the Lodging Industry establishes standardised formats and account classifications to guide individuals in the preparation and presentation of financial statements. It is the internationally accepted format for the lodging industry. The latest version is the Tenth Revised Edition.
Room Nights Available (RNA)	This is the total number of guestrooms (keys) in a property which are available for rent multiplied by the number of nights in a period.
Room Nights Occupied (RNO)	Room Nights Occupied excluding complimentary guests in a period. Total Rooms Occupied includes Complimentary Guests and is more generally used.
Average Daily Rate (ADR)	The average charge paid by hotel guests on a per room per night basis. It is expressed net of GST and other direct taxes and is calculated by dividing the total rooms revenue by the rooms occupied over a given period.
Occupancy Percentage	This is the ratio of rooms occupied (excluding complimentary guests) to rooms available over a given period. The total occupancy percentage includes complimentary guests.
Rooms Revenue Per Available Room (RevPAR)	This measures the rooms revenue yield a property receives relative to the rooms available and is calculated by dividing the total rooms revenue by the rooms available for a given period.
Total Revenue	The total revenue for the hotel expressed net of GST and other direct taxes. This is usually separated into revenue from rooms, food and beverage, other operated departments and rents and other income.
Departmental Expenses	These are expenses which relate to the operated departmental revenue categories such as rooms and food and beverage. They comprise cost of sales, cost of other revenue, payroll and related expenses, and other expenses.
Departmental Income	This is calculated by deducting Total Departmental Expenses from Total Revenue.
Undistributed Operating Expenses	These are expenses that are applicable to the entire property where it is not considered appropriate to allocate these to specific departments.
Gross Operating Profit (GOP)	The income generated from the hotel business operation before deduction of fixed charges. It is therefore the earnings before interest, depreciation, tax, building insurance, statutory property ownership charges, land rent (if applicable) and the FF&E Reserve. It is calculated by subtracting Total Undistributed Operating Expenses from Total Departmental Income.
Management Fees	This represents the cost of management services performed by a management company to operate the property as a whole. It does not include those specific departmental services which are charged to that department. It usually comprises base and incentive elements.
Base Management Fee	A fee payable to the manager in excess of the actual cost of management for services provided. Either set as a fixed amount or as a % of total hotel revenue.
Incentive Management Fee	A fee payable to the manager based on the profit performance of business. Set as a % of the GOP Base Fee.
Stand Aside	Term used to express the situation where a hotel manager forgoes incentive fees due to under-performance to set GOP benchmarks. Most commonly accompanied by a Claw Back.
Claw Back	Term used to express the right of the manager to receive reimbursement of any fee they may have foregone (Stood Aside) in some earlier period. Usually only payable when performance (GOP) is above budget thresholds.
Fixed Charges	These include rent, property and other taxes, and insurance.
Net Operating Income (NOI)	This is determined by deducting Fixed Charges from the Income before Fixed Charges. It is calculated before the deduction of the FF&E Reserve.
Furniture Fittings & Equipment Reserve (FF&E Reserve)	An account held in the name of the owner into which the manager places funds before distribution to the owner on a monthly basis for the replacement of specific items used in the operation of the business. It is usually calculated as a % of the revenue generated. The manager budgets for its expenditure on an annual basis with the approval of the owner.
Adjusted Net Operating Income	This is calculated by deducting the FF&E Reserve from the NOI. This is the net income from the hotel on an EBITDA basis. Income from non hotel sources may be added to this to calculate the Total Net Income which is used to calculate the value of the property.

Initial Yield	The projected Total Net Income (as defined above) as a percentage of the assessed value before any capital allowances such as the value of any excess land and the required capital expenditure to achieve the assessed income .
Value Per Room	The adopted value (excluding the value of any balance land) divided by the number of rooms.
Terminal Yield	The capitalisation rate applied within our valuation to the Total Net Income forecast during the year after the end of our Discounted Cash Flow (DCF) analysis. From this capitalised amount capital adjustments are made to arrive at a selling price for the property at the end of the adopted investment period of the DCF.
Target Internal Rate of Return (IRR)	The discount rate applied to the annual net cash flows of the property and the hypothetical sale of the property at the end of Year 10 to arrive at the adopted value (excluding any balance land) using the Discounted Cash Flow approach.
IRR (Indicated)	The Internal Rate of Return which the property would achieve over a period given the forecast net cash flow and assessed value. This analysis excludes the value of any balance land.
EBITDA	Earnings before interest, taxes, depreciation and amortization (EBITDA) is calculated by deducting Operating Expenses and Other Revenue from the Operating Revenue. Operating Expenses do not include interest, taxes, or amortization. In hotels this is usually after the deduction of the Reserve.
	LAST UPDATED V0808

Appendix II Copy of Resort Map

Appendix III Copy of Letter of Instruction/Engagement

CBRE

7/1/2022

Melvin Poon
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Agency License No.: L3002163I

Attention: Mr Melvin Poon

Dear Sir,

Letter of Engagement and Scope of Services

Thank you for your request for a quotation to provide valuation services. This Letter of Engagement (as defined below) provides the scope of the valuation services to be provided and terms of the agreement between CBRE Pte. Ltd. ("CBRE") and the Instructing Party. Unless expressed to the contrary, in the Letter of Engagement, words in singular include the plural and vice versa.

Letter of Engagement: The "Letter of Engagement" means and comprises the terms and conditions set out in this letter, the Acknowledgement and Acceptance of Terms and Conditions at **Schedule 1**, the Standard Terms and Conditions attached at **Schedule 2** and the Valuation General Principles and Assumptions attached at **Schedule 3**. The valuation services to be provided will be subjected to this Letter of Engagement. In the event of any conflict or inconsistency between the terms and conditions set out in this letter, the Standard Terms and Conditions and the Valuation General Principles and Assumptions, the term that imposes the stricter or higher obligation shall prevail.

The Property: Noku Maldives, Kudafunfaru, Maldives

Instructing Party: Roxy Pacific Holdings Limited

CBRE: CBRE Pte. Ltd. ("**CBRE**")

Reliant Party/Reliance: CBRE will extend reliance only to those parties nominated as Reliant Party within this Letter of Engagement or as otherwise agreed by CBRE in writing. However, this extension of reliance is subject to the nominated Reliant Party signing a reliance letter agreeing to accept the applicable terms and conditions in this Letter of Engagement. A form of the reliance letter is attached at **Schedule 4**. The purpose of the reliance letter is to set forth terms on which CBRE will permit the nominated Reliant Party to rely on the report. CBRE shall not be held liable if any Reliant Party (whether nominated within this Letter of Engagement or not) does not agree in writing to the terms and conditions contained within the reliance letter.

The Instructing Party is expected to keep the valuation report to itself and not to disclose the report or any part of it to any of the Reliant Party unless and until the Reliant Party has signed the reliance letter. The Instructing Party is required to advise the Reliant Party of

CBRE's requirement with regards to our extension of reliance to them and to procure each Reliant Party to sign the reliance letter.

Market Volatility:

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a global pandemic on the 11th March 2020, is causing heightened uncertainty in both local and global market conditions. Our valuation is based on the information available to us at the date of valuation. You acknowledge that our reports may include clauses highlighting the heightened market uncertainty if appropriate, and we recommend our valuation is kept under frequent review.

Both governments and companies are initiating travel restrictions, quarantine and additional safety measures in response to the COVID-19 pandemic. If, at any point, our ability to deliver the services under this LOE are restricted due to the pandemic, we will inform you within a reasonable timeframe and work with you on how to proceed. Whilst we will endeavour to meet the required timeframe for delivery, you acknowledge any Government or company-imposed restrictions due to the virus may impede our ability to meet the timeframe and/or deliverables of this engagement, and delays may follow. Any delays or inability to deliver on this basis would not constitute a failure to meet the terms of this engagement.

Conflicts of Interest:

As at the date of this Letter of Engagement, CBRE is not aware of any conflict of interest which would prevent CBRE from undertaking this engagement. Furthermore, you acknowledge that CBRE is a large, multi-national company providing a variety of services to clients globally. If either party becomes aware of an actual or potential conflict of interest, it will notify the other party as soon as is reasonably practicable thereafter, and the parties will work together to attempt to resolve any such actual or potential conflict.

Date of Valuation:

31 December 2021

Purpose of Valuation:

Valuation of the Property for Voluntary Offer Purpose. The Valuation will be published in the Roxy Maldives Resort & Spa Private Limited Circular to Shareholders (containing advice by Independent Financial Advisor).

Valuation Standards:

All valuations will be conducted in accordance with the latest edition of the Royal Institution of Chartered Surveyors (RICS) Valuation - Global Standards effective from 31 January 2020. Valuations will also be conducted in accordance with the IVSC International Valuation Standards (IVS) effective from 31 January 2020, where appropriate.

Status of Valuer:

The Lead Valuer for this assignment is Zhang Jiahao, Associate Director, who is a Member of the Royal Institute of Chartered Surveyors and RICS Registered Valuer, with over 10 years of experience in property valuations across Asia Pacific.

We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuations competently and independently. We also confirm that we have undertaken the valuations acting as an Independent Valuer, qualified for the valuation.

We certify that the valuer who handled this valuation is competent and authorised to practice as a valuer. The valuer does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the property and is in a position to provide an objective and unbiased valuation.

We will endeavour to maintain the primary valuer as detailed above for the duration of the appointment, but we reserve the right to make changes. We will nevertheless advise you of any changes in the key personnel and the reasons for the changes at the earliest opportunity.

Basis of Valuation: Fair Value as defined in accordance with the SISV Valuation Standards and Practice Guidelines and IVS.

The basis of value for financial reporting purposes under International Financial Reporting Standard (IFRS) 13 is 'Fair Value'.

The definition of Fair Value under IFRS 13 is as follows:

"The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."

It is important to note that, for most practical purposes, the concept of Fair Value is consistent with that of Market Value, and so there would be no difference between them in terms of the valuation figure reported.

Special Assumptions: There are no special assumptions made in relation to the valuation to be provided under this engagement.

Scope of Work: The scope of work is typical of a valuation engagement for this type of property, and is as follows:

- Inspection of the Property, and the surrounding environment.
- Review of the building plans and layout plans, where available.
- Review of the trading information provided.
- Review the management agreement/lease agreement or summaries thereof
- Review the occupational leases or summaries thereof
- All operating expenses and outgoings such as utilities, repairs and maintenance, property management fees, leasing costs, statutory taxes, etc., will be reviewed, and benchmarked with comparable properties where applicable.
- General comment on the Property and the market, description of valuation methodologies, adopted comparable evidences, relevant calculations and rationale as well as value conclusion.

Our reports will be comprehensive and will illustrate all the relevant calculations that we deem necessary to have in the report. In terms of methodology, our reports will use a variety of approaches to the calculation of the values including:

- Capitalization of a stabilised income
- Discounted cash flow
- Direct Comparison (as a counter check)

Our valuation report will typically include the following:

A. Property Description

- Site Details, Location and Accessibility
- Property Description
- Leasing/Occupancy Details
- SWOT Analysis

B. Market Study

Economic Overview

- Key economic data

Tourism Market Overview

- Key statistics on Tourist arrivals, means of transportation, geographic origin, seasonality, length of stay
- Government tourism initiatives
- Tourism Market Outlook

Hotel Market Overview

- Hotel Supply (Existing, Proposed, Anticipated impact of 'current' (i.e. existing/under construction) and 'planned' competition and comparable developments).
- Hotel Demand (Existing Demand, Project Future demand, seasonality, average length of stay)
- Analysis of Competitive Hotel Market Performance (ADR, Occupancy, RevPAR), market performance future outlook
- General commentary/summary on competitive hotel market

C. Financial Projections

- Financial Trading Analysis and Forecast
- Hotel Investment Market
- Valuation Rationale
- Additional Requirements: Fire sale Value

Not Included in Scope: CBRE will not carry out measured surveys; building surveys, deleterious materials investigations or tests of services; environmental surveys, ground condition or other site surveys; Energy Certificate surveys; detailed planning and legal requisitions enquiries; and detailed enquiries into covenant strength.

Inspections: Due to the outbreak of the Novel Coronavirus (COVID-19), a full inspection may not be possible. You have agreed for us to undertake this valuation on a "Desk-top" basis, no physical exterior or internal inspection of the Property will be carried out. The desk-top valuation will be carried out on the basis that there have been no additions or alterations to the Property since our previous inspection on the 28 November 2018, unless otherwise advised.

Our assessment will be based on information obtained from our previous inspection of the property on the 28 November 2018, a virtual inspection and oral discussions with the GM and information received from the client. We will make certain assumptions on the condition and improvements of the property that will be outlined within the report.

You have agreed for us to undertake this valuation based on a virtual inspection of the property only, no full inspection will be carried out.

The Instructing Party acknowledges and accepts the heightened and inherent uncertainty and risks when relying on a valuation undertaken with limited or no inspection of the property. We will outline the restrictions to inspection and appropriate disclaimers within the Report.

Floor/Site Areas:	We will not measure the Property, but as instructed, we will adopt the floor/site areas provided to us by the Instructing Party, the Instructing Party's nominated advisor or government agency which we would assume to be correct and comprehensive and which we assume have been calculated in accordance with local market practice. If, following our investigations, a material difference in floor/site areas is found or appears probable within the available sources, we will need to discuss whether a full re-referencing is required.
Publication:	Neither the whole nor any part of our report, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way nor disclosed orally or in communication to a third party, including the form and context in which it is to appear without CBRE's prior written consent, which shall not be unreasonably withheld.
Provision of Information:	CBRE requires the full disclosure of all relevant information and matters applicable to the Property to be valued that may have an impact upon the value and marketability of the Property. Accordingly, the Letter of Engagement includes in **Schedule 5**, the list of information which we will require in order to complete the assignment. Please note that this request is not exhaustive and can be amended or updated by CBRE from time to time. If you do not provide any part of the information requested for whatsoever reason, we may include special limiting conditions within our valuation report as we deem necessary (including limitations on reliance). If the property is subject to an offer or a contract for lease or sale, we require details of the commercial term and conditions of this offer or contract to be disclosed. We may ask for further information.
Reliance on Information Provided:	We are to rely on information which will be provided to us by you and your professional advisers, as requested in the Schedule to this Letter of Engagement. Should this information not be forthcoming or available for any reason, we will qualify our report accordingly. We also reserve the right to amend our valuation if information comes to light after the report has been issued.
Report Format:	Our report for this engagement will be in full report format. A sample copy of our full valuation report is available for your reference upon request.
Reporting Currency:	The currency in which the valuation is to be expressed will be United States Dollars.
Reporting Language:	The valuation report will be provided in English.
Deliverables:	Final reports in PDF by e-mail; two original hard copies. Additional reports are available upon request and may be subject to an additional fee.
Primary Contact Details:	The primary valuer contact details for this instruction is as follows:

Name	Position	Phone No.	Email
Zhang Jiahao	Associate Director	+65 63261674	Jiahao.zhang@cbre.com.sg

We will endeavour to maintain the primary contact as detailed above for the duration of the appointment but we reserve the right to make changes. We will nevertheless advise you of any changes in the key personnel and the reasons for the changes at the earliest opportunity.

Version: June 2020

Timing: Upon acceptance of this Letter of Engagement, we will endeavor to have the valuation completed according to the following timescales:

- Indicative numbers - early to mid of December 2021
- Draft report - within a further 5 working days;
- Final report - within a further 3 working days or as agreed.

Our ability to meet the required time frame is subject to your co-operation to provide all information requested by CBRE and to respond to queries, draft numbers, draft reports etc. in a timely manner. Any delays will not constitute a breach of our obligations and we will communicate with you on any revised date of completion.

Valuation Fee: SGD28,000.

The above fee is inclusive of disbursements but does not include any fees for other professionals or consultants (if required) who shall be involved in the valuation, which would be subject to the Instructing Party's approval in writing.

The valuation fee is not contingent upon developing or reporting predetermined results. It is also not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the management, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the valuation report.

Pre-Payment of Fee: No pre-payment required, we will invoice at completion of the engagement.

Payment of Fee: Our bank details are as follows:

Bank:	The Hong Kong and Shanghai Banking Corporation Ltd.
Account Name:	CBRE Pte. Ltd.
Account No.:	141-216002-001

PayNow option is also available via our alias - 197701161R141

Additional Fees: Any additional advice or consultation beyond the agreed scope of this Letter of Engagement will require the Instructing Party's written request and our written acceptance, and will incur an additional fee based on our standard hourly rates as follows:

Director	SGD 500 per hour
Other Staff	SGD 350 per hour

Please note that additional fees may be chargeable in the following situations:

- Any significant change in scope and/or property information presented by the Instructing Party after this Letter of Engagement has been signed and accepted and/or during the valuation process.
- Any significant change in valuation assumptions after presenting the draft valuation numbers or report to the Instructing Party.

Abortive Fee: Should the appointment be aborted by the Instructing Party, the following fee scale as a percentage of the agreed fees will apply:

	Stage Progress	Percentage of full fee
1.	Inspection completed	30%
2.	Submission of Draft Numbers	50%
3.	Submission of Draft Report(s)	80%
4.	Submission of Final Report	100%

Absolute Right to Fee: The payment of fees is not contingent upon the Instructing Party utilising our valuation for the stipulated purpose. Our ability to issue the final valuation cannot be unreasonably withheld or interfered. If the Instructing Party requests CBRE not to issue the final reports, the Instructing Party agrees that CBRE's work is completed and CBRE may issue the invoice per the amount of the fee as stated in this Letter of Engagement, disbursements and any other fees as incurred.

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

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

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

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

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

CBRE's Right to Terminate: Notwithstanding anything else contained in the Letter of Engagement, CBRE reserves its right to terminate the engagement in its absolute discretion where it considers that:

- a conflict of interest arises (notwithstanding the clause 'Conflict of Interest', above);
- any terms are changed by the Instructing Party or Reliant Party that CBRE considers substantially changes the engagement; or
- any other reason that CBRE is unable to continue carrying out the engagement.

Such termination will be notified in writing to the Instructing Party (or any other party as necessary).

This Letter of Engagement forms the basis of CBRE's engagement with you as the Instructing Party. If this is acceptable to you, please complete and return **Schedule 1** as your acknowledgement and acceptance of the terms and conditions of this engagement. Please note that it is CBRE's policy that no work can be commenced until the engagement is formalised. Please also note that the offer contained in this Letter of Engagement is valid for 30 days from the date of this letter, after which, such offer lapses automatically.

Version: June 2020

We thank you for the opportunity of providing you with a quotation for our services.

Yours sincerely
For and on behalf of
CBRE Pte. Ltd.

Png Poh Soon
Executive Director and Head

Schedules

Schedule 1 – Valuation Instruction / Acknowledgement and Acceptance of Terms and Conditions - Instructing Party
Schedule 2 – CBRE Valuation & Advisory Services - Standard Terms and Conditions
Schedule 3 – CBRE Valuation & Advisory Services - General Principles & Assumptions, adopted in the preparation of Valuations and Reports
Schedule 4 - Reliance Letter
Schedule 5 - Information Request List

CBRE

SCHEDULE 1

Valuation Instruction / Acknowledgement and Acceptance of Letter of Engagement – Instructing Party

Please complete, sign, and return Schedule 1 as your acknowledgement of the terms and conditions of this Letter of Engagement.

Letter of Engagement Date: 7/1/2022

Property: Noku Maldives, Kudafunfaru, Maldives

Instructing Party: Roxy Pacific Holdings Limited

Authorized Representative:

Signature:

Name: MELVIN POON

Title: DIRECTOR (HOTEL OPERATIONS)

Date: 7 JANUARY 2022

Accept Terms: We confirm that we have read and understand the terms and conditions of this Letter of Engagement including the listed Schedules and acknowledge our acceptance of these terms and conditions.

Return to VAS, CBRE by Email:

Attention: **Png Poh Soon**
Executive Director and Head

Email: pohsoon.png@cbre.com

PLUS Post the signed original document to:

Png Poh Soon
CBRE Pte. Ltd.
2 Tanjong Katong Road #06-01
Paya Lebar Quarter
Singapore 437161

Version: June 2020

SCHEDULE 2

CBRE Valuation & Advisory Services Standard Terms and Conditions

This document contains the standard terms and conditions and shall be incorporated into and form an integral part of the Letter of Engagement ("LOE") (as defined in the letter to which these standard terms and conditions are attached) entered into between CBRE Pte. Ltd. ("CBRE") and the Instructing Party.

SCOPE OF SERVICES

Services will be provided solely for the benefit and use of the Instructing Party by our qualified valuer. The report and valuations may not be used for any other purpose other than the expressly intended purpose as mentioned in the LOE and the report. They are not to be used, circulated, quoted or otherwise referred to for any other purpose, nor are they to be filed with or referred to in whole or in part in any document without the prior written consent of CBRE where such consent to be given at the absolute, exclusive discretion of CBRE. Where they are to be used with the CBRE's written consent, they shall be used only in their entirety and no part shall be used without referring to the whole report unless otherwise expressly agreed in writing by CBRE.

CBRE does not purport to provide a site or structural survey in respect of the property to be valued. CBRE does not purport to be suitably qualified to provide professional advice in respect of building or site contamination. The Reliant Party should seek independent advice on these issues.

The Services are provided on the basis that the Instructing Party has disclosed to CBRE all information which may affect the Services. All opinions of value expressed by CBRE or its employees are subject to the statement of valuation policies and any conditions contained in the CBRE's written valuation report. The LOE sets out the full scope of services that shall be covered by the valuation report.

INSTRUCTING PARTY'S OBLIGATION TO ASSIST

The Instructing Party agrees to provide all reasonable assistance to CBRE to allow CBRE to complete this instruction including all relevant documents and/or information the Instructing Party knows or ought reasonably to know will so assist CBRE, at its own cost and in a timely fashion, including but not limited to:

- all information which CBRE requests from time to time for the performance of the Services; and
- reasonable access to the property for the purpose of providing the Services.

FEES AND DISBURSEMENTS

All disbursements, including travelling and other reasonable expenses incurred by CBRE in the provision of the Services are fully recovered from the Instructing Party as and when incurred unless otherwise stated in the LOE.

All invoices are payable within 30 days of the date of invoice, unless otherwise stated in the LOE. Interest payable on any unpaid amount that has become due and payable shall be at the rate of 1% per month.

All legal and debt recovery costs which CBRE may incur in recovering overdue account balances from the Instructing Party shall be fully recoverable from the Instructing Party as and when incurred.

As part of its environmental stewardship policy, CBRE is committed to reducing paper usage and therefore, for any extra copy of report requested by the Instructing Party other than the number of copies of the report stated in the LOE, we reserve the right to charge for the extra administrative cost.

SUSPENSION OF SERVICES

CBRE has the right to suspend its engagement where the Instructing Party fails to pay any invoiced fees and disbursements within the required time frame, by giving the Instructing Party seven (7) days' notice in writing. Should the engagement be suspended by CBRE, all obligations by CBRE to the Instructing Party cease to exist and, furthermore, all intellectual property that CBRE receives from the Instructing Party prior to the engagement being suspended becomes the property of CBRE and, unless otherwise agreed, CBRE shall be free to use this information and value the property for any other party.

RETURN OF DOCUMENTS

CBRE reserves the right to retain possession of all papers and documents owned by the Instructing Party until all outstanding amounts payable by the Instructing Party has been received. Once the Services provided to the Instructing Party has been finalised and all outstanding invoices have been paid, CBRE will, upon written request by the Instructing Party, return documents owned by the Instructing Party within a reasonable time Provided always that CBRE shall be entitled to retain a copy of the report and all related documents thereto for its compliance and record purposes and or as required by law.

ELECTRONIC COMMUNICATION

If the Instructing Party asks CBRE to send any documents by email, the Instructing Party will be deemed to have accepted the risk of (and CBRE will have no responsibility for) the message being intercepted, not being received or not being viewed by the recipient. If the Instructing Party asks CBRE to provide the Instructing Party with a copy of a document by any electronic means such as e-mails or CD- Rom, CBRE will do so on the basis that CBRE does not warrant that the disk or email communication will be virus or defect free and on the basis that:

- CBRE will not be responsible for any loss or damage sustained by the computer system which reads the disk or email; and
- precaution will be taken by the Instructing Party to ensure that the disk or email does not cause any loss or damage.

COPYRIGHT

Copyright in any written work, drawing, compilation, table, graph and similar works created by or on behalf of CBRE remains with CBRE.

Neither the whole nor any part of any valuation report or any reference to the same, may be included in any document, circular or statement published by or on behalf of the Reliant Party without CBRE's written approval as to the form and content in which it may appear. Such reproduction by the Reliant Party of any part of any valuation report without consent will constitute a breach of copyright.

VARIATION

The engagement conditions can only be varied in writing by mutual agreement between the Instructing Party and CBRE.

CONFIDENTIALITY

Any confidential information collected and held by CBRE in the course of providing the Services will only be used for purposes relating to the provision of the Services.

LIMITATION OF LIABILITY

Without limiting the generality of the "Limitation of Liability" provisions in the letter to which these Standard Terms and Conditions are attached, the following specific and/or supplemental limitation of liability applies:

CBRE accepts no responsibility or liability whatsoever for the Services unless full disclosure of all information and matters that may have an impact upon the value and marketability of the property has been made by the Instructing Party.

CBRE will provide the Services exercising due care and skill, but does not accept any liability arising from negligence or otherwise to any person (including but not limited to the Instructing Party) in relation to possible environmental site contamination or any failure to comply with environmental legislation which may affect the value of the property.

None of our employees, directors or consultants individually has a contract with the Instructing Party nor the Reliant Party or owes them a duty of care. The Instructing Party agrees, and shall procure the Reliant Party to agree, that neither the Instructing Party nor the Reliant Party (as the case may be) will bring any claim against such individuals personally in connection with our services.

The liability of CBRE is limited to the Instructing Party and (to the extent the Reliant Party has signed the reliance letter in the form set out in the relevant Schedule attached to the LOE) the Reliant Party only. No accountability, obligation or liability to any third parties is accepted.

The Instructing Party agrees to indemnify and hold CBRE harmless against and from any and all claims, losses, indemnities, costs, expenses, damages, or liabilities, including reasonable attorneys' fees, to which CBRE may become the subject and/or which CBRE has suffered or incurred in connection with the LOE. The Instructing Party's obligation for indemnification and reimbursement shall extend to any of CBRE's director, officer, employee, subcontractor, affiliate or agent providing services in connection with the LOE.

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

ENTIRETY OF TERMS OF ENGAGEMENT

The LOE and these Terms and Conditions, subject to any qualifications, conditions, assumptions, and reservations set out in any report or opinion furnished to the Instructing Party:

a) constitutes the entire understanding and agreement of the parties relating to the matters dealt within;
b) supersedes and extinguishes all prior agreements, statements, representations and understandings whether verbal or written between us relating to the matters dealt with in any engagement proposal or quotations, and
c) may be varied at any time by mutual agreement between CBRE and the Instructing Party in writing.

CBRE COMPLIANCE WITH LAWS

CBRE fully complies with the provisions of the Foreign Corrupt Practices Act of 1977, as amended by the Omnibus Trade and Competitiveness Act of 1988 (FCPA), the UK Bribery Act and relevant local anti-corruption and bribery, and anti-money laundering and counter-terrorist financing, laws and regulations ("Local Laws") and their purposes and will take no action and make no payment in violation of, or which might cause CBRE or the Instructing Party to be in violation of, the FCPA, UK Bribery Act and Local Laws.

Notwithstanding anything to the contrary, if CBRE is requested or under pressure to take any action that could constitute a violation of the FCPA, UK Bribery Act or Local Laws, CBRE may, at its sole option, immediately terminate the services and LOE and are entitled to collect full compensation for all services rendered and any additional costs incurred due to early termination.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Singapore.

COMPLAINTS PROCEDURE

If there are any complaints with regards to the services provided under this Agreement, please notify the CBRE Quality and Risk Management (QRM) team at VASQRMAsia@cbre.com

ARBITRATION

Any dispute arising out of or in connection with the LOE, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the Singapore International Arbitration Centre ("SIAC") in accordance with the Arbitration Rules of the Singapore International Arbitration Centre ("SIAC Rules") for the time being in force, which rules are deemed to be incorporated by reference in this clause. The seat of the arbitration shall be Singapore. The tribunal shall consist of 3 arbitrators. The language of arbitration shall be English.

PRIVACY ACT OR REGULATIONS

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

GENERAL

If at any time during the term of the LOE, any of the terms and conditions in the LOE is held to be or becomes void or otherwise unenforceable or for any reason by a court of competent jurisdiction to be illegal, invalid or unenforceable in any respect under the law of any jurisdiction, then such provision shall (so far as it is invalid or unenforceable) be given no effect and shall be deemed not to be included in the LOE but without invalidating any of the remaining provisions of this Agreement. Any provision held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. The parties shall then use all reasonable endeavours to replace the invalid or unenforceable provision(s) by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

SCHEDULE 3

CBRE Valuation & Advisory Services - General Principles & Assumptions adopted in the preparation of Valuations and Reports

Set out below are the general principles upon which our valuations and reports are prepared and which will apply unless specifically mentioned otherwise in the body of the report. These General Principles & Assumptions should be read in conjunction with and shall form an integral part of the Letter of Engagement ("**LOE**") entered into between CBRE Pte. Ltd. ("**CBRE**") and the Instructing Party.

VALUATION STANDARDS

All valuations will be conducted in accordance with The Singapore Institute of Surveyors and Valuers ("SISV") Valuation Standards and Practice Guidelines and will also be compliant with the International Valuation Standards ("IVS"), where appropriate.

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

VALUATION BASIS

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

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

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

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

CONFIDENTIALITY

Any valuation service is confidential as between CBRE and the Reliant Party as specifically stated in the LOE and valuation advice/report. No responsibility will be accepted or assumed to any third party (who are not nominated as a Reliant Party in this LOE) who may use or rely on the whole or any part of the content of our valuation or report.

TRANSMISSION

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

PUBLICATION:

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

FUTURE CHANGE IN VALUE

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

FUTURE MATTERS

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

VALUATION AND REPORT RELIANCE WINDOW

Without limiting the generality of this statement, we do not assume any responsibility or accept any liability, nor should the valuation be relied upon, after the expiration of 3 months from the date of valuation, or such earlier date if the Reliant Party becomes aware of any factors that may have an effect on the valuation and has not disclosed such information to CBRE.

MATTERS WHICH AFFECT OR MAY AFFECT THE VALUATION

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

PRUDENT LENDING CLAUSE

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

ASSUMPTIONS

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

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

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

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

INSPECTIONS

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

OUR INVESTIGATIONS

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

INFORMATION SUPPLIED BY OTHERS

We have assumed that where any information relevant to our valuation is supplied by the Instructing Party, or by any third party at Instructing Party's instigation, it is correct and comprehensive, and can be safely relied upon by us in preparing our valuation.

VERIFICATION OF INFORMATION

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

Version: June 2020

CBRE

SCHEDULE 3 (cont.)

CBRE Valuation & Advisory Services – General Principles & Assumptions adopted in the preparation of Valuations and Reports

FLOODING RISK

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

SITE SURVEY

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

SITE CONDITIONS

We do not commission site investigations to determine the suitability of ground conditions and services, nor do we undertake environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas or other noxious substances. In the case of property which may have redevelopment potential, we proceed on the basis that the site has load bearing capacity suitable for the anticipated form of redevelopment without the need for additional and expensive foundations or drainage systems (unless stated otherwise). Furthermore, we assume in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structure on the property.

ENVIRONMENTAL CONTAMINATION

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

ASBESTOS RISK

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

HAZARDOUS & DELETERIOUS MATERIALS

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

DOCUMENTATION AND TITLE

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

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

LIEN/CAVEATS

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

UNREGISTERED INTERESTS

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

TENANT'S COVENANT STRENGTH

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

PERMIT OF OCCUPANCY & USE

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

TOWN PLANNING AND OTHER STATUTORY REGULATION

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

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

MEASUREMENT

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

VALUATION APPROACHES AND METHODS

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

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

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

Version: June 2020

CBRE Valuation & Advisory Services – General Principles & Assumptions adopted in the preparation of Valuations and Reports

BUILDING SURVEYS

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

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

HIGH VOLTAGE ELECTRICITY SUPPLY APPARATUS

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

PLANT & MACHINERY, FIXTURES AND FITTINGS

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

DEVELOPMENT VALUATION

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

AGGREGATION

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

LIASING WITH LAWYERS

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

MAP & PLANS

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

DIRECTOR'S CLAUSE

The reviewer of report verifies that the report is genuine and endorsed by CBRE. However, the opinion of value expressed has been arrived at by the valuer or valuers.

SCHEDULE 4

Sample Reliance Letter

Our Reference: [add details]

[Insert Date]

[Reliant Party Name]
[Address details]
[Address details]
[Address details]

CBRE Pte. Ltd.
2 Tanjong Katong Road #06-01
Paya Lebar Quarter
Singapore 437161

T +65 6224 8181
F +65 6225 1987

www.cbre.com.sg

Co. Reg. No.: 197701161R
Agency License No.: L3002163I

Dear Sirs,

Re: LETTER OF RELIANCE – [NAME OF PROPERTY] (the ["Property"])

We have prepared a valuation report ("the Report")relating to the Property, reference [ ], dated [ ] 201[ ] for [Instructing Party(ies) Name] ("Instructing Party") under the terms of the appointment dated [ ] ("the Appointment").

You (each a "**Reliant Party**" and collectively, the "**Reliant Parties**") have requested to see the Report and to rely upon it. You will not be provided with the Report, nor may you rely on it for any reason or purpose whatsoever, until you have returned a countersigned copy of this letter to our attention.

In consideration of CBRE Pte. Ltd. extending reliance on the Report to you, you agree to the provisions of this letter (and in particular the indemnities and limitations of liability referred to in this letter). Subject to the foregoing, we confirm that:

- you may rely upon the information contained in the Report to the same extent as if we had been appointed directly by you to prepare the Report,
- we have exercised reasonable skill and care in preparing the Report, and
- we have in place a valid professional indemnity insurance policy. We can provide a copy of the professional indemnity insurance certificate upon written request.

Limitation of Liability

Our maximum liability to you shall be subject to the exclusions and limitations set out below.

In recognition of the relative risks and benefits of CBRE Pte. Ltd 's engagement to the Instructing Party and extension of reliance of the Report to the Reliant Party, the risks have been allocated such that each Reliant Party agrees, to the fullest extent permitted by law, the total liability, in the aggregate, of CBRE Pte. Ltd. and its professionals, officers, directors, employees, agents and sub-consultants for any and all claims, losses, indemnities, costs or damages of any nature whatsoever arising out of, resulting from or in any way related to the Appointment including but not limited to the negligence, professional errors or omissions, strict liability, breach of contract or warranty (express or implied), of CBRE Pte. Ltd. and/or its professionals, officers, directors, employees, agents or sub-consultants shall be limited to three (3) times the fees received by CBRE Pte. Ltd. under the Agreement.

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For the avoidance of doubt, CBRE Pte. Ltd. shall not be liable in contract or in tort or otherwise for or in respect of any indirect, special, punitive or consequential loss or damage howsoever caused, suffered by the Reliant Party or any other person arising out of any breach or other act or omission in connection with the Report or this letter. Indirect loss includes, without limitation, any financial loss or expenses including where caused by loss of use or of goodwill, loss of data or delay in the performance of any obligation together with any expenses incurred in connection with that loss or in litigation or attempted litigation of that loss.

None of CBRE Pte. Ltd. employees, directors or consultants individually has a contract with the Reliant Party or owes the Reliant Party a duty of care. The Reliant Party agrees it will not bring any claim against such individuals personally in connection with the Report or this letter.

The Reliant Party agrees to indemnify and to hold CBRE Pte. Ltd. harmless against and from any losses, claims, actions, damages, expenses, or liabilities including reasonable attorneys' fees, to which CBRE Pte. Ltd. may become subject to or which CBRE Pte. Ltd. may suffer or incur in connection with this letter or the Reliant Party's reading, use or any other dealings of or in relation to the Report, including but not limited to any breach of representations or warranties made by Instructing Party under the Appointment and/or any breach of the terms by the Reliant Party of this letter. The Reliant Party's obligation for indemnification shall extend to any of the CBRE's director, officer, employee, subcontractor, affiliate or agent providing services in connection with the Appointment.

The above clauses shall not exclude CBRE Pte. Ltd. liability for actual fraud, or death or personal injury caused by CBRE Pte. Ltd. negligence.

These provisions are standard with engagements of this nature and is not provided to waive our professional responsibility but as a mechanism to appropriately reflect the risk and benefits of the parties in relation to the Appointment and the subject matter under this letter.

In any action or proceedings which may arise under or pursuant to the subject matter under this letter, we shall be entitled to rely on any limitation in the Report and to raise the equivalent rights in defence of liability as we would have had against you as if you had commissioned the Report yourself.

Third Parties and Non-Disclosure of the Report

The Report is confidential to you. You may not disclose the Report except with our written consent (except that you may disclose the Report if compelled to do so by law, regulation or court order (but only to the extent of such compulsion) or to the extent that you can demonstrate that it is already in the public domain (other than as a result of your breach or a breach by a person to whom you have disclosed the Report) of the provisions of this letter.

This letter only entitles you to receive the Report and rely upon it. No other person is entitled to rely upon the Report (and we have no liability to any person other than you in relation to the Report) except with our prior written consent.

You shall not, without our written consent, assign or transfer to a third party any benefit or obligation under this reliance letter. The rights and benefits arising out of or in connection with this reliance letter may not be assigned or transferred to any party acquiring, or who has acquired, your interest, except with our express written consent.

Law and Jurisdiction

This letter shall be governed by and construed in accordance with laws of Singapore.

Any controversy or claim which arises out of or in connection with this letter shall be referred to and finally resolved by binding arbitration at the Singapore International Arbitration Centre ("SIAC") in accordance with the Arbitration Rules of the SIAC in force at the time that the Dispute is referred to arbitration ("SIAC Rules"), which rules are deemed to be incorporated by reference into this clause and as amended by the rest of this clause. The seat of arbitration shall be Singapore and the language of the arbitration proceedings shall be English. The tribunal shall consist of three arbitrators. The claimant(s) shall nominate one arbitrator and the respondent(s) shall nominate one arbitrator. The two arbitrators thus appointed shall nominate the third arbitrator who shall be the presiding arbitrator.

If within 30 days of a request from one party to the Dispute to do so, a party or parties fail to nominate an arbitrator, or if the two arbitrators fail to agree on the third arbitrator within 30 days after the appointment of the second arbitrator, the appointment shall be made, upon request of a party to the Dispute by the Chairman of SIAC in accordance with the SIAC Rules, as amended herein. Any award of the tribunal shall be made in writing and shall be final and binding on the parties to it from the day it is made.

Please sign the attached copy of this reliance letter to confirm your acceptance of the terms contained herein.

Yours faithfully
For and on behalf of
CBRE Pte. Ltd.

[Name]
[Title] – Approved Signatory

We hereby acknowledge and agree to be bound by the terms of this Reliance Letter.

For and On Behalf of: (Insert name of Reliant Party)

Authorised Representative:

Signature: ______________________________

Name: ______________________________

Title: ______________________________

Date: ______________________________

CBRE

SCHEDULE 5

Information Request List

1. Contact to arrange inspection
2. Details of proposed redevelopment plan, including estimated development costs
3. Floor plans and elevations
4. Gross floor area
5. Brief specification of finishes
6. Summary of mechanical and electrical services
7. Local infrastructure - Relevant information on transport, power, water and sewerage
8. Room details - Number of rooms, Number of rooms by type (singles, doubles, suites etc.), Size of rooms
9. Food and beverage facilities - Number of outlets, Area of each outlet, Seating capacities
10. Conference and meeting facilities - Size and number of rooms
11. Public area details - e.g. size of reception, size and number of shops
12. Other facilities - Pool, tennis courts, gym, spa, grounds etc.
13. Title details and, if leasehold, a copy of the head or ground lease
14. Land area and site plan
15. Historic actual annual management accounts in the Uniform System of Accounts format for the past three years
16. Current year actual trading details as well as budget and forecast figures
17. Latest monthly manager's report
18. Competitor trading analysis for the past three years, if available
19. Average Daily Rates and Occupancy details on a monthly basis for the same period as the management accounts
20. Source of business by geography and type of business
21. Copies of any leases of retail and other space
22. Capital Expenditure details for the last two years and plans and forecasts
23. Existing marketing materials
24. Copy of the management agreement/lease.

Appendix IV Copy of Deed of Assignment

DEED OF ASSIGNMENT

KUDAFUNAFARU IN NOONU ATOLL

MOOSA SHIYAM ABDULLA ALI

(as the "Assignor")

AND

ROXY MALDIVES RESORT & SPA PVT LTD

(as the "Assignee")

11th May 2016, Ministry of Tourism, Republic of Maldives

DEED OF ASSIGNMENT

KUDAFUNAFARU IN NOONU ATOLL

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MNS

DEED OF ASSIGNMENT

KUDAFUNAFARU IN NOONU ATOLL

THIS DEED OF ASSIGNMENT (the "Deed") is made on the 11th day of May 2016.

parties

BY:

MR. MOOSA SHIYAM ABDULLA ALI, a Maldivian citizen bearing a National Identity Card Number A023081 and having his permanent residence at M. Three A Villa, Fareedhee Magu, Male', Republic of Maldives (hereinafter referred to as **"the Assignor"**, which expression includes successors-in-title, liquidators, administrators and assigns, where the context so requires or admits) on the one part;

AND:

ROXY MALDIVES RESORT & SPA PVT LTD, a company duly registered and existing under the laws and regulations of the Maldives having a company registration number of C-0443/2016, and having its registered office at Level 2 H. Orchidmaage', Ameer Ahmed Magu, K. Male', Republic of Maldives (hereinafter referred to as the **"Assignee"**, which expression includes successors-in-title, liquidators, administrators and assigns, where the context so requires or admits) on the other part; and

recitalS

WHEREAS:

(A) A Lease Agreement was signed between the Government of Maldives and the Mr. Moosa Shiyam Abdulla Ali, on the 25th day of June 2006 for the lease of the island of Kudafunafaru in Noonu Atoll (the **"Island"**) for the purpose of developing, operating and managing a tourist resort (including any subsequent addenda hereinafter referred as the **"Lease Agreement"**); and;

(B) The Assignor, Roxy Hotels & Resorts Pte. Ltd. and Capital Edge Pvt. Ltd. signed a sale and purchase agreement on 5th February 2016 (the **"Sale and Purchase Agreement"**, a copy of which is attached hereto as **Annex 1**) under which, amongst other things, the Assignor has agreed to the assignment of the Lease Agreement of the Island which the Assignor holds, to Roxy Hotels & Resorts Pte. Ltd; and

(C) On 6th May 2016, Roxy Hotels & Resorts Pte. Ltd. novated its rights, interests and obligations under the Sale and Purchase Agreement in respect of the Island and the Lease Agreement to the Assignee pursuant to a deed of novation executed between the Assignor, the Assignee and

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Roxy Hotels & Resorts Pte. Ltd. (the "**Deed of Novation**", a copy of which is attached hereto as **Annex 2**); and

(D) The Assignor is now desirous of transferring to the Assignee, by way of assignment, all the rights and obligations under the Lease Agreement, and all the rights, titles and interest in respect of the Island, subject to the terms and conditions set forth under this Deed.

NOW THEREFORE, it is hereby agreed as follows.

ASSIGNMENT

1. From the date of this Deed, the Assignor hereby assigns, transfers and sets over to the Assignee all rights , interest, powers, functions and privileges held by the Assignor under the Lease Agreement now and in the future and all obligations and duties imposed on the Assignor to the Assignee under the terms and conditions contained in the Lease Agreement.

2. The Assignee hereby accepts the assignment of the transfer and the setting over of all interests, powers, duties and obligations conferred and imposed now and in the future on the Assignor under the Lease Agreement and agrees to perform all the remaining and executory obligations of the Assignor, in place of the original Lessee, under the Lease Agreement.

3. The Assignor warrants that the Lease Agreement is without modification, and remains on the terms contained therein.

4. The Assignor further covenants that:-

(a) at the time of this assignment the demised Island and or all the parts thereof, are free from all encumbrances, claims or charges of whatsoever nature.

(b) the quiet possession and peaceful enjoyment of the demised Island by the Assignee would not in any way be disturbed, interfered with or affected by the Assignor or any persons claiming under or through the Assignor.

(c) there are no payments outstanding to the local or other Government authorities by way of any rate, taxes and other charges whatsoever under the Lease Agreement or in connection with the Island at the date of this Deed; and

(d) there are no outstanding lease rents and/or fines payable to the Government under the Lease Agreement or in connection with the Island at the date of this Deed.

5. The Assignor does hereby declare to the Assignee that the Assignor has not at any time hereto before made, done or committed or been party or privy to any act or deed, matter or thing whatsoever whereby or by means whereof the rights of the Assignee as created by this instrument may be affected adversely or to the detriment of the Assignee.

6. The Assignor and the Assignee further holds the Ministry of Tourism, and/or the Government of Maldives harmless and indemnify the same against any claims, proceedings whatsoever arising out of or in connection with this Deed.

7. The Assignee hereby agrees to assume all responsibilities, liabilities, claims and charges and/or taxes, if any, from the date of this Deed, whatsoever, on or under the Assignee arising in connection with the demised Island and under the Lease Agreement.

8. The Assignee hereby declares to the Assignor that the Assignee shall from the date of this Deed:-

   (a) well and truly pay the sums of money payable to the Government of Maldives in accordance with the Lease Agreement;

   (b) honour the terms and conditions of the Lease Agreement; and

   (c) handover the demised Island and the Resort to the Government of Maldives, in accordance with the provisions of the Lease Agreement, on the expiry or sooner determination of the Lease Agreement.

9. This Deed shall be governed by and construed in accordance with the laws of the Republic of Maldives.

signatures

IN WITNESS WHEREOF the Assignor and the Assignee have executed this Deed on the respective dates specified below with effect from the date specified first above.

SIGNED FOR AND ON BEHALF OF THE ASSIGNOR

....
Signature

Name: Moosa Shiyam Abdulla Ali
Address: M. Three A Villa, Male', Maldives
National Identity Card Number: A-023081

11th day of May 2016

IN THE PRESENCE OF:

....
Signature of Witness

Name: Jaish Ibrahim
Address: Ma. Anooma, Male', Maldives
Maldivian National Identity Card Number: A-0404986

SIGNED FOR AND ON BEHALF OF THE ASSIGNEE

....
Signature

Name: Teow Hong Yeow
Designation: Director
Organization: Roxy Maldives Resort & Spa Private Limited

11th day of May 2016

ROXY MALDIVES RESORT & SPA PVT LTD
C-0443/2016
MALDIVES

....
Company Seal

IN THE PRESENCE OF:

....
Signature of Witness

Name: Mohamed Shahdy Anwar
Address: H. Kulhidhoshuge', Male', Maldives
Maldivian National Identity Card Number: A046338

MINISTRY OF TOURISM'S CONSENT TO THE ASSIGNMENT

CONSENT TO THE LEASE ASSIGNMENT OF

KUDAFUNAFARU IN NOONU ATOLL

The Maldivian Ministry of Tourism, as the Lessor under the Lease of the Kudafunafaru in Noonu Atoll dated on 25th day of June 2006, hereby consents to the assignment of the rights and obligations of the Assignor, as the Lessee under the said Lease Agreement, to the Assignee pursuant to this Deed of Assignment executed by the Assignor and the Assignee on this 11th day of May 2016.

SIGNED FOR AND ON BEHALF OF THE MINISTRY OF TOURISM

Hussain Lirar
Deputy Minister
Ministry of Tourism
11th day of May 2016

Ministry Seal

ANNEX 1:
COPY OF THE SALE AND PURCHASE AGREEMENT

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ANNEX 2:
DEED OF NOVATION

ms

ANNEX 3:
COPY OF THE BOARD RESOLUTION OF ROXY MALDIVES RESORT & SPA PVT LTD

Appendix V Copy of Confirmation of Transfer of Leasehold Rights

بسم الله الرحمن الرحيم

MINISTRY OF TOURISM
REPUBLIC OF MALDIVES

No: (OTHR) 88-LS/PRIV/2016/12

11th May 2016

TO WHOM IT MAY CONCERN

Re: Confirmation of Transfer of the Leasehold Rights of Kudafunafaru in Noonu Atoll

This is to state that the leasehold rights of the island of Kudafunafaru in Noonu Atoll, Republic of Maldives (the "Kudafunafaru"), has been transferred from **Mr. Moosa Shiyam Abdulla Ali**, a Maldivian citizen bearing a National Identity Card Number A023081 and having his permanent residence at M. Three A Villa, Fareedhee Magu,, Male', Republic of Maldives to **ROXY MALDIVES RESORT & SPA PVT LTD**, a private limited liability company incorporated under the laws of the Republic of Maldives under the Company Registration C-C-0443/2016 and having its registered office at at Orchidmaage, 2nd Level, Ameer Ahmed Magu, Male', Republic of Maldives, pursuant to a Deed of Assignment executed on the 11th May 2016 in respect of the Lease Agreement of Kudafunafaru in Noonu Atoll dated 25th day of June 2006.

Yours sincerely,

Zaaid Ahmed
Senior Policy Executive

MINISTRY OF TOURISM
Male', Republic of Maldives

Ministry of Tourism, Velaanaage, Fifth Floor, Ameer Ahmed Magu, Male', Maldives
Tel: +(960)332 3224, +(960)332 3226, +(960)332 1216, Fax: +(960)332 2512
E-mail: info@tourism.gov.mv, website: www.tourism.gov.mv

Desktop Valuation Review

The Prospective Market Value "as Completed"
of Land with Proposed Hotel Development "Noku Phuket"
Located at 48/13 Moo 6, Sai-Namyen Alley,
Chaofa Road (West Side), Chalong Subdistrict,
Muang District, Phuket Province, Thailand.

Report No. VR003/2022

Prepared for

Roxy-Pacific Holdings Limited

31 December 2021

Ref No. VR003/2022

10 January 2022

To: Roxy-Pacific Holdings Limited
50, East Coast Road,
#B1-18 Roxy Square,
Singapore 428769

Re: Desktop Valuation Review of Land with Proposed Hotel Development (Noku Phuket) Located at 48/13 Moo 6, Sai-Namyen Alley, Chaofa Road (West Side), Chalong Subdistrict, Muaeng District, Phuket Province, Thailand.

In accordance with your instruction, we have completed the appraisal of the above captioned property.

The subject property is land with proposed hotel development (Noku Phuket) located at 48/13 Moo 6, Sai-Namyen Alley, Chaofa Road (West Side), Chalong Subdistrict, Muaeng District, Phuket Province, Thailand.

We understand that this desktop valuation review is intended to estimate the prospective market value "as Completed" of the proposed hotel development for Voluntary Offer Purpose.

The subject property is briefly detailed in Executive Summary of this desktop valuation review and the valuation calculation details as well as assumption and limiting conditions are attached. This valuation is based on desktop valuation and referred from some relevant searches in year 2019 without site inspection for the said property. We have analyzed based on the provided documents from client.

We are of the opinion that the Prospective Market Value "as Completed" on valuation date as of 31 December 2021 are estimated as follows:

The Prospective Market Value "as Completed" by Cost Approach **THB 1,161,000,000**

Remark: The prospective market value reflects an effective date that is subsequent to the valuation date in the report.

Our Final Opinion of Prospective Market Value is based on valuation assumption and limiting condition per attachment.

We hereby certify that to the best of our knowledge and belief, no valuer has any direct or indirect interest in or connection with the subject being appraised.

Please do not hesitate to contact the undersigned for any clarifications.

Yours sincerely,

Punnee Sritunyalucksana
Chief Operating Officer
Edmund Tie & Company (Thailand) Co., Ltd
8th Floor Tonson Tower, 900 Ploenchit Road, Lumpini, Pathumwan
Bangkok 10330 Thailand. Tel: +66(0) 2257 0499
E-mail: punnee.s@etcthailand.co.th

Executive Summary

Client Name	:	Roxy-Pacific Holdings Limited.
Assignment and Engagement	:	Edmund Tie & Company (Thailand) Co Ltd was assigned to undertake valuation review of land with proposed hotel development in accordance with the acceptance letter on VP131/2021 dated on 23 December 2021.
Purpose of the Valuation	:	The valuation of this report is intended to estimate the market value in "As-Is", the prospective market value "as Completed" condition for Voluntary Offer Purposes.
Property Name	:	Noku Phuket.
Property Address	:	The property is located at 48/13 Moo 6, Sai-Namyen Alley, Chaofa Road (West Side), Chalong Subdistrict, Muaeng District, Phuket Province, Thailand.
Site Coordinate	:	Lat 7.848356 Lon 98.329219 (WGS-1984).
Type of Property	:	Land with proposed hotel development. (Renovate/rebuilt/demolish on existing zone and developed on expansion zone).
Details of Property	:	The property is located in east coast of Phuket which has calm waters and magnificent islands. Prominent land use in the immediate vicinity is the popular location with year-round resort community. There are many high-quality resorts line the east coast. The appeal of east coast is firstly, it is a gateway to the more than 3,000 magical islands of Phang Nga bay and secondly, it has an easy access to the island's international schools, international airport, Phuket Town, major shopping malls and boat marinas. Pedestrian flow in this area is considered to be moderate to high. The site was initially developed as hotel villa which accommodates 9 keys of 2-3 storey villas and a cluster of 5 keys of 1-storey villas erected on land area of 9.93 rai (3,973 sqw or 15,892 sqm) under hotel operation named as "Rising Sun Residence". It was later acquired coupled with 2 adjacent land plots by Roxy Chalong Resort Co., Ltd, with planning to partly renovate and partly remove existing buildings on an existing zone as well as developing new construction on an expansion zone. Upon completion, the site will consist of 8 keys of renovated 2-3 storey villas and 83 keys of new development phase as well as hotel facilities erected on total land area of 29.2985 rai (11,719.40 sqw or 46,877.60 sqm) under hotel operation named as "**Noku Phuket**". Overall, the site is irregular in shape with a hilly configuration. The slope is gradually increasing up from the main road to the site at an average depth of 20 to 80 meters from mean sea level. Opposite the subject property is a residential development. Surrounding the subject area is mostly vacant land with a luxury villa, hotel and local residents.
Details of Land Title Deed	:	

No.	Title Deed No.	Land Parcel No.	Survey Page No.	Land Area						
				(rai-ngan-sqw)					sqw	sqm
1	62100	412	7138	1	-	0	-	13.30	413.30	1,653.20
2	63849	8(433)	7417	0	-	3	-	41.60	341.60	1,366.40
3	63850	9(434)	3418	0	-	3	-	33.30	333.30	1,333.20
4	63851	10(435)	7419	0	-	2	-	90.60	290.60	1,162.40
5	63852	11(436)	7420	0	-	2	-	77.10	277.10	1,108.40
6	63853	6(437)	7421	1	-	0	-	55.90	455.90	1,823.60
7	63854	4(438)	7422	0	-	2	-	26.40	226.40	905.60
8	63855	2(439)	7423	0	-	2	-	57.70	257.70	1,030.80
9	63856	3(440)	7424	0	-	2	-	64.30	264.30	1,057.20
10	65016	5(452)	7655	0	-	0	-	75.00	75.00	300.00
11	71516	12(638)	8942	0	-	2	-	32.80	232.80	931.20
12	71517	98(639)	8943	2	-	0	-	5.00	805.00	3,220.00

No.	Title Deed No.	Land Parcel No.	Survey Page No.	Land Area (rai-ngan-sqw)	Land Area sqw	Land Area sqm
13	86934	172	11928	10 - 3 - 11.00	4,311.00	17,244.00
14	89578	194	12702	0 - 0 - 61.70	61.70	246.80
15	89579	195	12703	0 - 0 - 67.80	67.80	271.20
16	62258	1	7175	1 - 1 - 14.40	514.40	2,057.60
17	77132	26	9732	0 - 3 - 69.60	369.60	1,478.40
18	77133	27	9733	1 - 0 - 12.30	412.30	1,649.20
19	77134	28	9734	0 - 3 - 42.30	342.30	1,369.20
20	77135	29	9735	0 - 3 - 15.50	315.50	1,262.00
21	77136	30	9736	0 - 3 - 16.80	316.80	1,267.20
22	77137	31	9737	0 - 3 - 33.70	333.70	1,334.80
23	77138	32	9738	0 - 3 - 37.40	337.40	1,349.60
24	77139	33	9739	0 - 3 - 63.90	363.90	1,455.60
Total Registered Land Area				**29 - 1 - 19.40**	**11,719.40**	**46,877.60**

Location:	Chalong Subdistrict, Muaeng Phuket District, Phuket.
Register Owner:	Roxy Chalong Resort Co., Ltd.
Property Right:	Fee simple interest.
Encumbrance:	Mortgaged with The Oversea-Chinese Banking Corporation Limited, Bangkok Branch (Based on year 2017 title search information)
Seize Issue:	None.
Right of Access:	Sai-Namyen Alley.
Remark:	Unit of Measurements: 1 acre = 2.529 rais 1 rai = 400 square wahs 1 ngan = 100 square wahs 1 square wah = 4 square meters

Details of Building and Improvement :

No.	Description	Build Up Area (sq m)	Hotel Section (sqm)	Supporting Section (sqm)	Usage
1	Main Building (B1,B2,B3)	2,940.00		2,940.00	Lobby
2	Parking Building (B4)	1,038.00		1,038.00	Parking
3	Pavillion (B5)	70.00		70.00	Rest Area
4	BOH & Parking (B6)	648.00		648.00	Parking
5	Sea View Duplex (B7)	1,061.00	1,061.00		Residential
6	Sea View Villa (B8)	612.00	612.00		Residential
7	Sea View Villa (B9)	610.00	610.00		Residential
8	Sea View Villa (B10)	735.00	735.00		Residential
9	Sea View Villa (B11)	240.00	240.00		Residential
10	Sea View Villa (B12)	254.00	254.00		Residential
11	Sea View Villa (B13)	124.00	124.00		Residential
12	Green Zone Pool Villa (B14)	381.00	381.00		Residential
13	Green Zone Pool Villa (B15)	1,524.00	1,524.00		Residential
14	Green Zone Villa (B16)	1,330.48	1,330.48		Residential
15	Green Zone Villa (B17)	1,990.44	1,990.44		Residential
16	Green Zone Villa (B18)	1,330.48	1,330.48		Residential
17	Guestroom for Handicap (B19)	65.00	65.00		Residential
18	Building No.20 (Villa Rub-Arun)	574.00	574.00		Residential
19	Building No.21 (Villa Dara-Rai)	527.00	527.00		Residential
20	Building No.22 (Villa Athit Taya)	532.00	532.00		Residential
21	Building No.23 (Villa Wannalee)	570.00	570.00		Residential
22	Building No.24 (SPA)	817.00		817.00	Spa
	Total	**17,973.40**	**12,460.40**	**5,513.00**	

Utilization Area per Each Unit Type of the Hotel Section :

No.	Unit Type	Utilization Area (sqm)	No.of Unit
1	Sea view Pool Villa_1st floor (B7)	146.50	4
2	Sea view Pool Villa_2nd floor (B7)	237.50	2
3	Sea view Pool Villa (B8)	122.40	5
4	Sea view Pool Villa (B9)	122.00	5
5	Sea view Pool Villa (B10)	147.00	5
6	Sea view Pool Villa (B11)	120.00	2
7	Sea view Pool Villa (B12)	127.00	2
8	Sea view Pool Villa (B13)	124.00	1
9	Green Zone Pool Villa (B14)	127.00	3
10	Green Zone Pool Villa (B15)	127.00	12
11	Sky View (B16)		
	1st floor	89.62	4
	2nd floor	82.75	4
	3rd floor	165.50	2
	4th floor	155.00	2
12	Sky View (B17)		
	1st floor	87.08	6
	2nd floor	83.83	6
	3rd floor	169.66	3
	4th floor	152.00	3
13	Sky View (B18)		
	1st floor	89.62	4
	2nd floor	82.75	4
	3rd floor	165.50	2
	4th floor	155.00	2
14	Guestroom for Handicap (No.19)	65.00	1
15	Building No.20 (Villa Rub-Arun)	574.00	1
16	Building No.21 (Villa Dara-Rai)	527.00	2
17	Building No.22 (Villa Athit Taya)	532.00	2
18	Building No.23 (Villa Wannalee)	570.00	2
	Total		**91**

Registered Building Owner : Roxy Chalong Resort Co., Ltd.

Construction Permit : No.142/2559

Building Certificate : n.a.

Environmental Impact Assessment : Passed.

Hotel Business License : Granted under Rising Sun Residence and require asking permission in term of development unit and operational brand upon completion.

Interest Appraised : Fee simple interest.

Current Usage : According to the most updated monthly report, the overall progress of works is 98.0% completed (updated as of December 3, 2021) and plan to operate on July 2022

Accessibility : The site can be accessed via Sai-Namyen Alley, a sub-road connected from Chaofa Road (West Side).

EDMUND TIE

Relevant Law and Regulations	:	Town and Country Planning Based on the Town and Country Planning Announcement in 2011 (B.E.2554), the site is designated in 2 zones which area “Yellow Zone” (Block 1.49) or “Low Density Residential Area” and “Green Zone” (Block 6.23) or “Rural and Agricultural Area”. Environmental Control Law Act on Enhancement and Conservation of Environment Quality B.E.2535 (1992) and the Announcement of the Ministry of Natural Resources and Environment Regarding Prescription of Zones and Environmental Protection Measures in Phuket Province B.E.2553 (2010), dated 19th July B.E.2553 (2010), issued by virtue of the Act on National Environmental Quality Protection and Promotion B.E.2535 (1992) herein collectively the “**Environmental Control Law**”. According to the announcement, the site falls into four (4) areas comprising Area 5, Area 6, Area 7 and Area 8. By rough calculation, all land plots constitute portion of each area as follows:

Area	Description	Land Area (sqw)	Land Area (sqm)	Proportion to Total Land Area (%)
5	Rural and Agricultural Area	671.94	2,687.74	5.73
6	Area with 40-80 meters from Mean Sea Level	9,708.72	38,834.88	82.84
7	Area with above 80 meters from Mean Sea Level	19.23	76.92	0.16
8	Area other than area 1 to area 7	1,319.52	5,278.06	11.26
Total		**11,719.40**	**46,877.60**	**100.00**

Basic Utilities	:	All available with electricity, water supply and telephone system.
Expropriation	:	None to our knowledge.
Nearby Infrastructure Projects	:	Phuket light-rail project is a proposed tram system run from Tha Noon, on the southern tip of Phang Nga, across the Sarasin Bridge, to Phuket Town and then on to Chalong Circle. The total length of the route is 60 kilometers, with 23 stations along the way. Currently, it is on revised the new PPP (public private partnership) postpone for bidding to 2023 and plan to complete in 2026
Highest and Best Use	:	Hotel development.
Valuation Criteria	:	To determine the Prospective Market Value “as Completed”.
Adopted Valuation Approach	:	The Prospective Market Value “as Completed” by Cost Approach.
Date of Inspection	:	N.a. – This is the desktop valuation which is based on supplement data of Weekly Report on December 2021 of Noku Phuket Project and information from AECom (Thailand) Limited.
Date of Valuation	:	31 December 2021.

EDMUND TIE

Valuation Indication :

Details	The Prospective Market Value "as is" by Cost Approach (THB)	The Prospective Market Value "as Completed" by Cost Approach (THB)
Land - 24 title deeds containing total land area of 29-1-19.40 rai (11,719.40 sq wah or 46,877.60 sq m)	254,900,000	254,900,000
Total Building, Improvement and Hotel Operational Equipment Value **based on % work progress as of valuation date**	642,681,235	642,681,235
Total Building, Improvement and Hotel Operational Equipment Value **based on % work to complete from valuation date**		263,769,793
Total	**897,581,235**	**1,161,351,027**
Rounded to	**898,000,000**	**1,161,000,000**

Remark :
- The Prospective Market Value "as Is" by Cost Approach is considered from the weekly construction progress report as of 7 December 2021 provided by Roxy Chalong Resort Co., Ltd. And information from AECom (Thailand) Limited.
- The trading forecast is expressed in Thai Baht;
- The Subject Hotel and all its supporting components will be fully completed and opened for business on 1 July 2022.
- The product configuration and quality of development is commensurate with the positioning scenario as discussed earlier in the report.
- Any change to accommodation quality may materially affect our estimates of the achievable cost structure generating potential of the Subject Hotel. Should there be any changes in these areas, it would be advisable to have review of our performance estimates undertaken.
- The Subject Hotel will conform to all necessary license, permits and authority approvals upon completion.
- It must be recognized that, in the current economic climate, consumption and capital market are subject to volatility and uncertainty.
- We give the consent for the publication of this desktop valuation report and must be used solely for its intended purpose

Final Opinion of The Prospective Market Value : **THB1,161,000,000**
(One Billion One Hundred and Sixty-One Million Baht)

Valuer

Kitti Korkietyothin
Assistant Manager
SEC Qualified General Valuer (ส.637)

Review and Qualified Senior Valuer

Nuntharat C.

Nuntharat Charoenpakdeekun
Director
SEC Qualified Valuer (วผ.204)

Address:
Edmund Tie & Company (Thailand) Co., Ltd
8th Floor Tonson Tower, 900 Ploenchit Road, Lumpini, Pathumwan
Bangkok 10330 Thailand. Tel: +66(0) 2257 0499

Background Information

Roxy-Pacific Holdings Limited, denoted as **"the Client"**, wishes to engage a specialized consulting firm to perform desktop valuation (Referred from report no.VR125/2019) for **"Noku Phuket"** which is a proposed 5-star resort hotel development with combination of existing zone and expansion zone. The proposed project contains 24 plots of land title deeds containing total land area of 29-1-19.40 rai or 11,719.40 square wah or 46,877.60 square meter with building and improvements located at 48/13 Moo 6, Sai-Namyen Alley, Chaofa Road (West Side), Chalong Subdistrict, Muaeng District, Phuket Province, Thailand (the "**Engagement**").

Valuation Tasks

The valuation will be conducted in accordance with local market practice, and in accordance with applicable sections of **International Valuation Standards** (RICS, IVSC), as well as **Thailand Valuation Standards** (Blue Book).

- We will obtain data and/or all relevant documents to be provided by the client as required to undertake this task and referred from report no. VR125/2019;
- We will conduct a desktop valuation without inspection on-site visit to the Hotel. To view the current state of construction we referred from client's document;
- We will provide a Valuation based on the Market Value of the property making an assumption that the land is free of encumbrances, restrictions or other outgoings of an onerous nature, other than those, which have been indicated to us; and
- We will provide a Hotepl Valuation based on the Market Value of the property making an assumption that the hotel development is fully completed and operational in case it is under construction.
- The valuation will be conducted in accordance with SFRS(I) 13:
- The Valuer is in a position to provide an objective and unbiased valuation; and has the requisite knowledge and experience to undertake the valuation consistent with the objective of a FVM in accordance with SFRS(I) 13;

Assignment and Engagement

Edmund Tie & Company (Thailand) Co., Ltd was assigned to undertaken the desktop valuation in accordance with confirmation letter of valuation proposal no. VP131/2021 dated on 23 December 2021.

Basis of Valuation

The value of the property has been assessed in accordance with Market Value and the "**Market Value**" means "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".

The **"Market Value for existing use"** is defined as the value of an asset based on the continuation of its existing use, assuming the asset could be sold as part of a continuing business regardless of whether that use represents the highest and best use.

The "**Market Value As is**" is most commonly combined with Market Value resulting in "As is" Market Value because it contemplates the actual situation of the subject as of the effective date of value.

The **"Prospective Market Value"** may be appropriate for the valuation of a property interest related to a credit decision for a proposed development or renovation project.

According to USPAP, an appraisal with a prospective market value reflects an effective date that is subsequent to the date of the appraisal report.

Prospective value opinions are intended to reflect the current expectations and perceptions of market participants, based on available data.

Two prospective value opinions may be required to reflect the time frame during which development, construction, and occupancy will occur.

The **Prospective Market Value "as Completed**" reflects the property's market value as of the time that development is expected to be completed.

The **Prospective Market Value "as Stabilized"** reflects the property's market value as of the time the property is projected to achieve stabilized occupancy. For an income-producing property, stabilized occupancy is the occupancy level that a property is expected to achieve after the property is exposed to the market for lease over a reasonable period of time and at comparable terms and conditions to other similar properties.

Valuation

Highest and Best Use Analysis

Highest and Best Use is defined by the Appraisal Terminology and handbook, published by the American Institute of Real Estate appraisers, as “the most profitable likely use to which a property can be put”. The opinion of such may be based on the highest and most profitable continuous use to which the property is adapted and needed, or likely to be in demand, in the reasonably near future.

If elements affecting value depend upon events or a combination of occurrences, which while possible, are not shown to be reasonable or probable, they should be excluded from consideration. Also, if the intended use is dependent upon an uncertain act of a third person, the intention should not be considered.

The criteria for ascertaining the Highest and Best Use of a property are:

1. The use must be legally permissible.
2. The use must be physically possible.
3. The use must be financially feasible.
4. The use must be maximally productive.

In other words, “Highest and Best Use” may be defined as “the reasonably probable and legal use of vacant land or improving upon property which is physically possible, appropriately supported, financially feasible and that result in highest value.”

It should be noted the highest and best use of property can be transitory, that is, highest and best uses of properties can change over time and what is the highest and best use today may not be the highest and best use tomorrow.

The criteria in Highest and Best Use Analysis, the site must be legally permissible, physically possible, financially feasible, and maximally productive. These criteria are often considered sequentially. The test of legal permissibility and physical possibility must be applied before the remaining tests of financial feasibility and maximal productivity. A use may be financially feasible, but this is irrelevant if it is legally prohibited or physically impossible.

In accordance with the Town and Country Planning Law and other relevant factors, we are of the opinion that **Hotel Development** is considered the highest and best use.

Adopted Valuation Approach

Normally, we will select the appropriate method or methods according to the type of asset and market conditions. Should we find that more than one approach is appropriate, we will conduct those approaches and then reconcile and weigh the results in consideration of the type of property being appraised to form an opinion of value.

In this assignment, we have selected Cost Approach for assessing the Prospective Market Value “as Completed”.

Valuation by Cost Approach

We have adopted the cost assessment under Depreciated Replacement Costs (“DRC”) Approach in valuing the Property. The DRC Approach is based on an estimate of the market value for the existing use of the land, plus the current cost of replacement of the improvements less deductions for physical deterioration and all relevant forms of obsolescence and optimization.

Land Valuation by Market Comparison Approach (Adjustment Grid Sale Analysis)

This approach involves the analysis of recent transactions or offering for sale of comparable land within the vicinity and elsewhere. Necessary adjustments have been made to reflect the differences between the subject property and the comparable adopted in relation to such factors such as location, tenure, size, shape, contour, planning guidelines, accessibility, surrounding, potential for resale, dates of transactions or offering and the prevailing market conditions amongst other factors affecting its value. Based on analysis, the land value can be concluded as follows:

Details	Land Market Value (THB per Rai)	Land Area (Rais)	Total Land Value (THB)
Land - 24 title deeds containing total land area of 29-1-19.40 rai (11,719.40 sq wah or 46,877.60 sq m)	8,700,000	29.2985	254,896,950
Total Land Value			**254,900,000**

Remark: Please refer to Appendix A - Valuation Calculation Output

Building Valuation by Cost Approach (Depreciated Replacement Cost Method)

In cost assessment of buildings, improvements and other hotel operational properties, the replacement cost new is estimated as 100 per cent complete and consider the current cost as its existing condition of buildings, improvements and other hotel operational properties relying on standard construction cost/standard cost in per unit basis referred from market benchmark pricing by property construction contractor or sub-contractor plus with administration fee, professional fee on construction cost and developer profit.

In this valuation, we were supported by Noku Phuket cost report and the building, improvement and hotel operational and equipment can be summarized as follow:

Details	Market Value (THB) in As-Complete Condition	Market Value (THB) in As-Is Condition
Building and Improvement	437,123,824	433,725,455
Project Facility, Hardscape and Softscape	195,292,203	173,071,880
Building Interior	202,035,000	28,683,900
Hotel Operational Equipment	72,000,000	7,200,000
Total Building, Improvement and Hotel Operational Equipment Value	**906,451,027**	**642,681,235**
Rounded to	**906,000,000**	**643,000,000**
Remark: The building and improvement are under construction and has no deduction for depreciation.		
Contingency cost and value added tax (VAT) are excluded from the above value.		

The Prospective Market Value "as Completed" by Cost Approach

Details	The Prospective Market Value "as Completed" (THB)
Land - 24 title deeds containing total land area of 29-1-19.40 rai (11,719.40 sq wah or 46,877.60 sq m)	254,900,000
Total Building, Improvement and Hotel Operational Equipment Value	906,451,027
Total	**1,161,351,027**
Rounded to	**1,161,000,000**

Remark: Please refer to Appendix A - Valuation Calculation Output

Final Opinion of the Perspective Market Value

The prospective market value by each approach can be summarized accordingly:

The Prospective Market Value "as Completed" by Cost Approach	:	THB1,161,000,000 (One Billion One Hundred and Sixty-One Million Baht)

We are of the opinion that the prospective market value "as Completed" comprising land area of 8-0-81.30 rai (8.2033 rai or 13,125.20 square meters) with proposed hotel development (Noku Phuket) with 91 keys as of valuation date on 31 December 2021 under the Assumptions and Limiting Conditions should have the final opinion of prospective market value by Cost Approach as follows:

Final Opinion of the Prospective Market Value	:	**THB1,161,000,000** **(One Billion One Hundred and Sixty-One Million Baht)**

Remark: The prospective market value reflects an effective date that is subsequent to the valuation date in the report.

Attachment Details

Assumptions and Limiting Conditions

This desktop Valuation and Report has been prepared subject to the following limiting conditions:-

Valuation Basis
Our valuation is made on the basis of Market Value. The term "Market Value" is the estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion.

Confidentiality
Our Valuation and Report is confidential to the party to whom it is addressed and to their professional advisors for the specific purpose to which they refer. The valuer disclaims all responsibility and will accept no liability to any other party. Neither the whole, nor 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 consent of the form and context in which it will appear.

Source of Information
Where it is stated in the report that information has been supplied to the valuer by the sources listed, this information is believed to be reliable, but the valuer will accept no responsibility if this should prove not to be so. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities.

Tenants
Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of lettings, it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.

Town Planning and Other Statutory Regulations
Information on Town Planning is obtained from the set of Department of Public Works and Town and Country Planning and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements. If assurance is required, we recommend that verification be obtained from your lawyers.
Our valuations are prepared on the basis that the premises and any improvements thereon comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Statutory Completion by the competent authority.

Structural Surveys
Unless expressly instructed, we do not carry out a structural survey, nor do we test the services. Whilst any defects or items of disrepair which we note during the course of our inspection will be reflected in our valuations, we are not able to give any assurance in respect of rot, termite, or past infestation or other hidden defects.

Site Conditions
We do not normally carry out investigations on site in order to determine the suitability of the ground conditions, and the services, for any new development. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that where the development is proposed, no extraordinary expenses or delays will be incurred during the construction period.

Attendance in Court
The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefore.

Appendix A: Valuation Calculation Output

Valuation by Cost Approach

- **Depreciated Replacement Cost**
- **Land Adjustment Grid Sale Analysis**
- **Land Comparable Data**

EDMUND TIE

Valuation Detail : Valuation of Land with Buildings and Improvements
Property Detail : Land area 29-1-19.40 rai (46,877.60 sqm) with Hotel Development Project
Location : Soi Sai-Namyen, Chaofa Road (west side), Chalong Subdistrict, Muang District, Phuket Province.
Client : Roxy-Pacific Holdings Limited
Date of Valuation : December 31, 2021

DETAIL OF COST APPROACH BY DEPRECIATED REPLACEMENT COST

LAND AREA 29-1-19.40 RAI (46,877.60 Sqm.) WITH HOTEL DEVELOPMENT "NOKU PHUKET PROJECT"

1) LAND (INCLUDING DEVELOPMENT COST)

Land Area 29-1-19.40 rai or 46,877.60 sqm.		**Land Value (THB)**
Land Value 8,700,000 THB/Rai		254,900,000

2) BUILDINGS & IMPROVEMENTS (STRUCTURE & ACHITECTURE) - Plus Provisional Sums & Profits and Overheads

No.	Description	Build Up Area (sq m)	Construction Cost (THB/sq m)	Replacement Cost New (RCN) (THB)	Construction Progress (%)	Construction Cost to Date (THB)	Remaining Construction Cost (THB)	Building Age (Year)	Depreciation		Depreciated Replacement Cost (DRC - THB)
									(%)	(THB)	
2.1	**Main Building (B1,B2,B3)**										
	- Internal Area - Ground Floor	905.00	15,000	13,575,000	99.95%	13,568,213	6,788	-	0%	-	13,568,213
	- Internal Area - Upper Floor	405.00	15,000	6,075,000	99.95%	6,071,963	3,038	-	0%	-	6,071,963
	- Swimming Pool	310.00	20,000	6,200,000	99.95%	6,196,900	3,100	-	0%	-	6,196,900
	- Pool Terrace	181.00	7,500	1,357,500	99.95%	1,356,821	679	-	0%	-	1,356,821
	- Terrace & Open Space	1,139.00	3,500	3,986,500	99.95%	3,984,507	1,993	-	0%	-	3,984,507
	Total Utilization Area - Main Building (B1,B2,B3)	**2,940.00**	**10,610**	**31,194,000**	**100.0%**	**31,178,403**	**15,597**	**-**	**-**	**-**	**31,178,403**
2.2	**Parking Building (B4)**										
	- Parking Ramp	1,038.00	4,500	4,671,000	100.0%	4,671,000	0	-	0%	-	4,671,000
	Total Area - Parking Building (B4)	**1,038.00**	**4,500**	**4,671,000**	**100.0%**	**4,671,000**	**-**	**-**	**-**	**-**	**4,671,000**
2.3	**Pavillion (B5)**										
	- Internal Area	70.00	12,000	840,000	100.0%	840,000	0	-	0%	-	840,000
	Total Utilization Area - Pavillion (B5)	**70.00**	**12,000**	**840,000**	**100.0%**	**840,000**	**-**	**-**	**-**	**-**	**840,000**
2.4	**BOH & Parking (B6)**										
	- Internal Area	648.00	16,500	10,692,000	100.0%	10,692,000	0	-	0%	-	10,692,000
	Total Utilization Area - BOH & Parking (B6)	**648.00**	**16,500**	**10,692,000**	**100.0%**	**10,692,000**	**-**	**-**	**-**	**-**	**10,692,000**
2.5	**Sea View Duplex (B7)**										
	- Internal Area	343.80	25,000	8,595,000	100.0%	8,595,000	0	-	0%	-	8,595,000
	- Terrace & Balcony	159.60	17,500	2,793,000	100.0%	2,793,000	0	-	0%	-	2,793,000
	- Swimming Pool	224.00	18,000	4,032,000	100.0%	4,032,000	0	-	0%	-	4,032,000
	- Garden & Landscape	333.60	8,500	2,835,600	100.0%	2,835,600	0	-	0%	-	2,835,600
	Total Utilization Area - Sea View Duplex (B7)	**1,061.00**	**17,206**	**18,255,600**	**100.0%**	**18,255,600**	**-**	**-**	**-**	**-**	**18,255,600**
2.6	**Sea View Villa (B8)**										
	- Internal Area	250.00	25,000	6,250,000	100.0%	6,250,000	0	-	0%	-	6,250,000
	- Terrace & Balcony	92.50	17,500	1,618,750	100.0%	1,618,750	0	-	0%	-	1,618,750
	- Swimming Pool	168.00	18,000	3,024,000	100.0%	3,024,000	0	-	0%	-	3,024,000
	- Garden & Landscape	101.50	8,500	862,750	100.0%	862,750	0	-	0%	-	862,750
	Total Utilization Area - Sea View Villa (B8)	**612.00**	**19,208**	**11,755,500**	**100.0%**	**11,755,500**	**-**	**-**	**-**	**-**	**11,755,500**
2.7	**Sea View Villa (B9)**										
	- Internal Area	250.00	25,000	6,250,000	100.0%	6,250,000	0	-	0%	-	6,250,000
	- Terrace & Balcony	92.50	17,500	1,618,750	100.0%	1,618,750	0	-	0%	-	1,618,750
	- Swimming Pool	168.00	18,000	3,024,000	100.0%	3,024,000	0	-	0%	-	3,024,000
	- Garden & Landscape	99.50	8,500	845,750	100.0%	845,750	0	-	0%	-	845,750
	Total Utilization Area - Sea View Villa (B9)	**610.00**	**19,243**	**11,738,500**	**100.0%**	**11,738,500**	**-**	**-**	**-**	**-**	**11,738,500**
2.8	**Sea View Villa (B10)**										
	- Internal Area	269.50	25,000	6,737,500	100.0%	6,737,500	0	-	0%	-	6,737,500
	- Terrace & Balcony	93.50	17,500	1,636,250	100.0%	1,636,250	0	-	0%	-	1,636,250
	- Swimming Pool	239.60	18,000	4,312,800	100.0%	4,312,800	0	-	0%	-	4,312,800
	- Garden & Landscape	132.40	8,500	1,125,400	100.0%	1,125,400	0	-	0%	-	1,125,400
	Total Utilization Area - Sea View Villa (B10)	**735.00**	**18,792**	**13,811,950**	**100.0%**	**13,811,950**	**-**	**-**	**-**	**-**	**13,811,950**
2.9	**Sea View Villa (B11)**										
	- Internal Area	106.00	25,000	2,650,000	100.0%	2,650,000	0	-	0%	-	2,650,000
	- Terrace & Balcony	37.40	17,500	654,500	100.0%	654,500	0	-	0%	-	654,500
	- Swimming Pool	56.00	18,000	1,008,000	100.0%	1,008,000	0	-	0%	-	1,008,000
	- Garden & Landscape	40.60	8,500	345,100	100.0%	345,100	0	-	0%	-	345,100
	Total Utilization Area - Sea View Villa (B11)	**240.00**	**19,407**	**4,657,600**	**100.0%**	**4,657,600**	**-**	**-**	**-**	**-**	**4,657,600**
2.10	**Sea View Villa (B12)**										
	- Internal Area	106.00	25,000	2,650,000	100.0%	2,650,000	0	-	0%	-	2,650,000
	- Terrace & Balcony	37.40	17,500	654,500	100.0%	654,500	0	-	0%	-	654,500
	- Swimming Pool	68.00	18,000	1,224,000	100.0%	1,224,000	0	-	0%	-	1,224,000
	- Garden & Landscape	42.60	8,500	362,100	100.0%	362,100	0	-	0%	-	362,100
	Total Utilization Area - Sea View Villa (B12)	**254.00**	**19,254**	**4,890,600**	**100.0%**	**4,890,600**	**-**	**-**	**-**	**-**	**4,890,600**
2.11	**Sea View Villa (B13)**										
	- Internal Area	53.00	25,000	1,325,000	100.0%	1,325,000	0	-	0%	-	1,325,000
	- Terrace & Balcony	18.70	17,500	327,250	100.0%	327,250	0	-	0%	-	327,250
	- Swimming Pool	36.80	18,000	662,400	100.0%	662,400	0	-	0%	-	662,400
	- Garden & Landscape	15.50	8,500	131,750	100.0%	131,750	0	-	0%	-	131,750
	Total Utilization Area - Sea View Villa (B13)	**124.00**	**19,729**	**2,446,400**	**100.0%**	**2,446,400**	**-**	**-**	**-**	**-**	**2,446,400**
2.12	**Green Zone Pool Villa (B14)**										
	- Internal Area	45.70	45,000	2,056,500	100.0%	2,056,500	0	-	0%	-	2,056,500
	- Terrace & Balcony	56.60	31,500	1,782,900	100.0%	1,782,900	0	-	0%	-	1,782,900
	- Swimming Pool	24.70	20,000	494,000	100.0%	494,000	0	-	0%	-	494,000
	Total Utilization Area - Green Zone Pool Villa (B14)	**127.00**	**34,121**	**4,333,400**	**100.0%**	**4,333,400**	**-**	**-**	**-**	**-**	**4,333,400**
	Total - 3 Keys	**381.00**	**34,121**	**13,000,200**		**13,000,200**	**-**				**13,000,200**

Valuation Detail	: Valuation of Land with Buildings and Improvements
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Location	: Soi Sai-Namyen, Chaofa Road (west side), Chalong Subdistrict, Muang District, Phuket Province.
Client	: Roxy-Pacific Holdings Limited
Date of Valuation	: December 31, 2021

DETAIL OF COST APPROACH BY DEPRECIATED REPLACEMENT COST

LAND AREA 29-1-19.40 RAI (46,877.60 Sqm.) WITH HOTEL DEVELOPMENT "NOKU PHUKET PROJECT"

1) LAND (INCLUDING DEVELOPMENT COST)

			Land Value (THB)
Land Area 29-1-19.40 rai or 46,877.60 sqm.			
Land Value	8,700,000	THB/Rai	254,900,000

2) BUILDINGS & IMPROVEMENTS (STRUCTURE & ACHITECTURE) - Plus Provisional Sums & Profits and Overheads

No.		Description	Build Up Area (sq m)	Construction Cost (THB/sq m)	Replacement Cost New (RCN) (THB)	Construction Progress (%)	Construction Cost to Date (THB)	Remaining Construction Cost (THB)	Building Age (Year)	Depreciation (%)	Depreciation (THB)	Depreciated Replacement Cost (DRC - THB)
2.13		**Green Zone Pool Villa (B15)**										
	-	Internal Area	45.70	45,000	2,056,500	100.0%	2,056,500	0	-	0%	-	2,056,500
	-	Terrace & Balcony	56.60	31,500	1,782,900	100.0%	1,782,900	0	-	0%	-	1,782,900
	-	Swimming Pool	24.70	20,000	494,000	100.0%	494,000	0	-	0%	-	494,000
		Total Utilization Area - Green Zone Pool Villa (B15)	**127.00**	**34,121**	**4,333,400**	**100.0%**	**4,333,400**	**-**	**-**	**-**	**-**	**4,333,400**
		Total - 12 Keys	**1,524.00**	**34,121**	**52,000,800**	**-**	**52,000,800**	**-**	**-**	**-**	**-**	**52,000,800**
2.14		**Green Zone Villa (B16)**										
	-	Internal Area	763.00	20,000	15,260,000	100.0%	15,260,000	0	-	0%	-	15,260,000
	-	Terrace & Balcony	404.00	14,000	5,656,000	100.0%	5,656,000	0	-	0%	-	5,656,000
	-	Swimming Pool	22.50	18,000	405,000	100.0%	405,000	0	-	0%	-	405,000
	-	Garden & Landscape	140.98	8,500	1,198,330	100.0%	1,198,330	0	-	0%	-	1,198,330
	-	Common Area / Corridor	398.00	10,000	3,980,000	100.0%	3,980,000	0	-	0%	-	3,980,000
		Total Utilization Area - Green Zone Villa (B16)	**1,728.48**	**15,331**	**26,499,330**	**100.0%**	**26,499,330**	**-**	**-**	**-**	**-**	**26,499,330**
2.15		**Green Zone Villa (B17)**										
	-	Internal Area	1,087.00	20,000	21,740,000	100.0%	21,740,000	0	-	0%	-	21,740,000
	-	Terrace & Balcony	569.00	14,000	7,966,000	100.0%	7,966,000	0	-	0%	-	7,966,000
	-	Swimming Pool	34.50	18,000	621,000	100.0%	621,000	0	-	0%	-	621,000
	-	Garden & Landscape	299.94	8,500	2,549,490	100.0%	2,549,490	0	-	0%	-	2,549,490
	-	Common Area / Corridor	622.00	10,000	6,220,000	100.0%	6,220,000	0	-	0%	-	6,220,000
		Total Utilization Area - Green Zone Villa (B17)	**2,612.44**	**14,966**	**39,096,490**	**100.0%**	**39,096,490**	**-**	**-**	**-**	**-**	**39,096,490**
2.16		**Green Zone Villa (B18)**										
	-	Internal Area	763.00	20,000	15,260,000	100.0%	15,260,000	0	-	0%	-	15,260,000
	-	Terrace & Balcony	404.00	14,000	5,656,000	100.0%	5,656,000	0	-	0%	-	5,656,000
	-	Swimming Pool	22.50	18,000	405,000	100.0%	405,000	0	-	0%	-	405,000
	-	Garden & Landscape	140.98	8,500	1,198,330	100.0%	1,198,330	0	-	0%	-	1,198,330
	-	Common Area / Corridor	398.00	10,000	3,980,000	100.0%	3,980,000	0	-	0%	-	3,980,000
		Total Utilization Area - Green Zone Villa (B18)	**1,728.48**	**15,331**	**26,499,330**	**100.0%**	**26,499,330**	**-**	**-**	**-**	**-**	**26,499,330**
2.17		**Guestroom for Handicap (B19)**										
	-	Internal Area	45.70	37,000	1,690,900	100.0%	1,690,900	0	-	0%	-	1,690,900
	-	Terrace & Balcony	19.30	14,000	270,200	100.0%	270,200	0	-	0%	-	270,200
		Total Utilization Area - Guestroom for Handicap (B19)	**65.00**	**30,171**	**1,961,100**	**100.0%**	**1,961,100**	**-**	**-**	**-**	**-**	**1,961,100**
2.18		**Building No.20 (Villa Rub-Arun)**										
	-	Internal Area	339.00	37,000	12,543,000	100.0%	12,543,000	0	-	0%	-	12,543,000
	-	Swimming Pool	235.00	25,000	5,875,000	100.0%	5,875,000	0	-	0%	-	5,875,000
		Total Utilization Area - Building No.20 (Villa Rub-Arun)	**574.00**	**32,087**	**18,418,000**	**100.0%**	**18,418,000**	**-**	**-**	**-**	**-**	**18,418,000**
2.19		**Building No.21 (Villa Dara-Rai)**										
	-	Internal Area	415.00	37,000	15,355,000	100.0%	15,355,000	0	-	0%	-	15,355,000
	-	Swimming Pool	112.00	25,000	2,800,000	100.0%	2,800,000	0	-	0%	-	2,800,000
		Total Utilization Area - Building No.21 (Villa Dara-Rai)	**527.00**	**34,450**	**18,155,000**	**100.0%**	**18,155,000**	**-**	**-**	**-**	**-**	**18,155,000**
2.20		**Building No.22 (Villa Athit Taya)**										
	-	Internal Area	415.00	37,000	15,355,000	100.0%	15,355,000	0	-	0%	-	15,355,000
	-	Swimming Pool	117.00	25,000	2,925,000	100.0%	2,925,000	0	-	0%	-	2,925,000
		Total Utilization Area - Building No.22 (Villa Athit Taya)	**532.00**	**34,361**	**18,280,000**	**100.0%**	**18,280,000**	**-**	**-**	**-**	**-**	**18,280,000**
2.21		**Building No.23 (Villa Wannalee)**										
	-	Internal Area	468.00	37,000	17,316,000	100.0%	17,316,000	0	-	0%	-	17,316,000
	-	Swimming Pool	102.00	25,000	2,550,000	100.0%	2,550,000	0	-	0%	-	2,550,000
		Total Utilization Area - Building No.23 (Villa Wannalee)	**570.00**	**34,853**	**19,866,000**	**100.0%**	**19,866,000**	**-**	**-**	**-**	**-**	**19,866,000**
2.22		**Building No.24 (SPA)**										
	-	Internal Area (5 Units)	375.00	25,000	9,375,000	100.0%	9,375,000	0	-	0%	-	9,375,000
	-	Swimming Pool	247.00	20,000	4,940,000	100.0%	4,940,000	0	-	0%	-	4,940,000
	-	Terrace & Balcony	195.00	12,500	2,437,500	100.0%	2,437,500	0	-	0%	-	2,437,500
		Total Utilization Area - Building No.24 (SPA)	**817.00**	**20,505**	**16,752,500**	**100.0%**	**16,752,500**	**-**	**-**	**-**	**-**	**16,752,500**
2.23		**External Works**										
	-	Zone 1 - Main Entrance & Lobby	LS	LS	5,033,301	90.0%	4,529,971	503,330	-	0%	-	4,529,971
	-	Zone 2 - Sea View Roof Garden	LS	LS	371,823	90.0%	334,641	37,182	-	0%	-	334,641
	-	Zone 3 - Sea View Villa & Sea View Villa Duplex	LS	LS	1,092,775	90.0%	983,498	109,278	-	0%	-	983,498
	-	Zone 4 - Green Zone Pool Villa 1	LS	LS	1,665,414	90.0%	1,498,873	166,541	-	0%	-	1,498,873
	-	Zone 5 - Green Zone Pool Villa 2	LS	LS	3,419,848	90.0%	3,077,863	341,985	-	0%	-	3,077,863
	-	Zone 6 - Green Zone Pool Villa 3 & Duplex	LS	LS	2,462,892	90.0%	2,216,602	246,289	-	0%	-	2,216,602
	-	Viila Entrance to 11A, 11B, 12A, 12B & 13	LS	LS	179,951	90.0%	161,956	17,995	-	0%	-	161,956
	-	Boundary Wall and Decorative Wall	LS	LS	2,404,508	95.0%	2,284,282	120,225	-	0%	-	2,284,282
	-	Drainage and Irrigation	LS	LS	6,073,696	95.0%	5,770,011	303,685	-	0%	-	5,770,011
	-	Ponds	LS	LS	3,345,497	85.0%	2,843,672	501,824	-	0%	-	2,843,672
	-	Retaining Wall Zone 2	LS	LS	4,166,674	85.0%	3,541,673	625,001	-	0%	-	3,541,673
	-	Parking /Main Road / Buggy Road	LS	LS	8,188,735	95.0%	7,779,298	409,437	-	0%	-	7,779,298

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DETAIL OF COST APPROACH BY DEPRECIATED REPLACEMENT COST

LAND AREA 29-1-19.40 RAI (46,877.60 Sqm.) WITH HOTEL DEVELOPMENT "NOKU PHUKET PROJECT"

1) LAND (INCLUDING DEVELOPMENT COST)

Land Area 29-1-19.40 rai or 46,877.60 sqm.			**Land Value (THB)**
Land Value	8,700,000	THB/Rai	254,900,000

2) BUILDINGS & IMPROVEMENTS (STRUCTURE & ACHITECTURE) - Plus Provisional Sums & Profits and Overheads

No.	Description	Build Up Area (sq m)	Construction Cost (THB/sq m)	Replacement Cost New (RCN) (THB)	Construction Progress (%)	Construction Cost to Date (THB)	Remaining Construction Cost (THB)	Building Age (Year)	Depreciation (%)	Depreciation (THB)	Depreciated Replacement Cost (DRC - THB)
	- Boardwalk at Zone 4	LS	LS	760,193	100.0%	760,193	-	-	0%	-	760,193
	- Boardwalk at Zone 5	LS	LS	325,293	100.0%	325,293	-	-	0%	-	325,293
	- Underground Water Tank	LS	LS	2,651,325	100.0%	2,651,325	-	-	0%	-	2,651,325
	Total - External Works			**42,141,925**	**92.0%**	**38,759,152**	**3,382,773**	**-**	**-**	**-**	**38,759,152**
2.24	**Others Works**										
	- Preliminaries and General	LS	LS	23,000,000	100.0%	23,000,000	-	-	0%	-	23,000,000
	- Site Clearing and Preparation	LS	LS	3,500,000	100.0%	3,500,000	-	-	0%	-	3,500,000
	- Demolition Works to Existing Villa	LS	LS	3,000,000	100.0%	3,000,000	-	-	0%	-	3,000,000
	Total - Others Works			**29,500,000**	**100.0%**	**29,500,000**	**-**	**-**	**-**	**-**	**29,500,000**
	TOTAL BUILDING CONSTRUCTION COST			**437,123,825**	**99.2%**	**433,725,455**	**3,398,370**	**-**	**-**	**-**	**433,725,455**

3) PROJECT FACILITY & HARDSCAPE AND SOFTSCAPE - Plus Provisional Sums & Profits and Overheads

No.	Description	Build Up Area (sq m)	Construction Cost (THB/sq m)	Replacement Cost New (RCN) (THB)	Construction Progress (%)	Construction Cost to Date (THB)	Remaining Construction Cost (THB)	Building Age (Year)	Depreciation (%)	Depreciation (THB)	Depreciated Replacement Cost (DRC - THB)
3.1	**Soft scape works (New zone)**										
	- New Zone	LS	LS	36,944,747	85%	-	5,541,712	-	0%	-	31,403,035
	- Renovate Zone	LS	LS	5,037,142	85%	-	755,571	-	0%	-	4,281,571
3.2	**M&E Infrastructure Cost**										
	- Preliminaries and General	LS	LS	6,258,370	100%	6,258,370	-	-	0%	-	6,258,370
	- Electrical Infra Works	LS	LS	49,112,124	90%	44,200,912	4,911,212	-	0%	-	44,200,912
	- Sanitary Infra Works	LS	LS	21,955,401	90%	19,759,861	2,195,540	-	0%	-	19,759,861
	- Fire Protection Infra Works	LS	LS	4,006,016	90%	-	400,602	-	0%	-	3,605,415
	- M&E Building Works	LS	LS	65,889,179	90%	-	6,588,918	-	0%	-	59,300,261
3.3	**LIFT (Passenger Lift (630 kg. 60 m/min, 4FL)**	3	1,200,000	6,089,224	70%	-	1,826,767	-	0%	-	4,262,457
	PROJECT FACILITY & HARDSCAPE AND SOFTSCAPE			**195,292,203**	**89%**	**173,071,880**	**22,220,323**	**-**	**-**	**-**	**173,071,880**

4) INTERIOR & FURNITURE WORKS (OWNER'S INVESTMENT COST)

No.	Description	Build Up Area (sq m)	Construction Cost (THB/sq m)	Replacement Cost New (RCN) (THB)	Construction Progress (%)	Construction Cost to Date (THB)	Remaining Construction Cost (THB)	Building Age (Year)	Depreciation (%)	Depreciation (THB)	Depreciated Replacement Cost (DRC - THB)
4.1	Sea View Duplex (B7)	343.80	30,000	10,314,000	20%	2,062,800	8,251,200	-	0%	-	2,062,800
4.2	Sea View Villa (B8)	250.00	30,000	7,500,000	20%	1,500,000	6,000,000	-	0%	-	1,500,000
4.3	Sea View Villa (B9)	250.00	30,000	7,500,000	20%	1,500,000	6,000,000	-	0%	-	1,500,000
4.4	Sea View Villa (B10)	269.50	30,000	8,085,000	20%	1,617,000	6,468,000	-	0%	-	1,617,000
4.5	Sea View Villa (B11)	106.00	30,000	3,180,000	20%	636,000	2,544,000	-	0%	-	636,000
4.6	Sea View Villa (B12)	106.00	30,000	3,180,000	20%	636,000	2,544,000	-	0%	-	636,000
4.7	Sea View Villa (B13)	53.00	30,000	1,590,000	20%	318,000	1,272,000	-	0%	-	318,000
4.8	Green Zone Pool Villa (B14)	137.10	30,000	4,113,000	20%	822,600	3,290,400	-	0%	-	822,600
4.9	Green Zone Pool Villa (B15)	548.40	30,000	16,452,000	20%	3,290,400	13,161,600	-	0%	-	3,290,400
4.10	Green Zone Villa (B16)	763.00	30,000	22,890,000	20%	4,578,000	18,312,000	-	0%	-	4,578,000
4.11	Green Zone Villa (B17)	1,087.00	30,000	32,610,000	10%	3,261,000	29,349,000	-	0%	-	3,261,000
4.12	Green Zone Villa (B18)	763.00	30,000	22,890,000	10%	2,289,000	20,601,000	-	0%	-	2,289,000
4.13	Guestroom for Handicap (B19)	45.70	30,000	1,371,000	10%	137,100	1,233,900	-	0%	-	137,100
4.14	Building No.20 (Villa Rub-Arun)	339.00	30,000	10,170,000	10%	1,017,000	9,153,000	-	0%	-	1,017,000
4.15	Building No.21 (Villa Dara-Rai)	415.00	30,000	12,450,000	10%	1,245,000	11,205,000	-	0%	-	1,245,000
4.16	Building No.22 (Villa Athit Taya)	415.00	30,000	12,450,000	10%	1,245,000	11,205,000	-	0%	-	1,245,000
4.17	Building No.23 (Villa Wannalee)	468.00	30,000	14,040,000	10%	1,404,000	12,636,000	-	0%	-	1,404,000
4.18	Building No.24 (SPA)	375.00	30,000	11,250,000	10%	1,125,000	10,125,000	-	0%	-	1,125,000
	TOTAL BUILDING INTERIOR COST	**6,734.50**	**30,000**	**202,035,000**	**14%**	**28,683,900**	**173,351,100**	**-**	**-**	**-**	**28,683,900**

5) ESTIMATED HOTEL OPERATIONS AND EQUIPMENT (OWNER'S INVESTMENT COST)

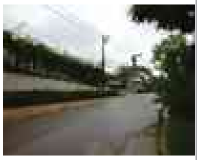
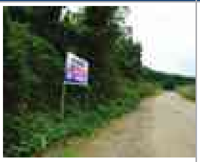
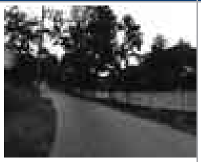
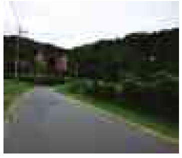
No.	Description	Build Up Area (sq m)	Construction Cost (THB/sq m)	Replacement Cost New (RCN) (THB)	Construction Progress (%)	Construction Cost to Date (THB)	Remaining Construction Cost (THB)	Building Age (Year)	Depreciation (%)	Depreciation (THB)	Depreciated Replacement Cost (DRC - THB)
5.1	Hotel Operations and Equipment	LS	LS	72,000,000	10%	7,200,000	64,800,000	-	0%	-	7,200,000
	ESTIMATED FURNITURE & AIR CONDITION AND EQUIPMENT	**-**	**-**	**72,000,000**	**10%**	**7,200,000**	**64,800,000**	**-**	**-**	**-**	**7,200,000**

CONSTRUCTION COST IN TOTAL	**906,451,027**	**71%**	**642,681,235**	**263,769,793**	**-**	**-**	**-**	**642,681,235**
TOTAL LAND WITH BUILDINGS AND OTHERS IMPROVEMENTS	**1,161,351,027**							**897,581,235**
ROUNDED TO (As-Completed Condition)	**1,161,000,000**	**ROUNDED TO (As-Is Condition)**						**898,000,000**

Valuation Detail	: **Valuation of Land with Buildings and Improvements**
Property Detail	: **Land area 29-1-19.40 rai (46,877.60 sqm) with Hotel Development Project**
Location	: Soi Sai-Namyen, Chaofa Road (west side), Chalong Subdistrict, Muang District, Phuket Province.
Client	: **Roxy-Pacific Holdings Limited**
Date of Valuation	: **December 31, 2021**

LAND MARKET VALUE BY MARKET COMPARISON APPROACH (ADJUSTMENT GRID SALE ANALYSIS)

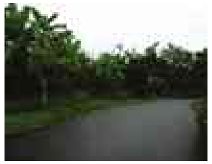
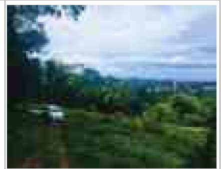
LAND AREA 29-1-19.40 RAI (46,877.60 Sqm.) WITH HOTEL DEVELOPMENT "NOKU PHUKET PROJECT"

DESCRIPTION	THE SUBJECT PROPERTY	COMPARABLE 4	COMPARABLE 8	COMPARABLE 10
Exterier View				
Property Type	Vacant Land (Assumed)	Vacant Land	Vacant Land	Vacant Land
Transaction Type	Offering for sale (Assumed)	Transaction	Offering for sale	Offering for sale
Location	Soi Sai-Namyen, Chaofa Road (west side	Soi Jaofa 69	Baan Chalong Road (Soi Sai Nam Yen)	Soi Bang Rae
Distance from Main Road	Approx. 800 Meters	Approx. 3,100 Meters	Approx. 600 Meters	Approx. 1,100 Meters
Site Geographic Coordinate	Lat 7.848356, Lon 98.329219	Lat 7.858435, Lon 98.322052	Lat 7.849198, Lon 98.329657	Lat 7.834899, Lon 98.32633
Site Area (rai-ngan-sqw)	29-1-19.40 rai	18-2-32.40 rai	14-3-64.90 rai	32-2-82.20 rai
Site Area (rai)	Approx. 29.2985 rais	Approx. 18.5810 rais	Approx. 14.9123 rais	Approx. 32.7055 rais
Site Area (sq wah)	Approx. 11,719.4 sqw.	Approx. 7,432.4 sqw.	Approx. 5,964.9 sqw.	Approx. 13,082.2 sqw.
Site Area (sq Meters)	Approx. 46,877.6 sqm.	Approx. 29,729.6 sqm.	Approx. 23,859.6 sqm.	Approx. 52,328.8 sqm.
Land Topography	Hillside/Slope	Hillside/Slope	Hillside/Slope	Hillside/Slope
View	Sea View	City View	City View	City View
Site Configuration & Constraint	Irregular Shape	Irregular Shape	Irregular Shape	Irregular Shape
Land Grade	Filled,same the fronting road level	Filled,same the fronting road level	Filled,same the fronting road level	Filled,same the fronting road level
Land Frontage	Approx. 147.0 Meters	Approx. 175.0 Meters	Approx. 115.0 Meters	Approx. 430.0 Meters
Colour Zoning/Land Block	Green Zone (Rural and Agricultural)	Green Zone (Rural and Agricultural)	Yellow Zone (Low Density Residential)	Green Zone (Rural and Agricultural)
Environment Control Law	Area 7 (Area with higher than 80 meters from the MSL)	Area 6 (Area with a height of 40-80 meters from the MSL)	Area 6 (Area with a height of 40-80 meters from the MSL)	Area 5 (rural and agricultural area)
Development Potential	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project
Date of Transaction	**December 31, 2021**	**March 28, 2021**	**December 31, 2021**	**December 31, 2021**
Transaction Price in Total (THB)	-	**143,073,700**	**104,385,750**	**261,644,000**
Transaction Price (THB/rai)	-	**7,700,000**	-	-
Offering Price (THB/rai)	-	-	**7,000,000**	**8,000,000**
Quantity Adjusted (Land Filled)	-	-	-	-
Transaction Price after Adjustment (THB/rai)	-	**7,700,000**	**7,000,000**	**8,000,000**
Adjustment Factor				
Transaction Type		0%	-5%	-5%
Location		10%	0%	0%
Distance from Main Road		14%	-1%	2%
Land Size		-2%	-2%	0%
Site Configuration & Constraint		0%	0%	0%
Colour Zoning/Land Block		0%	0%	0%
Development Potential		15%	15%	15%
Transaction Growth (0.00% per Year)		0%	0%	0%
Other Factor		0%	0%	0%
Total Percentage Adjustment		**37%**	**7%**	**12%**
Adjustments Value	**8,999,667**	**10,549,000**	**7,490,000**	**8,960,000**
Total Adjustments	86.00	41.00	23.00	22.00
% of Total Adjustments	1.00	0.48	0.27	0.26
Conversion Factor	9.75	2.10	3.74	3.91
Comparison	1.00	0.22	0.38	0.40
Weighted Average (THB per sq	**8,738,007**	**2,270,436**	**2,873,662**	**3,593,909**

Land Value by Market Comparison Approach		
	8,700,000	**THB/Rai**
	5,438	**THB/Square Meters**
	254,896,950	**THB**
	254,900,000	**THB**

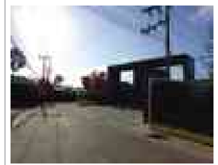
Valuation Detail : Valuation of Land with Buildings and Improvements
Property Detail : Land area 29-1-19.40 rai (46,877.60 sqm) with Hotel Development Project
Location : Soi Sai-Namyen, Chaofa Road (west side), Chalong Subdistrict, Muang District, Phuket Province.
Client : Roxy-Pacific Holdings Limited
Date of Valuation : December 31, 2021

COMPARABLE DATA - VACANT LAND

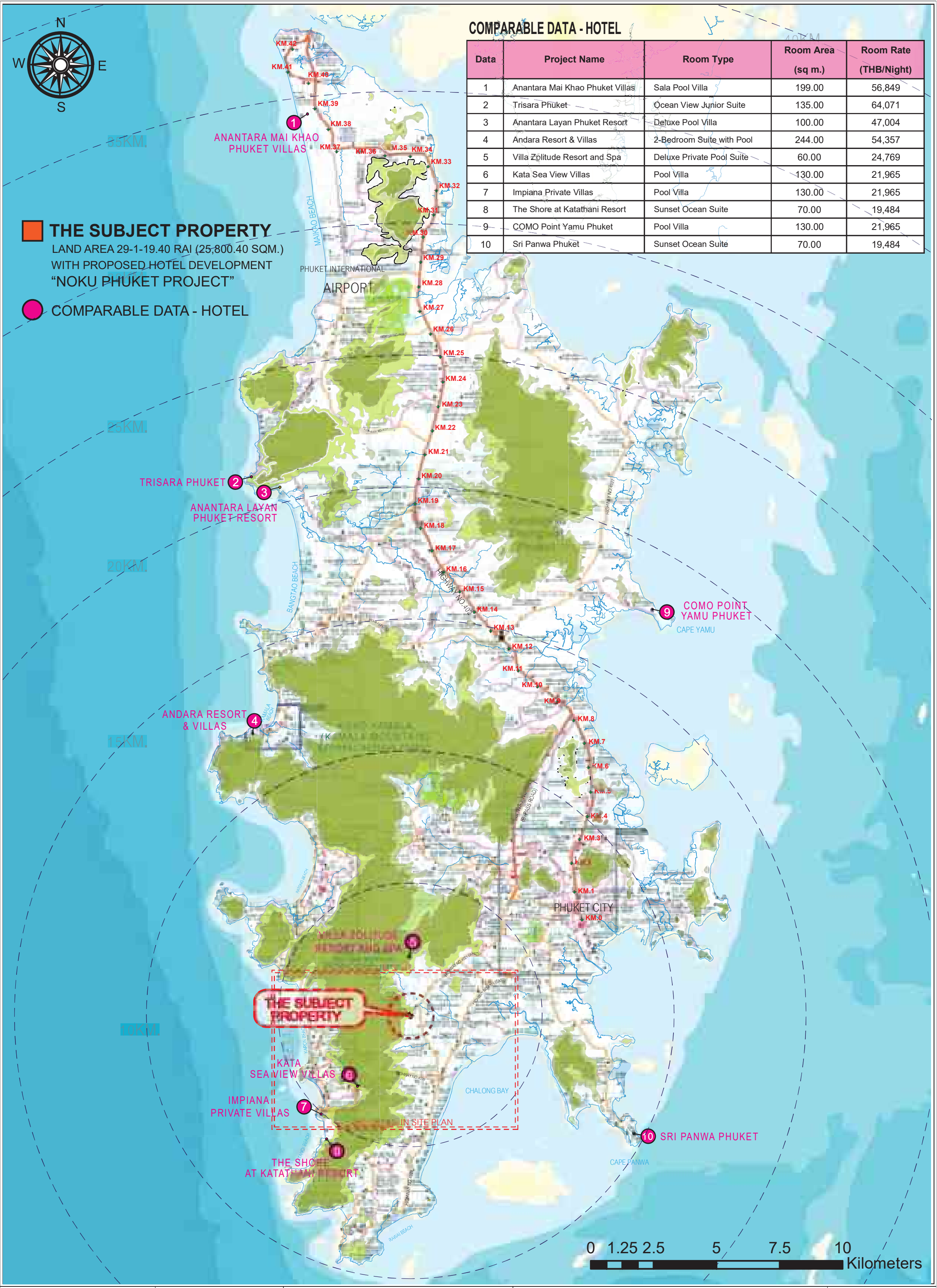
DESCRIPTION	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6	COMPARABLE 7
Exterior View							
Property Type	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Transaction Type	Offering for sale	Offering for sale	Offering for sale	Transaction	Offering for sale	Offering for sale	Offering for sale
Location	Soi Jaofa 75	Soi Baannaitrok	Soi Baannaitrok	Soi Jaofa 69	Baan Chalong Road (Soi Sai Nam Yen)	Baan Chalong Road (Soi Sai Nam Yen)	Soi Klumyang
Neighboring Land Used and Environment	Residential / Tourist	Residential / Tourist	Residential / Tourist	Residential / Tourist	Residential / Tourist	Residential / Tourist	Residential / Tourist
Distance from Main Road	Approx. 1,700 Meters	Approx. 1,300 Meters	Approx. 1,280 Meters	Approx. 3,100 Meters	Approx. 400 Meters	Approx. 450 Meters	Approx. 750 Meters
Land Frontage (Beach / Shoreline)	No Beach Front	No Beach Front	No Beach Front	No Beach Front	No Beach Front	No Beach Front	No Beach Front
Site Geographic Coordinate	Lat 7.870593, Lon 98.33369	Lat 7.866191, Lon 98.332487	Lat 7.862604, Lon 98.331254	Lat 7.858435, Lon 98.322052	Lat 7.849774, Lon 98.331868	Lat 7.849657, Lon 98.331393	Lat 7.844159, Lon 98.327726
Site Area (rai-ngan-sqw)	15-1-0.00 rai	6-3-62.50 rai	9-0-30.10 rai	18-2-32.40 rai	0-2-62.70 rai	1-0-0.00 rai	7-2-71.90 rai
Site Area (rai)	Approx. 15.2500 rais	Approx. 6.9063 rais	Approx. 9.0753 rais	Approx. 18.5810 rais	Approx. 0.6568 rais	Approx. 1.0000 rais	Approx. 7.6798 rais
Site Area (sq wah)	Approx. 6,100.0 sqw.	Approx. 2,762.5 sqw.	Approx. 3,630.1 sqw.	Approx. 7,432.4 sqw.	Approx. 262.7 sqw.	Approx. 400.0 sqw.	Approx. 3,071.9 sqw.
Site Area (sq Meters)	Approx. 24,400.0 sqm.	Approx. 11,050.0 sqm.	Approx. 14,520.4 sqm.	Approx. 29,729.6 sqm.	Approx. 1,050.8 sqm.	Approx. 1,600.0 sqm.	Approx. 12,287.6 sqm.
Land Topography	Hillside/Slope	Hillside/Slope	Hillside/Slope	Hillside/Slope	Hillside/Slope	Hillside/Slope	Hillside/Slope
View	City View	City View	City View	City View	City View	City View	City View
Site Configuration & Constraint	Irregular Shape	Irregular Shape	Irregular Shape	Irregular Shape	Irregular Shape	Nearly Rectangular Shape	Nearly Rectangular Shape (I-Shape)
Land Grade	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)
Land Frontage	Approx. 70.00 Meters	Approx. 60.00 Meters	Approx. 123.0 Meters	Approx. 175.0 Meters	Approx. 26.0 Meters	Approx. 30.0 Meters	Approx. 160.0 Meters
Colour Zoning/Land Block	Green Zone (Rural and Agricultural)	Green Zone (Rural and Agricultural)	Green Zone (Rural and Agricultural)	Green Zone (Rural and Agricultural)	Yellow Zone (Low Density Residential)	Yellow Zone (Low Density Residential)	Green Zone (Rural and Agricultural)
Environment Control Law	Area 7 (Area with higher than 80 meters from the MSL)	Area 5 (rural and agricultural area)	Area 5 (rural and agricultural area)	Area 6 (Area with a height of 40-80 meters from the MSL)	Area 8 (other than Area 1 to Area 7)	Area 8 (other than Area 1 to Area 7)	Area 6 (Area with a height of 40-80 meters from the MSL)
Road Pavement	Asphalt Pavement	Asphalt Pavement	Concrete Pavement	Asphalt Pavement	Asphalt Pavement	Asphalt Pavement	Asphalt Pavement
Road Width	Approx. 6.0 Meters	Approx. 6.0 Meters	Approx. 6.0 Meters	Approx. 6.0 Meters	Approx. 8.0 Meters	Approx. 8.0 Meters	Approx. 5.0 Meters
Right of way	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters
Type of Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed
Distance from Mean Sea Level (MSL)	Approx. 70 - 110 meters	Approx. 30 - 45 meters	Approx. 30 - 40 meters	Approx. 50 - 90 meters	Approx. 35 - 40 meters	Approx. 40 -45 meters	Approx. 40 -45 meters
Development Potential	No Construction allowed	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project
Public Facility	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone
Data Source	Tel. 086-595-3831 Khun Wut (Agent)	Tel. 081-719-8442 Khun Nual (Owner)	Tel. 094-595-6659 Khun Prasit (Owner)	Tel. 062-896-6669 Khun Hyun (Agent)	Tel. 083-289-9165 Khun Kanjana (Owner)	Tel. 088-760-9818 Khun Orawan (Agent)	Tel. 081-397-5522 Khun Linly (Agent)
Date of Transaction	December 31, 2021	December 31, 2021	December 31, 2021	March 28, 2021	December 31, 2021	December 31, 2021	December 31, 2021
Transaction Price in Total (THB)	106,750,000	65,609,375	72,602,000	143,073,700	6,500,000	12,000,000	84,477,250
Transaction Price in Total (THB/rai)	-	-	-	7,700,000	-	-	-
Offering Price in Total (THB/rai)	7,000,000	9,500,000	8,000,000	-	9,897,221	12,000,000	11,000,000
Timing of Transaction till Valuation Date	-	-	-	Approx. 0.76 Year	-	-	-
Remark	The offering price is discounted from THB8,000,000 on year 2020	-	-	The land has been sold by the owner	-	Land is graded and filled	

Valuation Detail : **Valuation of Land with Buildings and Improvements**
Property Detail : **Land area 29-1-19.40 rai (46,877.60 sqm) with Hotel Development Project**
Location : **Soi Sai-Namyen, Chaofa Road (west side), Chalong Subdistrict, Muang District, Phuket Province.**
Client : **Roxy-Pacific Holdings Limited**
Date of Valuation : **December 31, 2021**

COMPARABLE DATA - VACANT LANI

DESCRIPTION	COMPARABLE 8	COMPARABLE 9	COMPARABLE 10	COMPARABLE 11	COMPARABLE 12	COMPARABLE 13	COMPARABLE 14
Exterior View							
Property Type	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land	Vacant Land
Transaction Type	Offering for sale	Offering for sale	Offering for sale	Offering for sale	Offering for sale	Transaction	Transaction
Location	Baan Chalong Road (Soi Sai Nam Yen)	Soi Klumyang	Soi Bang Rae	Soi Bang Rae	Soi Bang Rae	Soi Na Yai	Soi Jaofa 48
Neighboring Land Used and Environment	Residential / Tourist	Residential / Tourist	Residential / Tourist	Residential / Tourist	Residential / Tourist	Residential / Tourist	Residential / Tourist
Distance from Main Road	Approx. 600 Meters	Approx. 900 Meters	Approx. 1,100 Meters	Approx. 1,600 Meters	Approx. 1,800 Meters	Approx. 400 Meters	Approx. 700 Meters
Land Frontage (Beach / Shoreline)	No Beach Front	No Beach Front	No Beach Front	No Beach Front	No Beach Front	No Beach Front	No Beach Front
Site Geographic Coordinate	Lat 7.849198, Lon 98.329657	Lat 7.841126, Lon 98.328194	Lat 7.834899, Lon 98.32633	Lat 7.834555, Lon 98.324291	Lat 7.84451, Lon 98.327367	Lat 7.852188, Lon 98.340334	Lat 7.844493, Lon 98.346955
Site Area (rai-ngan-sqw)	14-3-64.90 rai	4-0-0.00 rai	32-2-82.20 rai	10-3-78.00 rai	5-0-48.00 rai	10-0-0.00 rai	9-0-72.30 rai
Site Area (rai)	Approx. 14.9123 rais	Approx. 4.0000 rais	Approx. 32.7055 rais	Approx. 10.9450 rais	Approx. 5.1200 rais	Approx. 10.0000 rais	Approx. 9.1808 rais
Site Area (sq wah)	Approx. 5,964.9 sqw.	Approx. 1,600.0 sqw.	Approx. 13,082.2 sqw.	Approx. 4,378.0 sqw.	Approx. 2,048.0 sqw.	Approx. 4,000.0 sqw.	Approx. 3,672.3 sqw.
Site Area (sq Meters)	Approx. 23,859.6 sqm.	Approx. 6,400.0 sqm.	Approx. 52,328.8 sqm.	Approx. 17,512.0 sqm.	Approx. 8,192.0 sqm.	Approx. 16,000.0 sqm.	Approx. 14,689.2 sqm.
Land Topography	Hillside/Slope	Hillside/Slope	Hillside/Slope	Hillside/Slope	Hillside/Slope	Flat Land	Flat Land
View	City View	City View	City View	Sea View	City View	City View	City View
Site Configuration & Constraint	Irregular Shape	Irregular Shape	Irregular Shape	Irregular Shape	Irregular Shape	Nearly Rectangular Shape (I-Shape)	Nearly Rectangular Shape (I-Shape)
Land Grade	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level (Hillslope)	Filled,same the fronting road level	Filled,same the fronting road level
Land Frontage	Approx. 115.0 Meters	Approx. 7.0 Meters	Approx. 430.0 Meters	Approx. 330.0 Meters	Approx. 20.00 Meters	Approx. 90.00 Meters	Approx. 90.00 Meters
Colour Zoning/Land Block	Yellow Zone (Low Density Residential)	Green Zone (Rural and Agricultural)	Green Zone (Rural and Agricultural)	Green Zone (Rural and Agricultural)	Green Zone (Rural and Agricultural)	Yellow Zone (Low Density Residential)	Yellow Zone (Low Density Residential)
Environment Control Law	Area 6 (Area with a height of 40-80 meters from the MSL)	Area 6 (Area with a height of 40-80 meters from the MSL)	Area 5 (rural and agricultural area)	Area 6 (Area with a height of 40-80 meters from the MSL)	Area 6 (Area with a height of 40-80 meters from the MSL)	Area 8 (other than Area 1 to Area 7)	Area 8 (other than Area 1 to Area 7)
Road Pavement	Asphalt Pavement	Asphalt Pavement	Asphalt Pavement	Asphalt Pavement	Asphalt Pavement	Concrete Pavement	Asphalt Pavement
Road Width	Approx. 8.0 Meters	Approx. 8.0 Meters	Approx. 8.0 Meters	Approx. 8.0 Meters	Approx. 8.0 Meters	Approx. 8.0 Meters	Approx. 8.0 Meters
Right of way	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters	Approx. 10.0 Meters
Type of Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed	Chanote/Title Deed
Distance from Mean Sea Level (MSL)	Approx. 50 -90 meters	Approx. 40 -45 meters	Approx. 30 - 40 meters	Approx. 40 - 65 meters	Approx. 50 - 65 meters	Approx. 10 - 15 meters	Approx. 7 - 10 meters
Development Potential	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project	Hotel or Residential Development Project
Public Facility	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone	Electricity, Water Supply and Telephone
Data Source	Tel. 095-252-8749 Khun Bao (Agent)	Tel. 095-252-8749 Khun Noy (Agent)	Tel. 061-175-7075 Khun Singha (Agent)	Tel. 099-010-2499 Khun Peak (Agent)	Tel. 089-992-8463 Khun Ray (Agent)	Sale Contract, Land Department	Sale Contract, Land Department
Date of Transaction	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021	December 31, 2021	January 11, 2018	March 23, 2018
Transaction Price in Total (THB)	104,385,750	32,000,000	261,644,000	76,615,000	35,328,000	89,000,000	65,500,000
Transaction Price in Total (THB/rai)	-	-	-	-	-	8,900,000	7,134,493
Offering Price in Total (THB/rai)	7,000,000	8,000,000	8,000,000	7,000,000	6,900,000	-	-
Timing of Transaction till Valuation Date	-	-	-	-	-	Approx. 3.97 Year	Approx. 3.77 Year
Remark	-	-	-	-	-	-	-

Appendix B: Phuket Map



COMPARABLE DATA - HOTEL

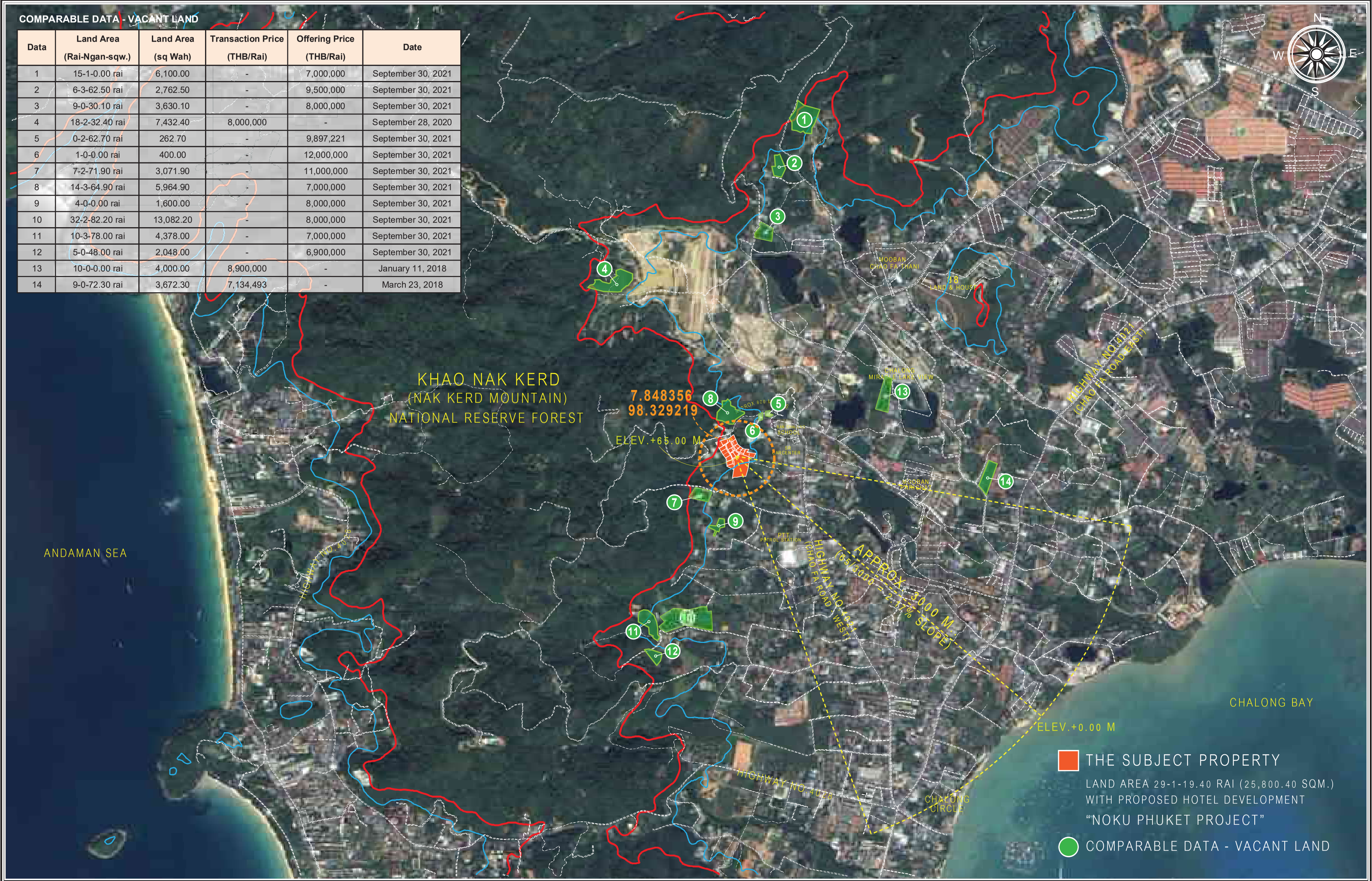
Data	Project Name	Room Type	Room Area (sq m.)	Room Rate (THB/Night)
1	Anantara Mai Khao Phuket Villas	Sala Pool Villa	199.00	56,849
2	Trisara Phuket	Ocean View Junior Suite	135.00	64,071
3	Anantara Layan Phuket Resort	Deluxe Pool Villa	100.00	47,004
4	Andara Resort & Villas	2-Bedroom Suite with Pool	244.00	54,357
5	Villa Zolitude Resort and Spa	Deluxe Private Pool Suite	60.00	24,769
6	Kata Sea View Villas	Pool Villa	130.00	21,965
7	Impiana Private Villas	Pool Villa	130.00	21,965
8	The Shore at Katathani Resort	Sunset Ocean Suite	70.00	19,484
9	COMO Point Yamu Phuket	Pool Villa	130.00	21,965
10	Sri Panwa Phuket	Sunset Ocean Suite	70.00	19,484

EDMUND TIE	DESKTOP REPORT NO. VR003/2022	PHUKET MAP NOT TO SCALE	CLIENT : ROXY PACIFIC HOLDINGS LIMITED	APPENDIX : B

Appendix C: Location Plan and Comparable Data

COMPARABLE DATA - VACANT LAND

Data	Land Area (Rai-Ngan-sqw.)	Land Area (sq Wah)	Transaction Price (THB/Rai)	Offering Price (THB/Rai)	Date
1	15-1-0.00 rai	6,100.00	-	7,000,000	September 30, 2021
2	6-3-62.50 rai	2,762.50	-	9,500,000	September 30, 2021
3	9-0-30.10 rai	3,630.10	-	8,000,000	September 30, 2021
4	18-2-32.40 rai	7,432.40	8,000,000	-	September 28, 2020
5	0-2-62.70 rai	262.70	-	9,897,221	September 30, 2021
6	1-0-0.00 rai	400.00	-	12,000,000	September 30, 2021
7	7-2-71.90 rai	3,071.90	-	11,000,000	September 30, 2021
8	14-3-64.90 rai	5,964.90	-	7,000,000	September 30, 2021
9	4-0-0.00 rai	1,600.00	-	8,000,000	September 30, 2021
10	32-2-82.20 rai	13,082.20	-	8,000,000	September 30, 2021
11	10-3-78.00 rai	4,378.00	-	7,000,000	September 30, 2021
12	5-0-48.00 rai	2,048.00	-	6,900,000	September 30, 2021
13	10-0-0.00 rai	4,000.00	8,900,000	-	January 11, 2018
14	9-0-72.30 rai	3,672.30	7,134,493	-	March 23, 2018



EDMUND TIE

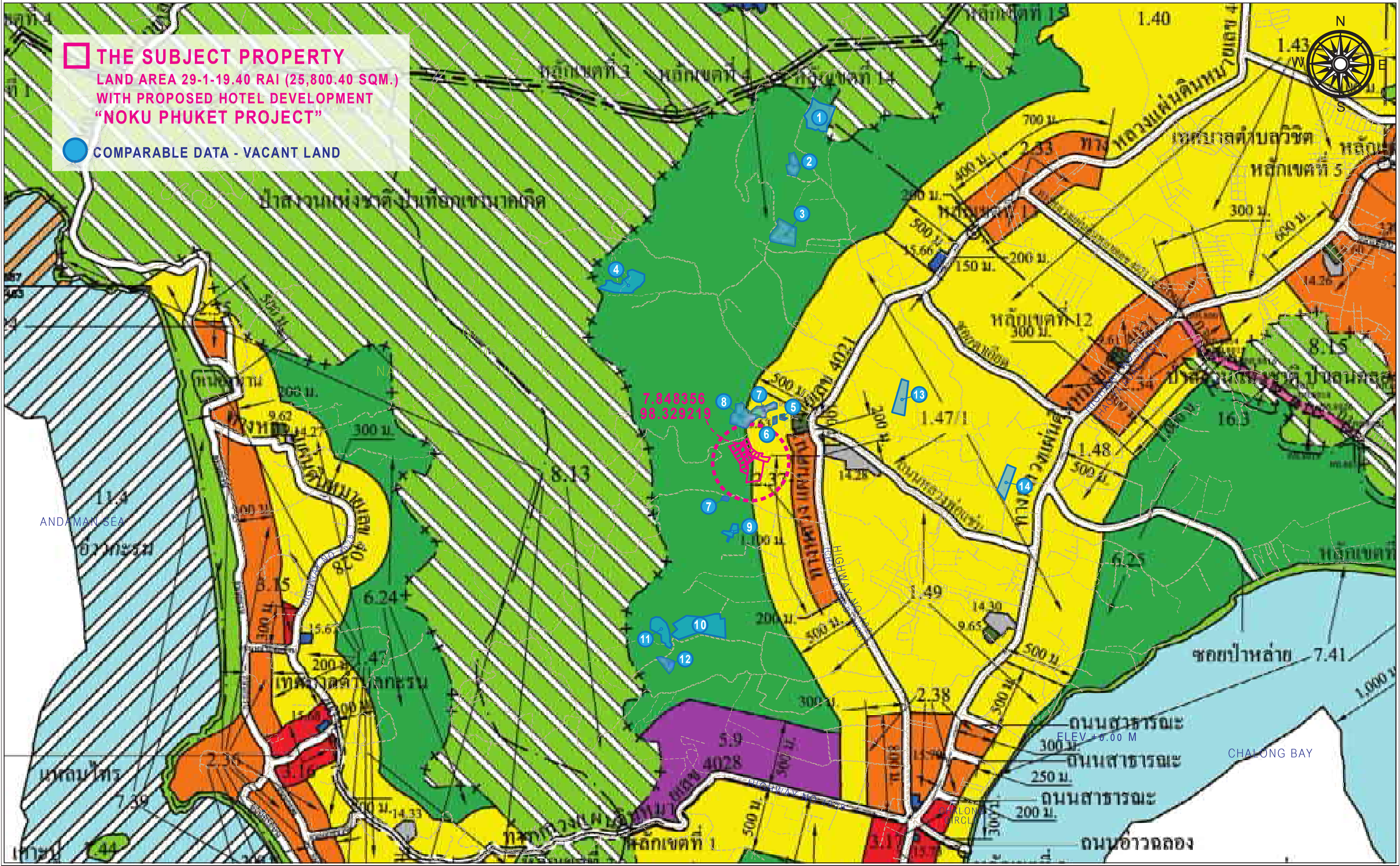
DESKTOP REPORT NO.
VR003/2022

LOCATION PLAN AND COMPARABLE DATA
NOT TO SCALE

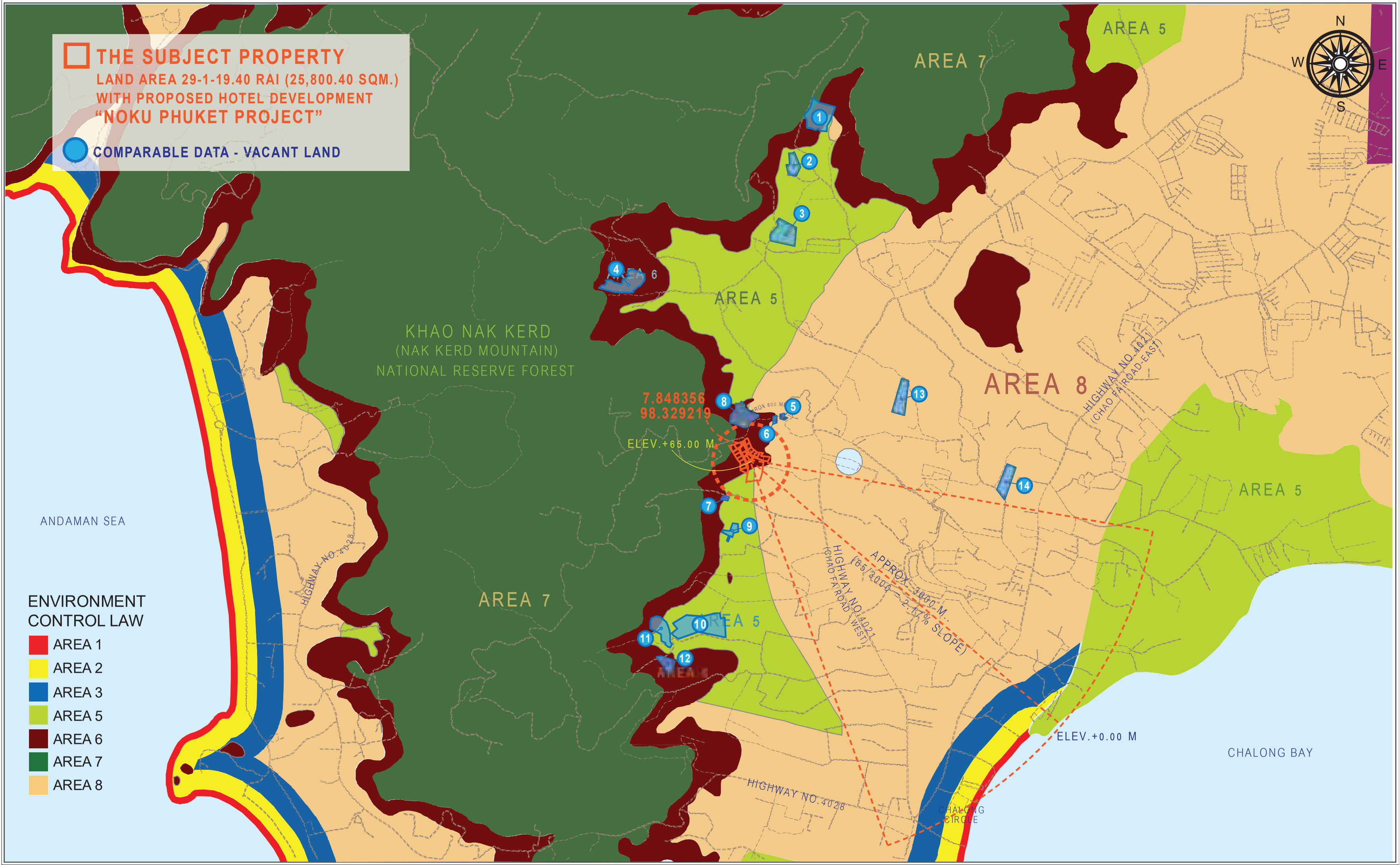
CLIENT : ROXY PACIFIC HOLDINGS LIMITED

APPENDIX : C

Appendix D: Relevant Regulation



EDMUND TIE	DESKTOP REPORT NO. VR003/2022	PHUKET TOWN PLAN B.E.2558 NOT TO SCALE	CLIENT : ROXY PACIFIC HOLDINGS LIMITED	APPENDIX : D



EDMUND TIE	DESKTOP REPORT NO. VR003/2022	ENVIRONMENTAL CONTROL LAW NOT TO SCALE	CLIENT : ROXY PACIFIC HOLDINGS LIMITED	APPENDIX : D

CBRE VALUATION & ADVISORY SERVICES

VALUATION REPORT

The Bracks Street properties comprising:

Former SWA Site
Lot 54, 241-262, 311 and 349 Bracks Street, Irene Street and Walter Place, North Fremantle WA 6159

Former Caltex Site
Lots 53, 152-159, 174-217, 222, 208, 309, 340, 350 Bracks Street and Port Beach Road, North Fremantle WA 6159

31 December 2021

Roxy-Pacific Holdings Ltd

CBRE

Former SWA site

Former Caltex site

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1 Executive Summary

INSTRUCTIONS/RELIANCE	
Instructing Party	Jason Chan on behalf of Roxy-Pacific Holdings Ltd.
Instruction Date	13 January 2022.
Date of Valuation	31 December 2021.
Reliant Party/Purpose	Roxy-Pacific Holdings Limited for the purpose of purpose of the Voluntary General Offer. Roxy-Pacific Holdings Limited who is the offeree and the valuation is for inclusion in the offeree circular. The Independent Financial Adviser (IFA) may refer to the valuation report as issued to and for the reliance of the offeree.
Basis of Value	SWA Site - Market Value - As Is. Caltex Site - Market Value - As Is
Interest Valued	Freehold.

BRIEF DESCRIPTION	
Description of Property 'As Is'	▪ The subject property comprises two irregular shaped sites known as former SWA site (Lots 54, 241-262, 311 and 349) and former Caltex site (Lots 53, 152-159, 174-217, 222, 308, 309, 340, 350 and 356). The properties are situated on the southern alignment of Walter Place some 200 metres south of the North Fremantle Railway Station in a confined industrial precinct in North Fremantle. ▪ At the time of the valuation all industrial activity on the land has effectively ceased, with the existing sheds on the SWA site currently being rented out for short-term storage. We note these improvements have been earmarked for demolition within the short term, with tenants in the process of vacating. All infrastructure (inclusive of the large petroleum storage tanks) has been removed as part of the remediation works for the former Caltex site. ▪ SWA Site Land Area – Total: 16,863 sqm. ▪ Caltex Site Land Area – Total: 28,585 sqm.
Valuation	▪ We note there is planning risk associated with the rezoning (refer to Section 6); however, there is considerable upside in value once the subject sites are rezoned. The highest and best use of the subject property is therefore deemed to be a development site, assuming it can be rezoned to 'Urban' in the short to medium term, allowing for high density residential / mixed use development. ▪ We have assessed the value of the subject properties on a 'vacant possession' basis. No consideration has been given to any current income being generated.
Real Property Description (Bracks Street)	▪ SWA site: Lots 241-262 and 349 on Plan 1593, Volume 1438, Folio 698. Lot 54 on Plan 222459, Volume 1438, Folio 700. Lot 311 on Plan 222459, Volume 1438, Folio 699. ▪ Caltex site: Lot 308 on Deposited Plan 160481, Volume 1102, Folio 359. Lot 309 on Deposited Plan 160482, Volume 1102, Folio 359. Lots 53 and 222 on Deposited Plan 222459, Volume 1102, Folio 359. Lots 152-159, 174-217, Volume 1102, Folio 359. Lot 350 and 356 on Plan 1593, Volume 1102, Folio 359. Lot 340 on Plan 222459, Volume 1252, Folio 233.

Aerial View

Source: Nearmaps, 2021

ASSESSMENT	This valuation is exclusive of GST.	Date of Issue: 17 January 2022
Approaches:	Direct Comparison	
Date of Inspection:	16 November 2021	
Date of Valuation:	31 December 2021	

MARKET VALUE
(100% Interest)

SWA Site - Market Value - As Is
$18,000,000
(Eighteen Million Dollars)

Caltex Site - Market Value - As Is
$41,000,000
(Forty One Million Dollars)

Valuer

Matthew Oehme | AAPI
Licensed Valuer No. 45110 | Certified Practising Valuer
Valuer | Valuation & Advisory Services

Valuer

Stewart Nuttall | FAPI, FRICS
Licensed Valuer No. 581 | Certified Practising Valuer
Senior Director | Valuation & Advisory Services

Co-Signatory*

Ben Styles
Valuation & Advisory Services
Property Inspection - No | Job Involvement - Co-Signatory in capacity of Quality Assurance

** The Co-Signing Quality Assurance Reviewer confirms having reviewed the valuation methodology and calculations, however the opinion of the value expressed has been arrived at by the Principal Valuer alone/Principal Valuers jointly.*

Conditional Terms
This summary must not be read independently of the valuation report in its entirety. This valuation is subject to all content, assumptions, disclaimers, qualifications and recommendations throughout the report. The report is prepared for the use of and reliance by the Reliant Party only and limited only to the Purpose specifically stated. No responsibility is accepted or assumed to any third party for the whole or any part of the report.

Important
All data in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to provide a brief overview and must not be acted on in isolation.

Liability limited by a scheme approved under Professional Standards Legislation.

CBRE Valuations Pty Limited | ABN 15 008 912 641 | Valuation & Advisory Services
QV1, Level 25, 250 St Georges Terrace, Perth WA 6000 | T 61 8 9320 0000 | F 61 8 9481 1296 | www.cbre.com.au

2 Valuation Synopsis

2.1 Reliance & Liability

Liability
- Liability limited by a scheme approved under Professional Standards Legislation.

Reliance
- This valuation is strictly and only for the use of the Reliant Party and for the Purpose specifically stated in the Executive Summary (Instructions/Reliance) section.

Valuation Date
- This valuation has principally been prepared for the purpose of purpose of the Voluntary General Offer, and in accordance with International Valuation Standards the valuation date is defined as the date on which the opinion of value applies. This differs from mortgage reporting practices. Any party intending to rely on this valuation for mortgage purposes must satisfy itself that this valuation is suitable for their purposes, acknowledging:
  - the valuation date (31 December 2021);
  - critical assumption is that there will be no material change in the property market or the property between the date of inspection and the date of valuation;
  - the property's cash flow and value is relevant at the date of valuation for the purpose of the Voluntary General Offer.

Transmission
- Only an original valuation report received by the Reliant Party directly from CBRE or through a Panel Management System authorised by the client can be relied upon.

Restricted
- No responsibility is accepted or assumed to any third party who may use or rely on the whole or any part of the content of this valuation.

Copyright
- As between CBRE, the Instructing Party and the Reliant Party, all intellectual property rights in this valuation report are owned by CBRE. Neither the whole nor any part of the content of this valuation may be published in any document, statement, circular or otherwise by any party other than CBRE, nor in any communication with any third party, without the prior written approval from CBRE, and subject to any conditions determined by CBRE, including the form and context in which it is to appear.

Value Subject to Change
- This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movement or factors specific to the particular property). For the avoidance of doubt, this may include global financial crises or force majeure events. We do not accept liability for losses arising from such subsequent changes in value.

Reliance Period
- We do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if the Reliant Party becomes aware of any factors that have any effect on the valuation.

Disclosure
- CBRE must be advised in the event that the Reliant Party becomes aware of any changes relating to the information and advice provided by the Instructing/Reliant Party during the Reliance Period. This includes, without limitation, any changes to information and advice provided in relation to encumbrances, registered/unregistered interests, title, and land area/dimensions. In any such event, this valuation must not be relied upon without consulting CBRE first to reassess any effect on the valuation.

Valuer's Interest
- We hereby certify that the Principal Valuer is suitably qualified and authorised to practise as a valuer; has at least 5 years of continuous experience in valuation; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the property; and accepts instructions to value the property only from the Responsible Entity/Instructing Party.

CBRE Staff
- In relying upon this report, any client or reliant party agrees that you will not bring any claim relating to this appointment (in contract, tort, negligence or otherwise) against any CBRE officer, director, employee, member or consultant in their personal capacity.

2.2 Market Value Definitions

Market Value Definition
- In accordance with the International Valuation Standard, the definition of market value is:

"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."

AASB13 Fair Value Measurement

- We have also had regard to the requirements of the Australian Accounting Standards Board. In particular, we have considered AASB13 Fair Value Measurement, which adopts the following definition of Fair Value:

  "Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."
- International Singapore Chartered Accountants - we have had regard to the ISCA Financial Reporting Guidance 1 dated November 2019 and comply with these standards as per the requirement of the instructions.

Highest & Best Use

- In accordance with the Australian Property Institute Valuation and Property Standards, the definition of highest and best use is:

"The most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued."

2.3 Critical Assumptions

Our valuation is subject to the following critical assumptions:

Financial Reporting

- There is no material change in the property market or the property between inspection and valuation dates.

Highest and Best Use

- The SWA site provides a holding income from renting of the existing offices and sheds for short-term storage.
- Steps are in progress to rezone the property from Industrial to Urban / Residential. Although this process is yet to be resolved we consider this to be the most likely outcome in the short to medium term future.

2.4 Recommendations

Prior to relying on the report, the Reliant Party is to obtain the following information/additional advice:

- None.

2.5 SWOT Analysis/Risk Assessment

Strengths & Opportunism

- Westport have released their final report in relation to the location of the new container port. The decision has been made to relocate the port from Fremantle to Kwinana over the next 20 years (subject to the preparation of a business plan over the next 2 years). This should now clear the way to reinitiate a new push to have the land rezoned to urban.
- A new MRS Amendment request is being prepared, in conjunction with adjoining property owners, requesting the Planning Commission rezone the land from "Industrial" to "Urban". The intention of the owner is to lodge a rezoning application in December 2021.
- Prime location within North Fremantle with the potential of Indian Ocean views.
- Rail and bus services are located within easy walking distance.
- Located within close proximity to Stirling and Canning Highways, major links between Fremantle, Perth CBD and the eastern suburbs.
- Rare 16,863 sqm and 28,585 sqm sites located within North Fremantle.
- The three street frontages allow maximum design flexibility.
- Opportunity to subdivide the sites to create smaller and more easily developable sites, providing rezoning to "Urban" under the MRS Scheme is approved.
- Existing improvements currently provide a small holding income.
- Once the majority of the existing improvements are demolished in the short term, there is the potential to re-lease the remaining hardstand.

Weaknesses & Threats

- The rezoning of the land from "Industrial" to "Urban" may be a lengthy process with no guaranteed outcome.
- The sites are large in area and costly to develop as a whole.

- Situated within close proximity of Fremantle Port and any future development may experience noise, odour, light spill and other aspects that arise from the normal operations of a 24-hour working Port.
- Any proposed development within Fremantle Ports' land and waters (Inner Harbour or Outer Harbour) needs planning approval from Fremantle Ports.
- There are costs associated with the demolition of the current improvements however these costs are offset by the holding income.
- Given the location, future development may be impacted by strong sea breezes.
- In general, development sites are considered to be high risk in the current market and are more susceptible to market fluctuations than other asset classes of real estate.
- Future rezoning of the subject sites will incur a higher annual holding cost.

2.6 Marketability

Buyer Demand/ Purchaser Profile

- Subject site in the current market:
  - Anticipated buyer demand/liquidity: weak to moderate.
  - Likely purchaser profile: large developers, superannuation funds, offshore investors, State Government.
  - Estimated selling period (with a professional marketing campaign) is: 12 - 18 months.

Market Instability

- The COVID-19 pandemic continues to cause uncertainty in some sectors of the local and global property markets. Given the uncertainty relating to income and investment performance, it is recommended the Reliant Party review this valuation periodically.

Material Uncertainty & Significant Valuation Uncertainty – Novel Coronavirus

- Under International Valuation Standards (IVS 103), it is necessary for the Valuer to disclose circumstances of significant uncertainty that directly affect the valuation. To this end, both the Australian Property Institute (API) and Royal Institution of Chartered Surveyors (RICS) have recommended the consideration of statements in regard to the significant/material valuation uncertainly resulting from the current coronavirus pandemic. The following disclosure statement incorporates the key aspects of API and RICS suggested phrasing.
  - We face an unprecedented set of circumstances on which to base a market value judgment, given comparable transactions and market evidence since the outbreak are limited and transactions prior to the outbreak hold less weight for comparison purposes. This significant uncertainty leads to our valuation being subject to significant valuation uncertainty at the date of valuation. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.
  - Our valuation is based on the information available to us at the date of valuation. Whilst we have taken all reasonable steps to estimate the effect on the property, due to the significant uncertainty in property and capital markets, together with the rapid unfolding of these events, it is difficult to quantify and assess the impact that the outbreak has had on capital values.
  - This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation).
  - We do not accept responsibility or liability for any losses arising from such subsequent changes in value, due to the degree of valuation uncertainty. Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.
- For the avoidance of doubt, the inclusion of the 'significant valuation uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the declaration has been included to ensure transparency of the fact that in the current extraordinary circumstances; less certainty can be attached to the valuation than would otherwise be the case. The significant uncertainty declaration is to serve as a precaution and does not invalidate the valuation.

2.7 Transaction History

Previous Sale

- The properties' last sale details are as follows:
  - The Caltex Site last sold in March 2015 for $41,000,000 via a select off-market EOI process including 40 active domestic and offshore developers. The sale reflects a rate of $1,434 per sqm of land area.

- The SWA Site last sold in March 2015 for $18,000,000. Sold concurrently with the same purchaser but negotiated separately to the Caltex sale. The sale reflects a rate of $1,067 per sqm of land area.

3 Location

Locality

- The property is located in the suburb of North Fremantle.

Surrounds

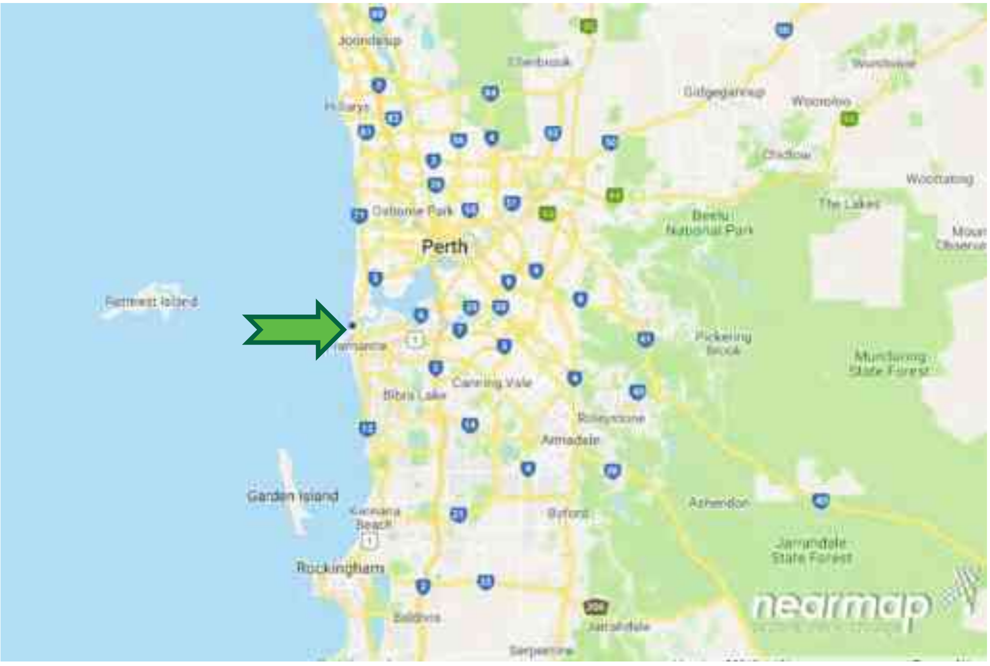
- The property is situated on the southern alignment of Walter Place some 200 metres south of the North Fremantle Railway Station in a confined industrial precinct in North Fremantle. The property is within walking distance to the ocean front.
- Leighton Shores development is positioned to the north, Tydeman Road, the Fremantle freight line and the Fremantle Outer Harbour are to the south, and the suburb of North Fremantle to the east.
- The immediate location of the subject property has been long time occupied by major oil companies including Shell and Caltex for fuel storage with other lands owned by Standard Wool, Fremantle Port Authority and the WA Land Authority with much of this land also used for container storage purposes.
- Residential development has also progressed in this location with the part development of a 4 hectare site to the north of Walter Place, an initiative originally driven by Landcorp and subsequently developed in part by Mirvac (WA) Pty Ltd and Leighton Shores Pty Ltd. The development comprises multiple unit residential development, over 5 levels, able to benefit from the close proximity to the beach front and the extensive ocean views available. Our assessment assumes a similar style of development will take place on the subject property, once the rezoning to Urban is completed.

Transport/Roads

- North Fremantle is connected to the metropolitan area via various road networks including Stirling Highway, Canning Highway and Leach Highway.
- North Fremantle Railway Station is situated approximately 200 metres north of the subject property.

Regional Map

Source: Nearmaps, 2021



Local Map

Source: Nearmaps, 2021

Aerial View

Source: Nearmaps, 2021

4 Title Details

4.1 Real Property Description (Freehold)

Lot/Plan	Title Reference	Area (sqm)	Registered Ownership
SWA Site:			North Fremantle JV Pty Ltd
Lots 241-262 and 349 on Plan 1593,	Volume 1438, Folio 698		
Lot 54 on Plan 222459	Volume 1438, Folio 700		
Lot 311 on Plan 222459	Volume 1438, Folio 699	16,863	
Caltex Site:			North Fremantle JV Pty Ltd
Lot 308 on Deposited Plan 160481	Volume 1102, Folio 359		
Lot 309 on Deposited Plan 160482	Volume 1102, Folio 359		
Lots 53 and 222 on Deposited Plan 222459	Volume 1102, Folio 359		
Lots 152-159, 174-217	Volume 1102, Folio 359		
Lot 350 and 356 on Plan 1593	Volume 1102, Folio 359		
Lot 340 on Plan 222459	Volume 1252, Folio 233	28,585	

Search Date: November 2021

4.2 Freehold Land Identification

Verification Source

- The properties have been identified by reference to the above-mentioned Plans and on-site inspection.
- The building improvements appear to be erected within the title boundaries of the site and there do not appear to be any encroachments on or by the subject land.

We note however, we are not experts in this field and that actual identification of title boundaries, encroachments and confirmation that improvements are contained within those boundaries would necessitate a check survey be undertaken by a qualified land surveyor.

4.3 Encumbrances & Registered Interests – SWA Site

Dealings
Lots 241-262 and 349 on Plan 1593
Lot 54 on Plan 222459
Lot 311 on Plan 222459

- Interests registered on Title (excluding liens) are summarised as follows:
  - M991706 Mortgage to Commonwealth Bank of Australia Registered 7/5/2015.
- Full details are provided in the Title search (refer to Appendices).

4.4 Encumbrances & Registered Interests – Caltex Site

Dealings
Lot 340 on Plan 222459

- Interests registered on Title (excluding liens) are summarised as follows:
  - M991702 Mortgage to Commonwealth Bank of Australia Registered 7 May 2015.
  - N723646 Memorial. Contaminated Sites Act 2003 Registered 20 September 2017.
    Under the Contaminated Sites Act 2003, this site has been classified as "remediated for restricted use".
- Full details are provided in the Title search (refer to Appendices).

Dealings
Lot 308 on Deposited Plan 160481
Lot 309 on Deposited Plan 160482
Lots 53 and 222 on Deposited Plan 222459
Lots 152-159, 174-217

- Interests registered on Title (excluding liens) are summarised as follows:
  - 1. H744251 Lease to Lucent Technologies Australia Pty Ltd of level 4, 6-10 Talavera Road, North Ryde, New South Wales Expires: See Lease. As to portion only. As to Lot 159 on P1593 only registered 10 May 2001.
    - I261893 Transfer of Lease H744251, Lessee now Linday Pty Ltd of 68-72 Waterloo Road, North Ryde, New South Wales as To Lot 159 on P1593 only registered 11October 2002.
    - J859326 Extension of Lease H744251. As to Lot 159 on P1593 only registered 3 August 2006.
    - L964332 Change of name affecting Lease H744251. Lessee now 3GIS Properties (No 2) Pty Ltd of Building A, 207 Pacific Highway, St Leonards, New South Wales as to Lot 159 on P1593 only registered 15 June 2012.

Lot 350 and 356 on Plan 1593

– L964333 Extension of Lease H744251. As to Lot 159 on P 1593 Only Registered 15 June 2012.
– M077275 Transfer of Lease H744251, Lessee now Telstra Corporation Ltd of Level 21, 242-383 Exhibition Street, Melbourne, Victoria As to Lot 159 on P1593 Only Registered 17 October 2012.

– 2. M991702 Mortgage to Commonwealth Bank of Australia Registered 7 May 2015.
– 3. N723646 Memorial. Contaminated Sites Act 2003 Registered 20 September 2017.

- Full details are provided in the Title search (refer to Appendices).

4.5 Title Disclaimers

Caveats

- As at the search date, there were no caveats noted on the above listed Titles.

Liens

We have disregarded the presence of any mortgage or other financial liens pertaining to the property.

Title/Unregistered Interests

Our valuation is on an unencumbered basis and therefore assumes the mortgage/s to be released on sale/transfer of title.

We have assumed that there are no further easements, unregistered interests or encumbrances not disclosed by this brief title search which may affect market value. However, in the event that a future title search is undertaken which reveals additional easements or encumbrances, CBRE should be consulted to reassess any effect on the value stated herein.

4.6 Side Agreements

Side Agreements

- We have requested information in respect of any side agreements relating to the development project, and have been advised that:
  – None advised.

In the event that the Reliant Party becomes aware of any side agreements, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.

5 Site Description

5.1 Land Area & Dimensions

Land Area	▪ SWA site Land Area – Total:	16,863 sqm.
	▪ Caltex site Land Area – Total:	28,585 sqm.
SWA site Street Frontage (approx.)	▪ Walter Place:	86.00 metres.
	▪ Bracks Street:	223.00 metres.
Caltex site Street Frontage (approx.)	▪ Walter Place:	86.90 metres.
	▪ Bracks Street:	149.40 metres.
	▪ Irene Street:	120.00 metres.
Access	▪ Current access is available from Irene Street, Bracks Street and Walter Place via Curtin Avenue.	

Sketch

Site Survey

We do not commission site surveys and a site survey has not been provided to us. We have assumed there are no encroachments by or on the property, and the Reliant Party should confirm this status by obtaining a current survey report and/or advice from a registered surveyor.

5.2 Shape & Topography

Shape	▪ Generally regular.
Topography	▪ Relatively level throughout.

5.3 Services & Amenities

Typical Services	▪ Electricity, water, gas, sewerage and telephone are connected or are available for connection to the property.

5.4 Flooding

Investigations

Source: City of Fremantle, 2019.

- We have reviewed the City of Fremantle records and found no property specific flood records. Formal searches have not been undertaken.
- However, The Town of Mosman Park and the City of Fremantle are working together to preserve and protect the local beaches and as a result the "Our Coastal Future - Port, Leighton and Mosman Beaches Coastal Adaptation Plan (2017)" was adopted by the City of Fremantle Council on 22 November 2017.
- Sections of the Port, Leighton and Mosman beaches are exposed, and vulnerable to coastal processes, including erosion and inundation. Over time, the coast will become increasingly vulnerable to the impacts of sea level rise, storm surges and changes in sediment transport and natural sediment stores.
- This plan has been prepared to adapt to the changing coast at Port, Leighton and Mosman Beaches, and provides recommended timeframes and trigger points for decision-making and planning for the area. The plan has been prepared as the first iteration of an evolving, long-term planning and decision-making process for the City of Fremantle and Town of Mosman Park, the community and key stakeholders to adapt our settlements and infrastructure to coastal processes – including risks of coastal erosion and inundation.

Flooding Caution

The quality, completeness and accuracy of flood mapping varies widely between localities and Councils. We have not verified, and make no representation as to the appropriateness, accuracy, reliability or currency of the flood mapping reviewed. The Reliant Party may wish to confirm the flood mapping information by obtaining an expert hydrologist's report. If further flooding data is obtained, we reserve the right to review and if necessary amend the valuation.

5.5 Site Contamination

Past Use

- The past use of the property is difficult to ascertain.

We do not undertake historical site searches and have therefore assumed former uses did not cause site contamination unless these have been identified in the following section.

Present Use

- The present use of the properties is as follows:
  - SWA Site: industrial warehouse offices;
  - Caltex Site: mostly vacant land with some minor improvements including an office and warehouse.

Informal Contamination Comment (online search)

Source: Contaminated Sites Act 2033. Basic Summary of Record Search Response (Lot 53 On Plan 222459)

- We have undertaken an online search of the Government of Western Australia Contaminated Sites Database.
- The search revealed the following:
  - SWA site: No listing recorded. The SWA site has no associated contamination hence it is not listed on the Western Australia Contaminated Sites Database. No remediation is required for the SWA site.
  - Caltex site: Remediated for restricted use as at 09 February 2017.

    <u>Nature and Extent of Contamination:</u>

    - Hydrocarbons (such as from petrol and diesel) are present in groundwater beneath the northern portion of the site as a plume extending off-site to the west.
    - Perfluoroalkyl and polyfluoroalkyl substances (such as from fire-fighting foam) is present in groundwater beneath the south-western portion of the site.

    <u>Restrictions on Use:</u>

    - Groundwater should not be abstracted unless analytical testing demonstrates that it is suitable for its intended use.

Reason for Classification:

This site was reported to the Department of Environment Regulation (DER) prior to the commencement of the 'Contaminated Sites Act 2003' (the Act). The site was originally classified under section 13 of the Act based on information submitted to DER by November 2006. The reasons for classification were updated to reflect additional technical information submitted to DER by November 2011 and again by December 2016.

This site was used as a fuel storage and distribution facility for approximately 76 years, from 1918 to 1994. This is a land use that has the potential to cause contamination, as specified in the guideline 'Assessment and management of contaminated sites' (DER, 2014).

Several investigation reports have been prepared as part of on-going management of the site since 1993 and as part of decommissioning works between 2014 and 2016. The site had previously been investigated and classified as part of a larger site with the adjacent fuel terminal to the south.

Investigations in 2014 identified metals (zinc and copper) present in soils at concentrations exceeding the relevant Ecological Investigation Levels for urban residential land, public open space and commercial and industrial land specified in the 'National Environment Protection (Assessment of Site Contamination) Measure 1999' (the NEPM).

Lead was present in soils at concentrations exceeding Health Investigation Levels (HILs) for residential land with accessible soil specified in the NEPM.

Hydrocarbons (such as from petrol or diesel) were present in soils at concentrations exceeding Ecological Screening Levels for areas of urban residential land and public open space and the relevant soil Health Screening Levels (HSLs) for vapour intrusion on residential land and Management Limits for parkland and public open space as specified in the NEPM.

Decommissioning, demolition and remedial works were undertaken at the site in 2015 and 2016. This work involved the removal and off-site disposal of 80.2 tonnes of asbestos-containing material (ACM) and the excavation and off-site disposal of 5,515m3 of metal or hydrocarbon-contaminated soils. All identified impacted soils have been successfully remediated to below the relevant HILs for residential land use specified in the NEPM. Retained subsurface infrastructure containing asbestos cement material is required to be managed through an asbestos management plan and register.

Groundwater monitoring has been undertaken at the site since at least 1993 including eight monitoring events between 2014 and 2016. The monitoring has identified a hydrocarbon plume in groundwater beneath the north-western portion of the site, migrating off-site to the west. The hydrocarbon plume has been delineated and it has been demonstrated that the plume is stable and attenuating.

The most recent results from 2016 found residual hydrocarbon concentrations in groundwater below the relevant groundwater HSLs for vapour intrusion on residential land as outlined in the NEPM. However, concentrations exceed the adopted non-potable use guideline derived from the World Health Organisation 'Petroleum Products in Drinking Water' 2008.

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) (such as from fire-fighting foam) were identified in groundwater below the south-western portion of the site at concentrations exceeding the interim groundwater screening criteria for non-potable use as published in the 'Interim guideline for the assessment and management of perfluoroalkyl and polyfluoroalkyl substances (PFAS)' (DER, February 2016). The PFAS concentrations were stable and the plume clearly defined with no significant changes due to seasonal conditions.

A tier 1 risk assessment has indicated that the contamination present on the site does not currently pose an unacceptable risk to human health, the environment or environmental values under the potential future proposed residential land use. However, the contamination may present an unacceptable risk to human health if groundwater is abstracted and used on-site.

An accredited contaminated sites auditor (the auditor) reviewed the investigations and risk assessment for the site. The auditor's findings are documented in (mandatory auditor's report dated 14 November 2016 and in subsequent auditor's advice dated 23 January 2017. DER accepts the auditor's recommendation that the site is suitable for residential land use.

As the site is contaminated and has been remediated such that it is suitable for residential land use, subject to a restriction on groundwater abstraction, the site is classified as 'remediated for restricted use'.

Groundwater Contamination

- We have been provided with a copy of an 'Environmental Assessment Report, Bracks Street Precinct, North Fremantle' prepared by consultants Galt Environmental Pty Ltd. Via email correspondence to the owners, Mr Brad Palmer, environmental scientist, has made the following comments with regard to water contamination: "The Department of Water and Environmental Regulation (DWER) have classified the site as 'Remediated for restricted use' with the only restriction being the use of groundwater for irrigation or drinking water. This classification as based on extensive studies conducted by the primary consultant (AECOM) and reviewed by an independent accredited contaminated sites auditor (GHD) who agreed that the site is suitable for any land use (including residential) as long as groundwater at the site is not abstracted for any purpose other than analytical testing. Typically, these findings are very conservative as the classification is held in perpetuity or until such time that further information is provided that demonstrates that site conditions have changed. As such the likelihood that further groundwater remediation is required would be negligible."

  Mr Palmer also added "As previously noted, hydrocarbon and PFAS impact typically attenuates over time and given that 4 – 5 years have passed since the previous monitoring event, it is possible that the site may be suitable for reclassification as 'Decontaminated' and thereby removed from the contaminated sites database."

Surrounding Properties

- Our visual inspection of the surrounding properties revealed no obvious signs of potentially contaminating uses. Our valuation assumes no contamination issues associated with adjoining properties.

We Are Not Contamination Experts

Unless otherwise stated, we have assumed that the site is free of subsoil asbestos or any elevated levels of contaminants. We have made no allowance in our valuation for site remediation works. Our visual inspection is an inconclusive indicator of the actual condition of the site. We make no representation as to the actual environmental status of the subject property. If any testing is undertaken to assess the degree, if any, of contamination of the site and this is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess any effect on the valuation.

Site Conditions

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

5.6 Asbestos

Likelihood of Asbestos

- The principal improvements on the SWA site are estimated to have been completed prior to 1990, and therefore the likely potential exists for Asbestos Containing Materials to form part of the building and/or its plant and equipment.

Informal Asbestos Comment

- The presence of some asbestos materials were noted during our inspection.

Demolition Comments

- Discussions with ISPT indicate that quotes have been received for demolition of the existing warehouse building on 90 Bracks Street down to slab level by contractors accredited to remove asbestos. The fee quotes were in the order of between $360,000 and $794,835 with timing of approximately 12 weeks. We note the lower price is heavily conditioned.
- Additional project management fees and hygienist sign off costs are also likely to be incurred, estimated at approximately $200,000.
- A DA for demolition has been lodged with Council and subject to approval. Estimated commencement of demolition works are expected in early 2022.

We Are Not Hazardous Material Experts

Unless otherwise noted, we have assumed that any improvements are free of asbestos and hazardous materials, or should these materials be present then they do not pose significant risk to human health, nor require immediate removal. We have made no allowances in our valuation for site remediation works.

Our visual inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the property. We make no representation as to the actual status of the subject property. If any testing is undertaken and the presence of any asbestos/hazardous materials on site is found to be positive, this valuation must not be relied upon before first consulting CBRE to reassess the valuation.

6 Planning

6.1 Current Planning Controls

Local Authority

- City of Fremantle.

Current Zoning

- Industrial Zone under the Local Planning Scheme 4 and the Metropolitan Regional Scheme.

Zoning Objectives

- Development within the industrial zone shall—
  - (i) provide for manufacturing, processing and fabrication industry, the storage and distribution of goods and associated uses, service industry, utilities and communication, ancillary retail which by the nature of their operations should be separated from residential areas, and
  - (ii) ensure that development contributes to a high standard amenity and
  - design as well as compatibility with adjacent residential areas.

Permitted Uses

- Nursery
- Office
- Showroom
- Trade display
- Veterinary consulting rooms
- Veterinary hospital
- Convenience Store
- Motor Vehicle, Boat or
- Caravan Sales
- Transport Depot
- Civic Use
- Community purpose Motor Vehicle Wash
- Petrol Filling Station
- Service Station
- Consulting Rooms
- Medical Centre
- Club Premises
- Private Recreation
- Private Recreation
- Public Amusement
- Industry Cottage
- Industry General
- Industry Service
- Fuel Depot
- Storage Yard
- Warehouse
- Motor Vehicle Repair

Zoning Potential – Rezoning Process

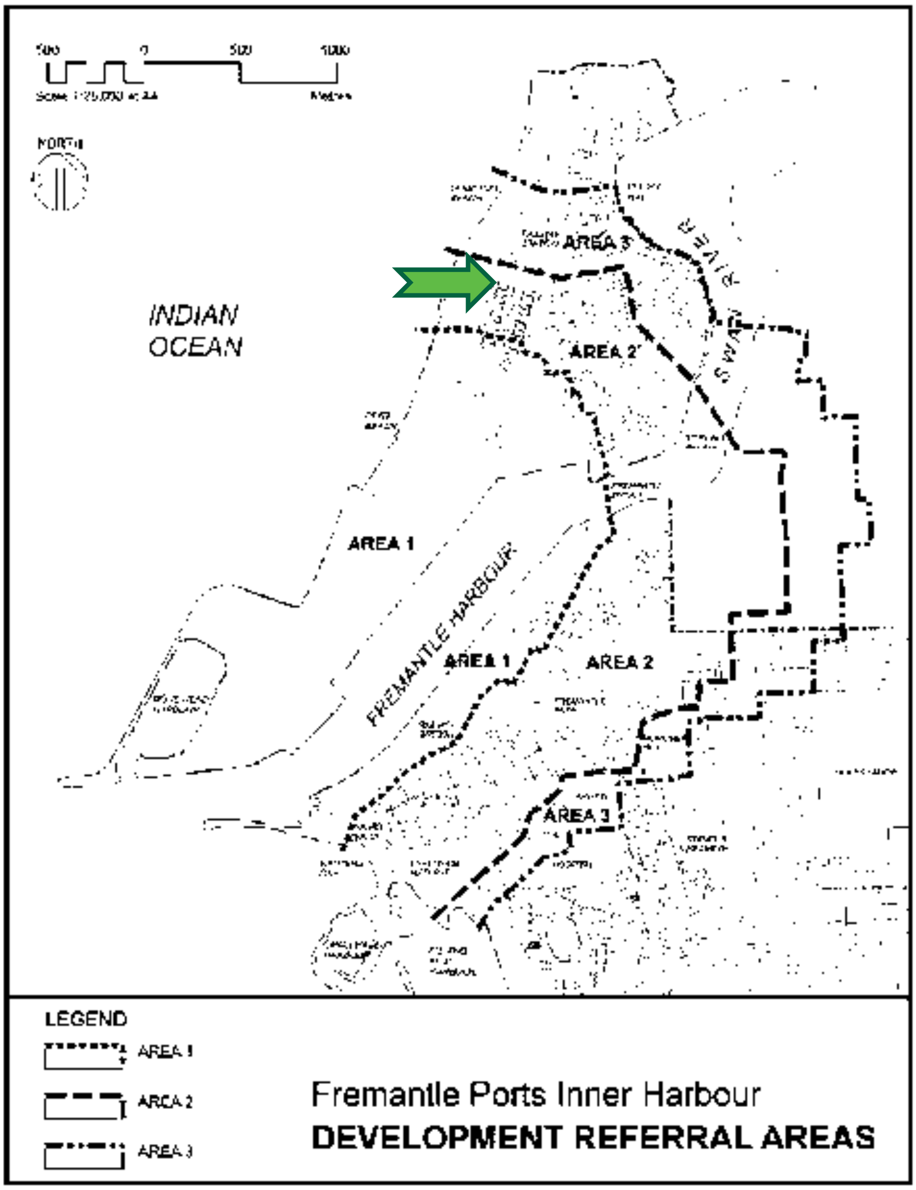
- To develop the subject land for mixed-use commercial and residential purposes will require rezoning of the land to "Urban" under the MRS Scheme and to develop the land for mixed-use commercial and residential purposes would also require rezoning of the land under Local Planning Scheme 4.
- An MRS Amendment request was lodged with the Planning Commission in 2016 to rezone the land from "Industrial" to "Urban". The MRS Amendment was considered and deferred at the SPC meeting on 27th March 2017, it has never been initiated or advertised.
- Since that time the Westport Taskforce was established to look at the long-term future of port operations for Western Australia analysing the future of Fremantle, Bunbury and the outer harbour. The Westport Taskforce released its final report in August 2020 recommending a future container port is to be located at Kwinana. Work will now proceed to determine the timetable of transitioning freight from Fremantle Port to Kwinana. The transition will occur either in one step by 2032 or over a phased period that will see both ports share the freight task for around a further 15 - 20 years. Westport is now required to produce, within approximately 2 years, a Business Case confirming the viability and future planning of the decision.
- Based on the above decision it can now be now be said with a greater deal of confidence that the subject land will not form a major consideration to Fremantle Port and as such planning for the MRS Amendment can be reinitiated.
- Our discussions with the owner's planners Taylor Burrell Barnett indicate that, in conjunction with Urbis Planners, work has commenced toward a new consolidated, single Master Plan / MRS Amendment, which is to include all landowners in the immediate locality. It is anticipated that the Amendment will be ready to be lodged early 2021 circa February / March.
- Notwithstanding it should be acknowledged that the planning process involves many steps, in particular:
  - MRS Amendment
  - TPS Amendment
  - Structure Plan
  - Subdivision Plan

  A period of approximately 5 years should be allowed for the above process to take place.

- Although there remains may hurdles to achieving a rezoning, the current situation can be considered a positive step forward after several years of inaction.

Fremantle Port Buffer Area Development Guidelines

- The precinct in which the subject property is located falls within the Fremantle Port Buffer referral area which requires any proposed development of a sensitive / residential nature to be referred to council for consideration in view of potential conflicts and/or issues arising out of Port operations.
- Three buffer areas around the Port have been identified: Area 1, Area 2 and Area 3. The policy defines separate land use and built form requirements for each area.
- Area 2 requirements apply to the subject land. We do not propose to restate the conditions relating to each area but rather refer you to the appendices for a copy of the Fremantle Port Buffer Area Development Guidelines including the plan showing the referral areas.
- It will suffice to say that we have taken due consideration of the effects of the buffer zone on each site as detailed further in our report.



Updated Planning Comments	▪ It is the intention of the Owner to lodge a rezoning application in December 2021, with the previous application having stalled in 2016. The government has also established the Future Fremantle Planning Committee to identify future land uses in the event that port relocates (north and south of river). It is noted that under any scenario the port is expected to continue to operate for at least 15 years. ▪ The estimated program for the rezoning is attached (refer to Appendices). There is a risk around the rezoning being delayed whilst the Future Fremantle Planning Committee completed its 2 year study. Until such time as the port relocates the site, will remain affected by the buffer zones around the port, though the impact is minimal. ▪ We note there is no significant change to the planning process since our prior valuation, as there has been no certain resolution yet to the Fremantle Port. Further discussions have indicated that the owner is seeking to explore re-zoning options in the medium term.
Native Title	▪ The property is not expected to be subject to Native Title issues. Searches were not undertaken.
Planning Information	We assume information provided by the relevant responsible authority is current and accurate. We do not commission formal investigations to verify information provided to us.

7 Improvements

7.1 Property Description

Improvements Description

- The subject property comprises two irregular shaped sites known as former SWA site (Lots 54, 241-262, 311 and 349) and former Caltex site (Lots 53, 152-159, 174-217, 222, 308, 309, 340, 350 and 356). The properties are situated on the southern alignment of Walter Place some 200 metres south of the North Fremantle Railway Station in a confined industrial precinct in North Fremantle.
- At the time of the valuation all industrial activity on the land has effectively ceased, with the existing sheds on the SWA site currently being rented out for short-term storage. We note these improvements have been earmarked for demolition within the short term, with tenants in the process of vacating. All infrastructure (inclusive of the large petroleum storage tanks) has been removed as part of the remediation works for the former Caltex site.
- Any existing improvements are considered to be of no added value to the properties and we consider the highest and best use to be a development site
- SWA site Land Area – Total: 16,863 sqm.
- Caltex site Land Area – Total: 28,585 sqm.

7.1 Condition and Repair

Condition and Repair

- The improvements appear to be in poor to fair condition having regard to their age and use.

We have not been provided with any reports in respect of the structural integrity or condition of the plant and machinery or service facilities within the property, nor have we been advised of any pending capital expenditure requirements for the subject within the short to medium term. Our approach to valuation by necessity assumes that no significant capital expenditure is required in respect of the building or facilities contained therein at the present time.

7.2 Photos







8 Occupancy Details

Details

- We have been advised by ISPT that all tenants have now either vacated or are in the process of vacating except for Connected By who have moved to 85 Bracks Street (ex Rainbow Plastics tenancy) for $45,000 per annum (gross basis) on a 2 year lease period.

Future Income

- As mentioned in Section 5.6, numerous improvements have been earmarked for demolition by virtue of asbestos. Upon completion of the demolition, the owners expect to lease the remaining hardstand at 90 Bracks Street from mid 2022.
- We believe the income generated is minimal and does not affect our assessment of the market value.

9 Market Commentary

9.1 National Overview

National Overview

- Australia's economy continued to grow in the June quarter 2021, recording a 0.7% rise over the quarter and marking four consecutive quarterly rises post the height of COVID-19 restrictions in 2020. Annual growth over FY21 was sitting at 1.2%. While the overall figures were generally positive, however, they preceded the lockdown measures implemented in New South Wales, Victoria and the ACT during the September quarter.
- In their November 2021 interest rate decision, the Reserve Bank of Australia suggested that the Australian economy is growing again, after the recovery from the pandemic was interrupted by the Delta outbreak. GDP is expected to record a solid gain in the December quarter, following the sharp contraction in the September quarter. And by the middle of 2022, GDP is expected to be back on its pre-Delta path.
- The Bank's central scenario has been updated and is now forecasting the economy to grow by around 5.5% 2022 and by around 2.5% over 2023.
- The resilience of the economy continues to be evident in the labour market. A strong bounce-back in hours worked is now under way, after a sharp fall during the lockdowns. The unemployment rate is expected to trend lower over the next couple of years. The central scenario is for the unemployment rate to reach 4.25% by the end of 2022 and 4% by the end of 2023. Should this eventuate, it will be the first time Australia has experienced a sustained period of unemployment such low levels since the early 1970s.
- Inflation, in underlying terms, remains low at 2.1%. Inflation is, however, a little higher than it has been over recent years. This increase largely reflects higher oil prices in global markets, higher prices for residential construction and strained global supply chains. Looking forward, a further, but gradual, increase in underlying inflation is expected. The central forecast is for underlying inflation of 2.25% in 2022 and 2.5% in 2023. While these forecasts are higher than earlier forecasts, the surge in inflation that has been experienced in some other countries is still not expected. The situation in Australia is different. The fall in labour force participation has not been as extreme as experienced elsewhere, and the impact of other supply disruptions, including in energy markets, is less evident in Australia's CPI.
- It is also relevant that the starting points for inflation and wages growth are lower in Australia than in many other countries. In addition, it still appears that that wages growth remains modest, although there are some hotspots. Wages growth is expected to pick up as the labour market tightens, but this pick-up is expected to be gradual.
- Australia's residential markets have shown remarkable resilience over the past 18-months Far from the negative sentiment that was dominant at the height of the COVID-19 pandemic in mid-2020, most markets have been on their strongest price growth trajectory in more than a decade, if not on record. And in an indication of some of the changing dynamics at play, regional markets have generally outperformed their capital city counterparts while houses have been favoured over apartments. Some of these trends now seem to be adjusting, however.
- According to the REIA, national price growth in the June quarter 2021 was at 4.5% for houses (reaching a median of $919,900) and strong across all markets with the exception of Melbourne. On an annual basis national median was 18.4% higher year-on-year. By contrast, units recorded a more modest, although improving, 2.9% quarterly rise (to $642,900) with performance a little more even by market. On an annual basis, the national median was 8.6% higher.
- The strong performance over the past year has been built around a number of factors including:
  - record low interest rates and a highly competitive lending market;
  - government stimulus and support including the HomeBuilder package and various federal and state measures support first home buyers;
  - a low volume of stock on the market as buyer demand strengthens;
  - the return of expat-Australians (particularly relevant to the prestige end of the market in the major capitals); and
  - changing work/life balance and lifestyle choices. This has been favouring houses as opposed to apartments thus far and regional locations over the capitals, although there does seem to be early signs of realignment now starting to occur.
- The RBA has noted that conditions in established housing markets remain strong, although turnover in some markets has declined following the Delta outbreak. Housing credit growth has picked up due to stronger demand for credit by both owner-occupiers and investors. It was noted that The Council of Financial

Regulators has been discussing the medium-term risks to macroeconomic stability of rapid credit growth at a time of historically low interest rates. In this environment, it is important that lending standards are maintained and that loan serviceability buffers are appropriate.

- APRA has since increased the minimum interest rate buffer ADI's use in assessing loan serviceability from 2.5ppts to 3ppts above the actual loan rate, while Australia's major banks have already indicated they have begun to take a more cautionary approach to some of their lending criteria.
- There had been an increase in the supply of rental properties in some markets as a result of COVID-19, particularly the inner cities in the larger capitals (Sydney and Melbourne). This has dampened the outlook for higher density dwelling investment once the current pipeline of work has been completed, with an uptick in new development likely to push out beyond 2021. Suburban areas and the smaller capitals (Perth, Brisbane and Adelaide), however, are exhibiting quickly tightening vacancy profiles with rental growth pressures emerging. This may pull this timeline earlier in some markets.
- The federal government's HomeBuilder stimulus package has supported a short-term boost to detached dwelling supply. Not unexpectedly, a three-month extension to the HomeBuilder grant was implemented. Initially slated to end on December 31, the scheme was extended to the end of March 2021, but at the lower rate of $15,000 (from the earlier $25,000). There were also adjustments to the construction commencement timeframe from three to six months (to help alleviate bottlenecks, but this may also help some high-density developments meet the deadlines) and an increase in the property price cap for new builds in New South Wales and Victoria to $950,000 and $850,000 respectively (from January 1). The $750,000 price cap remained in all other jurisdictions. Almost 75,000 grant applications had been made up until the end of December, with that total reaching 135,000 by the end of the scheme. Subsequently, the construction commencement deadline has been extended further to 18 months from contract date.
- The supply cycle in 2020 was already receding as apartment completions in the major capitals passed their peaks. Nationally, total dwelling commencements in Australia in FY20 sat at 171,000, including 102,000 houses and 69,000 units/apartments/townhouses. These were the lowest commencement levels since circa 2013. A higher levels of detached dwelling commencements was evident over FY21 as a result of the combination of government stimulus, first home buyer support and low interest rates and this should continue into FY22. Lower supply levels for investor focused medium/high density development will likely remain in the short-term, however, until key demand drivers including overseas migration and international students begin to recover when international borders reopen. By contrast, higher quality owner-occupier unit stock, particularly downsizer product, is generally performing well.

Perth Overview

- After stalling in the COVID-19 impacted June quarter in 2020, Western Australia's economic recovery appears to be back on track, with a strong bounce back in September (5.1% growth in state final demand) followed by solid gains in the subsequent three quarters (2.0% in December, 3.0% in March and 1.2% in June). Given the significance of the resource sector to economy, particularly iron ore, Western Australia should be at the forefront of the wave of global infrastructure stimulus to cultivate economic activity in the post-COVID world, further supporting the state's economy.
- Residential pricing in Perth is strongly correlated to the strength of Western Australia's mining driven economy and consequent population growth. Pricing peaked in 2014 at the height of the mining boom, much earlier than east coast markets, but has been in decline since. At September 2020, median house prices in Perth were around 13% lower than their peak, with median unit prices around 16% lower (moving annual average).
- Data over the past three quarters, however, suggests the long down cycle may be over. REIA data for the June quarter 2021 was showing:
  - a median house price of $515,000, up 2.2% q-o-q and 8.4% y-o-y. This follows similar quarterly rises in September and December; and
  - a median unit price of $400,000, up 2.6% over the quarter and 6.7% over the year.
- As is the case with Brisbane, Perth does have a much lower price point in comparison with Sydney and Melbourne. Medium-term growth prospects appear strong, on the proviso the economy continues to show improvement post-COVID-19 and jobs creation and population growth strengthens. Net interstate migration in the September quarter showed its first positive result in seven years and is expected to continue to grow once internal borders re-open.
- The one indicator that has maintained significant improvement has been the vacancy rate. Metropolitan vacancy has settled at or just below 1% over the past year, down from its 6.6% peak in 2016. The past year is the first-time vacancy has trended below 1% since 2007. This has been helped by the muted new supply pipeline, particularly for apartments.

- As a result, rental growth pressures have been strong, with quarterly medians now at their highest point since late 2015.
- Western Australia has introduced a separate 'Building Bonus' scheme over and above the federal government's HomeBuilder package, offering a $20,000 grant for owner occupiers and investors who build a new home or purchase a property in a single storey development which is already under construction, with no means test or cap on property value. This has provided a further boost to the new build sector.

Interest Rates

- Interest rates continue to sit at record lows. The RBA has cut the official cash rate six times since June 2019, with the rate now at 0.10%. The three most recent cuts, totalling 60bps, were made as part of wider measures by the bank to support the Australian economy as it navigated COVID-19.
- The RBA continues to indicate they will not increase the cash rate until underlying inflation is sustainably within the target 2% to 3% range. For this to happen, wages growth will have to be materially higher than it is now.
- This is still likely to take time. Nonetheless, the RBA now concedes that while they are prepared to be patient and will look through spikes in the inflation rate, it is possible that faster-than-expected progress continues to be made towards achieving the inflation target. The recovery of the economy and the recent inflation data have increased the probability of this. If this faster progress were to be sustained, there would be a case to lift the cash rate before the previously anticipated 2024.

9.2 Demand Drivers

Population Growth & Forecasts – Greater Perth

- With a population of 2.270 million as at December 2020, Western Australia has the fourth largest state population in the nation. Population increased by 24,500 persons over the 12-month period, reflecting an annual growth rate of 0.9%. Period to COVID-19, growth had reached 1.5% annualised, the strongest annual increase recorded since the start of 2014.
- Net interstate migration turned positive in the September quarter, at 631, the first quarter of positive net interstate migration since the end of 2013. December recorded a slightly higher positive result of 1,205, meaning annual net interstate migration was positive for the first time since 2013. Net overseas migration was positive 5,700 over the year, although negative in the past three quarters as COVID-19 border closures impacted.
- The population of Western Australia is forecast to grow by 0.9% per annum to 2025 reaching 2.782 million, according to Deloitte Access Economics (Q2 2021), only slightly lower than previous forecasts of circa 1.3% per annum as border restrictions limit migration in the short-term. The longer-term growth trend is expected to have resumed by 2023.
- The Greater Perth Capital City Statistical Area recorded a total population of 2.125 million at June 2020, an increase of 37,600 persons (1.8%) from 2019. Perth accounts for over 80% of the entire population of Western Australia and is the fourth largest capital city in Australia.

Population Growth – Fremantle (C) LGA and North Fremantle

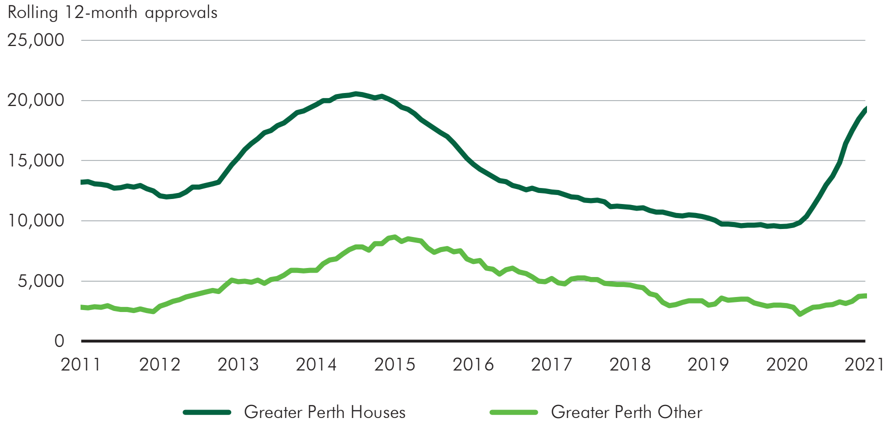
- North Fremantle is located within the Fremantle (C) LGA. At June 2020, the Fremantle (C) LGA supported an estimated resident population of 31,517 having grown by an average of 0.7% per annum over the previous five years and by 1.3% in the year to June 2020.
- Fremantle SA2 population sat at 16,587, recording a five-year growth rate of 1.2% per annum with growth of 1.6% in the past year. North Fremantle sits within this SA2.

9.3 Perth Residential Market

Residential Approvals – Perth

- Detached dwelling approvals in Perth totalled 12,971 over the 12 months ended December 2020, the highest annual total since 2016 and has surged further in 2021. For the year to June, annual approvals topped 19,000. Volume in recent months has been boosted by the financial stimulus offered by the state and federal governments. The recent rise represents the first sustained uptick from numbers which had been falling since 2015 and trending at their lowest levels on record (since the current data series commenced in 2001).
- By contrast, medium/high density approvals (3,713 on an annual basis to June), while edging higher remain well down, around 60% below their mid-2015 peak.

Perth Annual Residential Approvals

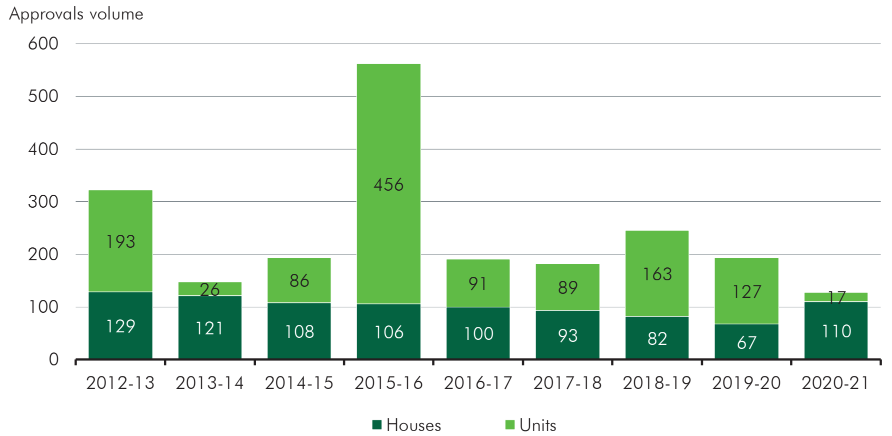


Source: Australian Bureau of Statistics

Residential Approvals – Fremantle (C) LGA and North Fremantle

- Australian Bureau of Statistics data for the Fremantle (C) LGA identifies 2,393 dwelling approvals over the nine years ending June 2021. Detached dwellings accounted for 38% of the total approvals volume with medium/high density units accounting for 52% of the volume. Year by year trends are summarised in the chart below.
- Fremantle SA2 approvals volume, summarised in the table below, totalled 1,670 over the same period, with 21% comprising detached dwellings and 67% medium/high density dwellings.
- Note that the totals in the chart and table may not add due to non-classification of some approvals.

Total Residential Building Approvals, Fremantle (C)



Source: Australian Bureau of Statistics

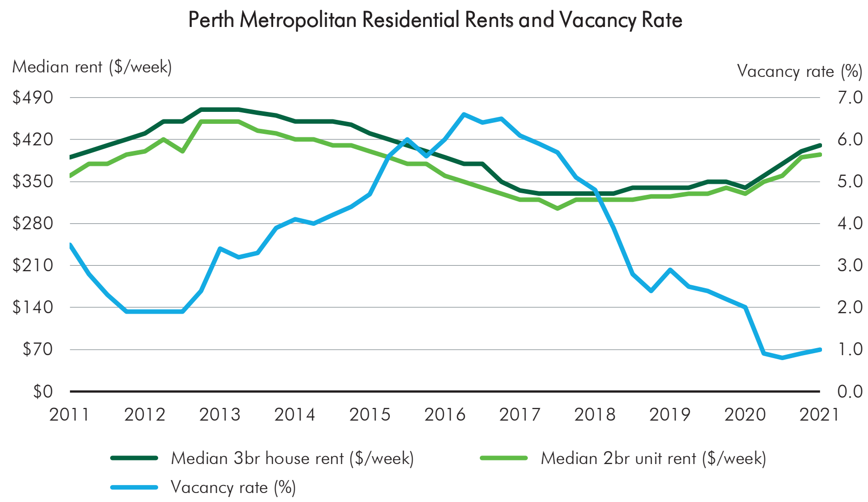
Total Dwelling Approvals

Fremantle SA2	Detached	Other	Total
2012-13	43	184	228
2013-14	44	18	64
2014-15	42	55	287
2015-16	25	451	478
2016-17	33	47	80

2017-18	53	87	145
2018-19	42	139	184
2019-20	26	123	149
2020-21	39	11	55
TOTAL	347	1,115	1,670

Residential Vacancy Rates – Perth

- The one indicator that has continued to show significant improvement has been the vacancy rate. Metropolitan vacancy was at just 1.0% in June, contrasting with its 6.6% peak in 2016. The past year is the first- time vacancy has trended at or below 1% since 2007. This has been helped by the low new supply pipeline in the medium/high density sector.

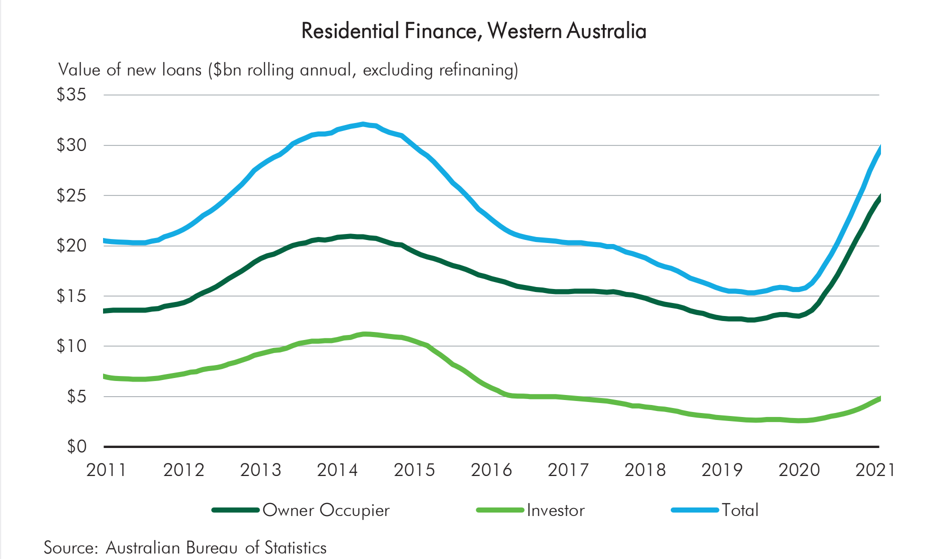


Source: REIA

- For postcode area 6159, which includes North Fremantle, SQM Research recorded a residential vacancy rate of 7.5% in October 2021 representing 711 available dwellings. Vacancy had been sitting around the 4.5% mark from 2013 until mid-2019, apart from seasonal dips towards the end of each calendar year but has declined steadily since and has been below 1.5% for most of the past 18-months.

Housing Investment – Perth

- Borrowing (excluding refinancing) for residential dwellings in Western Australia has shown strong growth since mid-2020, driven by owner-occupiers - first home buyers in particular - taking advantage of state and federal government stimulus. Total borrowing over the year to June 2021 reached $28.8, its highest level since 2015. Monthly owner-occupier borrowing since October (at or above $2bn in each month) is at a record high.
- Investor lending by contrast, has taken longer to turn but is starting to edge higher, now at $4.6bn annualised, a level last seen in 2017. The investor share of total lending appears to have bottomed, dropping to 15.1% over the year to March 2021, down from just over 35% in 2015. The share has now risen to 16%.

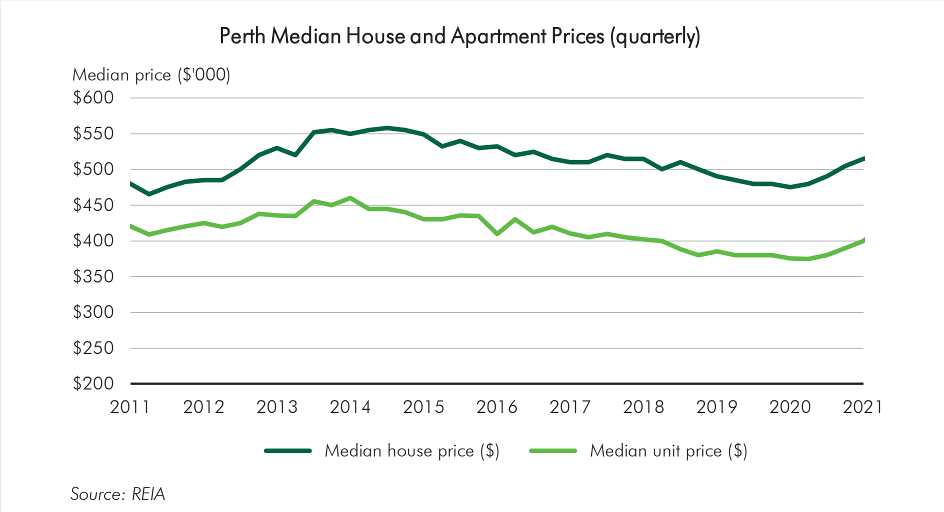


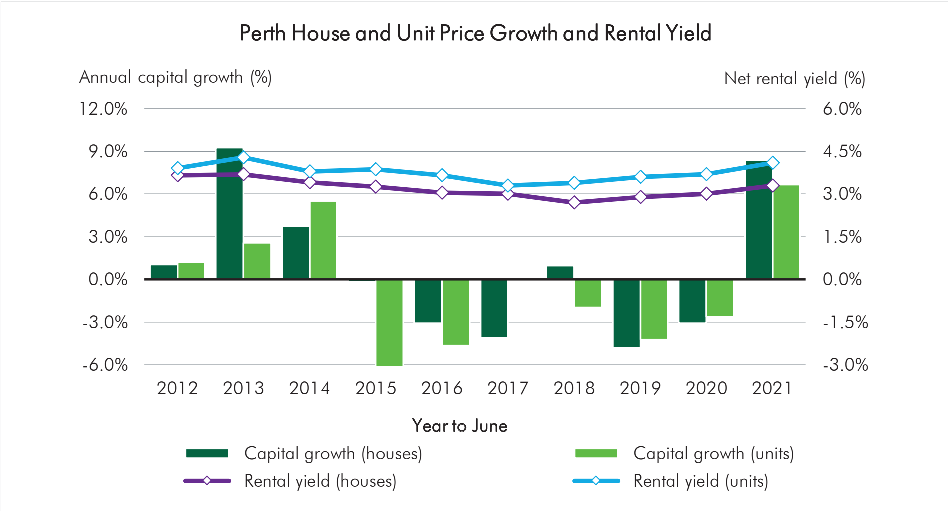
Sales Volume – Perth

- Sales volumes in Perth have rebounded strongly since the COVID-19 induced dip in the June quarter 2020. Quarterly volumes for both houses and units in the December quarter were at their highest levels in almost 15 years, with the first half of 2021 looking to be similarly strong. The stimulus provided by the HomeBuilder grant and state support measures has been strong, particularly for new homes. Year-on-year, volumes to June 2021 (preliminary) were 43% higher for houses and 50% higher for units and at their highest level since 2006 (for houses) and 2014 (for units).

Price and Rental Trends – Perth

- Perth's median house price in the June quarter 2021 had reached was $515,000 (preliminary). Q-o-q, the median rose by 2.2% following similar rises in the preceding two quarters. These are the strongest quarterly rise since the end of 2011. Prices, in fact, have now risen for four consecutive quarters. The median was 8.4% higher than the result from a year earlier. This suggests that the signs from late 2019 that the market had reached its trough have re-emerged after the COVID disrupted first half of 2020.
- Unit prices also look to have ended their declines with the June quarter median rising to $400,000 (preliminary), up by 2.6% over the quarter and 6.7% over the year on the back of three consecutive quarterly rises.
- With vacancy settling at or just below 1.0%, rental growth pressures have been strong. Perth's median house rent (3-bedroom) jumped again in June reaching $410/week. This was its highest median since the end of 2015 and represents an annual rise of 20.6%. The median rent for a 2-bedroom unit also rose again, reaching $395/week and at its highest point since mid-2015. The annual rise was at 19.7%.
- Yields have strengthened since the end of 2018, now sitting at 3.3% net (for houses) and 4.1% (for units). The stronger yields have been driven by rental growth rates which have surged ahead of price growth thus far.





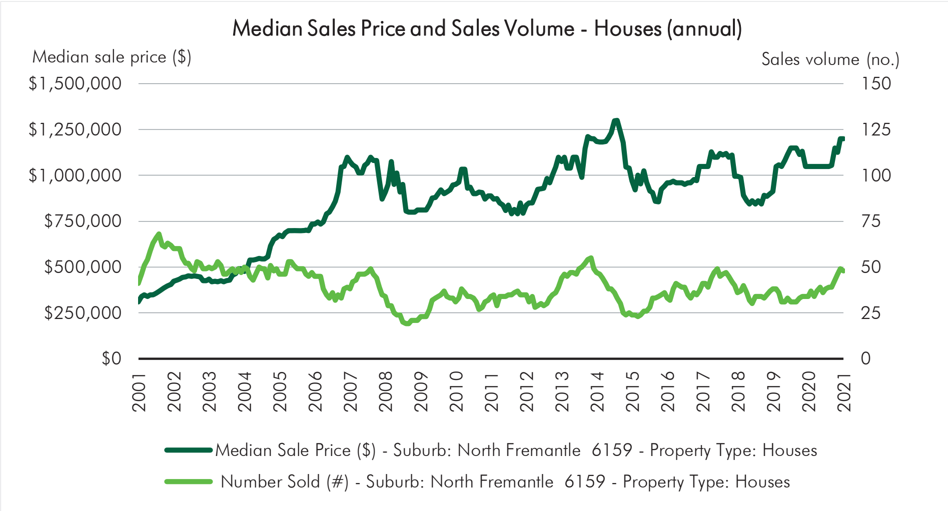
9.4 Local Residential Market

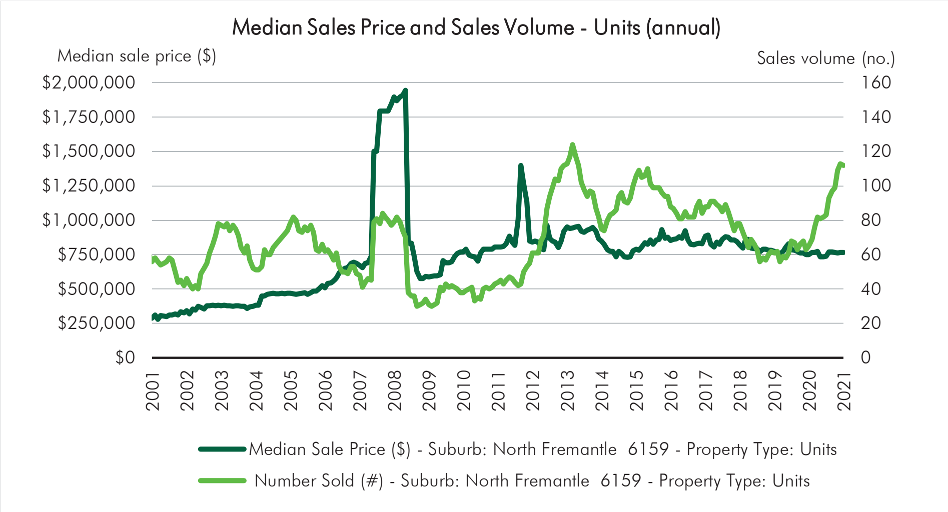
North Fremantle (postcode 6159)

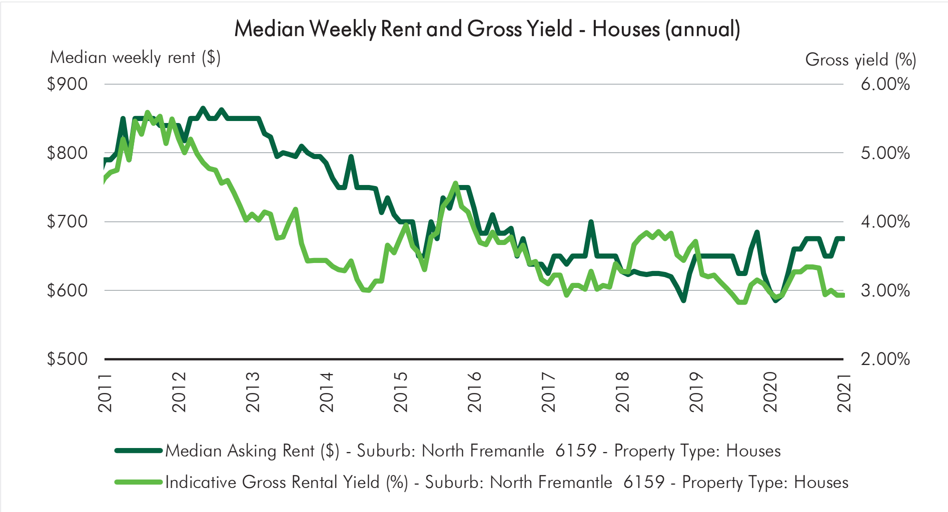
- According to CoreLogic, the residential market in North Fremantle (postcode 6159) experienced median price change of 14.6% for houses over the year to August 2021. The 12-month median house price was $1,200,000 with the median house asking rent $675 per week. The change in annual house sales volume was 41.2% while the sales turnover rate was 5.7% (5.2% in Greater Perth).
- Apartments recorded a median price of $765,000 with the annual change 2.0%. The median apartment asking rent was $570 per week. Compared with 12-months earlier, the difference in annual apartment sales volume was 72.3% with the turnover rate at 9.7% (7.0% in Greater Perth).
- Key indicators are displayed in the table below/overleaf.

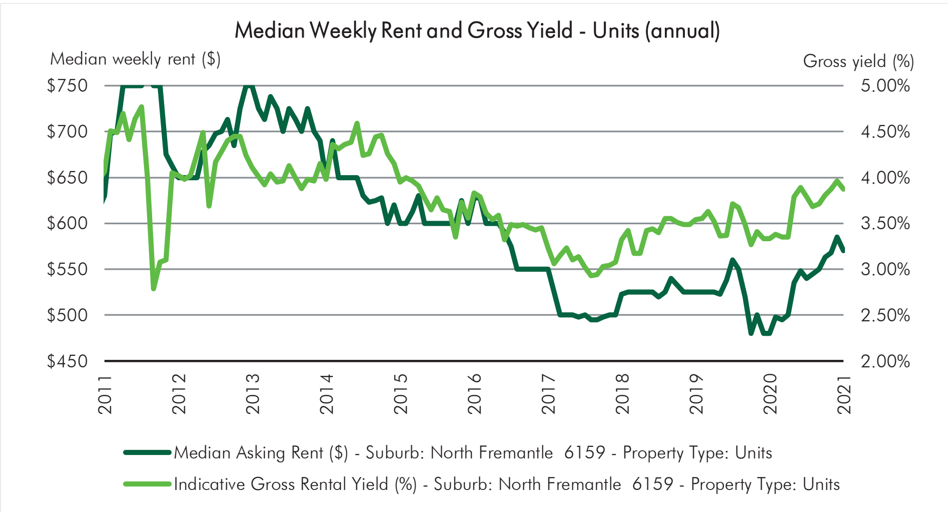
	MEDIAN PRICE	CAPITAL GROWTH		MEDIAN AVM VALUES		RENTAL MARKET			SALES VOLUME		
	Current 12-month period	Last Year (% change)	Last 5 Yrs (% change pa)	Current	Last Year (% change)	Current Asking Rent	Last Year (% change)	Gross Yield (%)	Last Year	Last Year (% change)	Turnover Rate (%)
North Fremantle (postcode 6159)											
Houses	$1,200,000	14.6%	4.6%	$1,284,290	19.4%	$675	12.5%	2.9%	48	41.2%	5.7%
Apartments	$765,000	2.0%	-2.1%	$812,807	17.0%	$570	18.8%	3.9%	112	72.3%	9.7%
Fremantle (C) LGA											
Houses	$772,000	11.1%	1.9%	$862,177	21.0%	$593	19.7%	4.0%	565	45.6%	5.5%
Apartments	$565,000	0.9%	-3.0%	$547,075	14.3%	$465	16.3%	4.3%	398	88.6%	9.0%
Greater Perth											
Houses	$530,000	10.4%	0.4%	$587,922	19.8%	$440	15.8%	4.3%	34,876	45.1%	5.2%
Apartments	$405,000	9.5%	-1.4%	$402,176	17.0%	$390	14.7%	5.0%	9,276	61.1%	7.0%

Source: CoreLogic Market Trends, Corporate Edition – August 2021. Note: AVM refers to Automated Valuation Model.




Median Sales Price and Sales Volume - Units (annual)
Median sale price ($)
Sales volume (no.)
$2,000,000
$1,750,000
$1,500,000
$1,250,000
$1,000,000
$750,000
$500,000
$250,000
$0
160
140
120
100
80
60
40
20
0
2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
Median Sale Price ($) - Suburb: North Fremantle 6159 - Property Type: Units
Number Sold (#) - Suburb: North Fremantle 6159 - Property Type: Units


Median Weekly Rent and Gross Yield - Houses (annual)
Median weekly rent ($)
Gross yield (%)
$900
$800
$700
$600
$500
6.00%
5.00%
4.00%
3.00%
2.00%
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
Median Asking Rent ($) - Suburb: North Fremantle 6159 - Property Type: Houses
Indicative Gross Rental Yield (%) - Suburb: North Fremantle 6159 - Property Type: Houses


Median Weekly Rent and Gross Yield - Units (annual)
Median weekly rent ($)
Gross yield (%)
$750
$700
$650
$600
$550
$500
$450
5.00%
4.50%
4.00%
3.50%
3.00%
2.50%
2.00%
2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021
Median Asking Rent ($) - Suburb: North Fremantle 6159 - Property Type: Units
Indicative Gross Rental Yield (%) - Suburb: North Fremantle 6159 - Property Type: Units

10 Sales Evidence

10.1 Sales Evidence

Overview

- *Limited Evidence*
  - There are no directly comparable sales which accurately and concisely indicate value for the subject property or indicate the market depth for the subject property in this location. The sales we have used give the best guide to value, however the sales are generally dated and have different zonings and are not located close to the property. The reliant party should take this into consideration when relying on this valuation.
- We have had regard to recent transactions of comparable sites within the immediate and surrounding areas. Transactions that we have considered as a guide to assessing the subject are summarised below:

Property	Sale Price	Sale Date	Land Area	$psm Land Area	Zoning
Fremantle					
1,1a,1b Beach Street	$4,000,000	Apr 2019	2,012	**$1,988**	R - AC3
Comments: The property comprises 3 regular shaped, vacant, adjoining lots , situated some 50 metres north of the intersection of Beach and Parry Streets. The site is situated directly opposite the Port of Fremantle. Zoned R - AC3. The highest and best use of the subject property is deemed to be a development site.					
10 Henderson Street	$6,650,000	Dec 2018	2,835	**$2,346**	LPA1 – City Centre
Comments: The property comprises 2 regular shaped adjoining lots (8 & 10 Henderson Street), situated on the western corner of the intersection between Henderson Street and William Street. The site is improved with an open public car park known as the 'City of Fremantle – The Malls Car Park No. 13', comprising 62 car bays. The site is also improved with a circa 567 sqm single level showroom/warehouse. The improvements are considered to be of nominal added value to the property. Zoned City Centre and the highest and best use of the subject property is deemed to be a development site.					
65 South Terrace	$2,250,000	Nov 2018	1,169	**$1,925**	City Centre
Comments: A slightly irregular shaped corner block situated on the southern side of the intersection between South Terrace and Suffolk Street. The site is located approximately 500 metres south east of the Fremantle City centre, and approximately 150 metres south west of the Fremantle Oval. The site is vacant with medium sized trees along the boundaries. Zoned 'Mixed Use' under LPS4 and 'Central City Zone' under MRS. R-Code of "R35" permits multiple dwelling development options. The site has 49m frontage to South Terrace and 24m frontage to Suffolk Street. Sold for $2,475,000 inclusive of GST.					
28 & 30 Knutsford Street	$3,500,000	Apr 2015	1,864	**$1,878**	R60/100
Comments: The two contiguous parcels are located 15 kilometres southwest of the Perth CBD and 1 kilometre east of the Fremantle City Centre. The lots are situated within Precinct 1 (Private Land Owner Group 1). The site has a maximum density zoning of R100 provide the site incorporates one or more of the listed elements contained in the structure plan. The property has the potential to yield some 31 dwellings.					
35-51 Queen Victoria Street	$9,000,000	May 2014	4,762	**$1,890**	Mixed Use
Comments: The property is improved with commercial showroom/warehouse buildings and associated hardstand (former Fremantle Toyota dealership). The improvements offer a short term income of $191,827p.a. (gross). A rectangular shaped, 4,762sqm site situated over five lots obtaining a street frontage to Queen Victoria Street totalling approximately 118sqm. The property also obtains dual frontage to Quarry Street. The property has the potential to be developed to accommodate approximately 182 apartments (one and two bedroom configurations) and 1,183sqm of commercial space situated over 6 storey's which equates to 17,719sqm of gross floor area and an equivalent plot ratio of 3.24:1.0. The purchaser is understood to be Defence Housing Australia.					

38 Glyde Street	$3,050,000	Jun 2017	1,518	**$2,009**	Development Zone Office-Residential

Comments: An regular shaped site situated on the southern side of Glyde Street. The site is currently utilised as a garden nursery and has a development approval for construction of a mixed-use development (29 apartments & three Shop/Café/Restaurant tenancies) comprising six levels and a basement, a roof terrace with car parking in the basement and ground floor.

Claremont

1 Airlie Street	$25,100,000	Jan 2020	15,700	**$1,599**	Development

Comments: A generally regular shaped lot situated on the corner of Airlie Street and Stirling Highway. A former aged care facility comprising a 9 storey tower plus single and two level buildings around the perimeter. Sold on a vacant possession basis. Located within the affluent western suburbs and within close proximity to the Swan River, Freshwater Bay and Cottesloe Beach.
The property was purchased by residential developer Blackburne who intends to demolish the improvements and develop the entire site. Underlying 'Development' zoning requires preperation and approval of a separate Structure Plan. The planning potential of the site was not clearly defined at the time of purchase.
Development application has since been submitted for a 245apartment complex spread over 5 buildings. The majority of apartments will be within three 5 storey buildings, with the remainder in a 16 storey and 11 storey building with views to the coast or Swan River.
Strong purchaser interest with the highest bid being successful.

Lot 506 Shenton Road	$15,000,000	Feb 2018	5,473	**$2,741**	Development

Comments: A generally regular shaped lot situated on the western corner of the intersections between Shenton Road and Graylands Road, whilst also fronting Tiger Way on its north western and south western boundaries. Located at the south eastern end of the Claremont Football Club oval.
The property was purchased by ORYX, an aged care provider, for $16,500,000 inclusive of GST. It is proposed to construct 115 aged care apartments and suites, a childcare centre, assisted living apartments and a respite & memory support day centre. Development completed February 2021.

Lot 508 Shenton Road	$15,454,545	Jun 2017	7,418	**$2,083**	Development

Comments: An irregular shaped lot situated on the north western corner of the intersections between Shenton Road and Tiger Way. The site is currently cleared, and the proposed development will consist of a basement level carpark; mixed commercial uses, car parking and two residential units on the ground floor; a mix of residential multiple dwellings and carpark on the first floor; and five levels of multiple dwellings above.
The proposed eight-storey building fronting Shenton Road and up to seven storey building fronting the oval will comprise 170 apartments with up to 180 sqm of retail space and 2,250 sqm of commercial space. Purchased by TRG in June 2017.

Scarborough

282-284 West Coast Highway & 69-71 Hastings Street	$6,200,000	Nov 2020	4,863	**$1,275**	Gateway/ Groves Precinct

Comments: The property comprises fou regular shaped lots, with two lots fronting West Coast Highway and the two adjoining lots to the rear fronting Hastings Street. The two rear lots are significantly elavated from the two front lots, with a steep crossfall running east to west across the combined site. The property is unimproved.
Lot 82 - 1351sqm, vacant parcel of land
Lot 83 - 1350sqm, vacant parcel of land
Lot 6 - 1143sqm, vacant parcel of land
Lot 7 - 1019sqm, vacant parcel of land
The front portion of the site is situated within the Gatewat Precinct allowing for a development of up to 6 storeys high (4 storey base height limit), with the rear portion under the Groves Precinct up to 3 storeys high under MRA Scarborough Redevelopment Scheme

NW Corner Reserve Street & West Coast Highway (Reserve Street Carpark)	$17,800,000	Aug 2021	6,442	**$2,763**	Gateway West Precinct (up to 12 storeys)
	Adjusted Developable Area		4,025	**$4,422**	

Comments: The property comprises an irregular shaped corner site currently utilised as a public carpark. The propery property was offered for sale via an open tender. The property was placed under contract by Edge Visionary Developerst for $16,100,000 with a deferred settlement allowing for a Development Application to be submitted. Notwithstanding the current zoning, we understand that an application is to be submitted by Hillam Architects for the construction of two 18 storey residential towers.

242 West Coast Highway	$24,500,000	Sep 2018	10,165	$2,410	MRA R160

Comments: An irregular shaped site situated on the eastern side of West Coast Highway with a small portion of the eastern boundary fronting Hastings Street, located between Brighton Road and Scarborough Beach Road. The site is improved with a double level building leased to the Whitesands Tavern, with the remainder of the site incorporating car parking. Currently leased to Whitesands Tavern generating an income of $213,477pa +GST. The lease has 4 years remaining, expiring 30 July 2022 and has a redevelopment clause in place. Vehicle access via both West Coast Highway and Hastings Street.
242 West Coast Highway is a mixed use development site located in the heart of the Scarborough redevelopment precinct. The site is situated within the MRA development zone, with the majority of the site zoned Beach Road Inner Core Precinct 01 - allowing a height limit of 18 storeys (Base height limit of 12 storeys plus bonus potential for an additional 6 storeys subject to conditions and planning approval). The rear portion fronting Hastings Street has a zoning of Beach Road Outer Core Precinct 02 - permitting a reduced height limit up to 12 storeys.
The preferred land uses are the following:
Ground Floor: Café/restaurant, shop, office, community facilities.
Upper Floors: Residential, hotel, serviced apartments, office.

Applecross					
20 Moreau Mews	$1,200,000	Apr 2018	327	$3,670	Centre C2 R-AC0
22 Moreau Mews	$1,387,100	Apr 2018	302	$4,593	Centre C2 R-AC0
24 Moreau Mews	$3,000,000	Apr 2018	926	$3,240	Centre C2 R-AC0
	$5,587,100		1,555	$3,593	

Comments: The total site comprises 3 adjoining lots with a combined 1,555 sqm. Situated on the eastern side of Moreau Mews, located between Kintail Road and Canning Highway.
20 Moreau Mews is improved with a double storey house, with an internal area of 185 sqm.
22 Moreau Mews is improved with a double storey office/ apartment, with an internal area of 242 sqm.
24 Moreau Mews is improved with a 3 storey building, currently used as an office, with a building area of 600 sqm.
Located within the Canning Bridge Activity Centre Plan - Kintail Quarter Q1 which specifies a maximum building height of up to 15 storeys and mixed-use development.

20 Kintail Road	$2,600,000	Aug 2017	1,012	$2,569	Commercial Centre Frame
22 Kintail Road	$2,650,000	Jul 2013	1,011	$2,621	R50
	$5,250,000		2,023	$2,595	

Comments: Two adjoining lots comprising a combined 2023 sqm, situated on the northern side of Kintail Road, located between Forbes Road and Moreau Mews. Also located approximately 50 metres south of a multi storey commercial building.
22 Kintail is improved with a single storey house circa 1970, with 20 Kintail Road improved with a double storey 1959 house.
Located within the Canning Bridge Activity Centre Plan - Kintail Quarter Q1 which specifies a maximum building height of up to 10 storeys and mixed-use development.

59 Canning Beach Road	$10,000,000	Feb 2017	1,462	$6,840	Centre C2 R-AC0
57A Canning Beach Road	$3,400,000	Feb 2017	400	$8,500	Centre C2 R-AC0
	$13,400,000		1,862	$7,197	

Comments: No. 59 comprises a rectangular shaped site situated on the southern side of Canning Beach Road opposite the river. The property is improved with a 1970's built two level dwelling with an original and dated street appeal.
No. 57A is a rear survey strata lot improved with a 2005 built 4 bedroom 2 bathroom dwelling. The property was purchased by the same purchaser as No. 59 in a separate transaction.
Preliminary concept plans, upon completion, provide for a 10 storey mixed use development comprising ground floor commercial/retail tenancies and residential apartments of 2, 3 and 4 bedroom configurations on the upper levels. The apartments are expected to have a high quality level of fit out. Rooftop communal facilities will comprise a pool, decking area, gardens, dining area and spa.
It is noted that the there is another survey strata lot located between 59 and 57A.

50 - 52 Kishorn Road	$3,800,000	Mar 2017	1,019	$3,729	Centre R-AC0

Comments: Rectangular shaped allotment located on the north-west corner of Kishorn Road and Moreau Mews and also opposite Canning Highway. Improvements consist of a single level office building comprising a gross building area of approximately 430 sqm. The property sold "off-market" with the vendor being WA Baptist Church and the purchaser the City of Melville. We note that the City of Melville own the neighbouring property in 31 Moreau Mews.
Located within the Canning Bridge Activity Centre Plan - Kintail Quarter Q1 which specifies a maximum building height of up to 15 storeys and mixed-use development.

South Perth					
50, 51 & 52 Melville Parade	$10,000,000	Mar 2017	2,091	**$4,782**	South Perth Station Precinct Special Control Area

The property includes 3 contiguous parcels of land comprising 3 separate residential dwellings that have been converted for use as character offices. The buildings have been maintained as required and the office space is considered to be of a fair standard.
The three adjoining sites present a good opportunity as a development site, which is considered the highest and best use. There is no plot ratio restrictions for development, however there is a height restriction of 41 metres.
There is a current Development Application before the JDAP for a 33 storey tower with 123 apartments, 20 serviced apartments, medical consulting rooms, convenience store and cafe / restaurant. The application has been deferred for 3 months to consider modifications to the height and bulk of the podium.

18, 20 and 22 Bowman Street	$9,000,000	Nov 2017	2,978	**$3,022**	South Perth Station Precinct Special Control Area

The property includes 3 contiguous parcels of land comprising a 1980's built 3 storey office building plus 2 separate residential dwellings that have been converted for use as character offices.
The buildings have been maintained as required and the office space is considered to be of a good standard, commensurate with average accommodation within South Perth.
The three adjoining sites present good opportunity as a development site, which is considered the highest and best use. There is no residential plot ratio restrictions for development, however there is a height restriction of 25 metres and set back requirements. We also note that any new development is to include a minimum non residential plot ratio of 1.

Subiaco					
133 Salvado Road	$15,050,000	Jul 2019	14,189	**$1,061**	Mixed Use R-AC3

A generally regular shaped 14,189 sqm site situated on the south eastern corner of the intersection between Salvado Road and Bishop Street.
The site is a former TAFE facility and is currently improved with circa 1950'/60's built office/industrial type buildings.
The property forms part of the MRA 'Subi Centro' redevelopment project. It is zoned Mixed Use R-AC3 under the LPSS Draft and has a development potential of up to 6 levels.
The property was sold to Cedar Woods for $15,050,000 with plans to construct a mixed-use townhouse and apartment development.

10 Rokeby Road & 375 Roberts Road,(Ex Subiaco Pavilion)	$24,750,000	Jul 2018	5,451	**$4,540**	Town Centre Development TPS No. 4

The property was sold with a Development Approval (DAP Application No. 7.2014.232.1) approved by the Metro West JDAP, dated 25 February 2015, which is summarised below.

Development: Demolition of existing buildings and construction of a 16-storey mixed use building comprising basement parking, restaurants, fast food outlets, small bar, shops rooftop bar (tavern) and 292 apartments. Note: A DA amendment approved subsequent to the purchase permits the building height to be raised to 24 levels but with a similar number of units. The approval is subject to the terms and conditions listed in the approval document, none of which appear overly onerous.

The Development Approval is valid for a period of 4 years from the date of approval.
A specific Scheme Amendment was gazetted by the Subiaco Council permitting the subject property to be developed to a FSR of 5:1 and a developable height of up to 16 levels. If not for this specific scheme amendment the development potential of the site would have been restricted to an FSR of 2:1 and a height of 5 levels.

Indicative Rates

- The evidence demonstrates the following indicative values:
  - Site Area (range): 1,019 sqm to 29,000 sqm.
  - Rate $/sqm of Site Area (range): $1,067 to $7,197.

Most Comparable

- We have particularly taken into account the following sales and provide comparability comments as follows:
  - <u>19 – 21 McCabe Street, North Fremantle (8,058 sqm)</u> sold for $15,900,000 exclusive of GST in September 2019 (settled February 2021) disclosing a rate of $1,973 per sqm of land area. Situated on an elevated section of McCabe Street with a new development providing river and ocean views. A DA for an 8 storey mixed use development was granted by JDAP in November 2020, (11 Grouped

Dwellings, 97 Multiple Dwellings, Restaurant, Shop). We consider a lower rate should apply to the subject property given its uncertainty regarding zoning and its larger land area.

- 1 Airlie Street, Claremont (15,700 sqm) sold for $25,100,000 exclusive of GST in January 2020 disclosing a rate of $1,599 per sqm of land area. A generally regular shaped lot situated on the corner of Airlie Street and Stirling Highway. A former aged care facility comprising a 9 storey tower plus single and two level buildings around the perimeter. Sold on a vacant possession basis. Located within the affluent western suburbs and within close proximity to the Swan River, Freshwater Bay and Cottesloe Beach. The property was purchased by residential developer Blackburne who intends to demolish the improvements and develop the entire site. Underlying 'Development' zoning requires preparation and approval of a separate Structure Plan. Development application has since been submitted for a 245 apartment complex spread over 5 buildings. The majority of apartments will be within three 5 storey buildings, with the remainder in a 16 storey and 11 storey building with views to the coast or Swan River. Overall, we consider that this property represents as a larger than usual development site but with the potential for river and ocean views. We consider a lower rate should apply to the subject property given its uncertainty regarding zoning and its larger land area.
- 133 Salvado Road, Subiaco (14,189 sqm) sold for $15,050,000 exclusive of GST in July 2019 disclosing a rate of $1,061 per sqm of land area. The site is a former TAFE facility and is currently improved with circa 1950'/60's built office/industrial type buildings. The property forms part of the MRA 'Subi Centro' redevelopment project. It is zoned Mixed Use R-AC3 under the LPSS Draft and has a development potential of up to 6 levels. Subiaco is considered an inner city location being situated some 3 kilometres west of the Perth CBD. Overall, we consider that this property represents as a larger than usual development site but with no views other than the surrounding locality and a known zoning. We consider a similar rate should apply to the subject property given its coastal location and larger land area.
- 242 West Coast Highway, Scarborough (10,165 sqm) sold for $24,500,000 exclusive of GST in September 2018 disclosing a rate of $2,410 per sqm of land area. The site is improved with a two level building occupied by The White Sands Tavern with 4 years lease remaining. The improvements are considered to be of nominal added value to the property but do provide a holding income of $213,477 pa. Located in the centre of the Scarborough redevelopment precinct, the highest and best use of the property is deemed to be a development site. Extensive ocean views are likely from future redevelopment. Overall, we consider that this property has certain similarities being within a coastal location and with a large land area however the zoning is already determined. We consider a lower rate per sqm should be adopted to the subject property as it has twice the land area.

  The purchaser of 242 West Coast Highway, Scarborough is Woolworths. We understand that their intention is to develop a supermarket on part of the land and perhaps mixed use development on the remainder. Woolworths have been seeking a presence in Scarborough (to provide competition to the established Coles) and this site provides a rare opportunity given its size and location.
- Matilda Bay Brewery, Stirling Highway, North Fremantle (29,000 sqm) sold for $36,000,000 exclusive of GST in July 2014 disclosing a rate of $1,241 per sqm. Plot ratio guidelines allow for approximately 60,000 sqm of apartment and commercial buildings with heights limited to between 4 and 8 levels. This property is located approximately 1 kilometre east of the subject property in an elevated position and views of the ocean and possibly the Swan River will be possible. Various parts of the building are heritage listed thus compromising an orderly design over the entire site. Overall, we consider that this property has certain similarities being within a coastal location and with a large land area. Despite the zoning being established the development of the site is compromised by the heritage listing and relatively low height limits. Overall, we consider a similar rate per sqm should be applied to the subject site.

  The purchaser of the Matilda Bay Brewery site is an offshore investor. The intention appears to be the development of the surplus land (not affected by heritage) into medium density residential apartments.

- 35 Leighton Beach Boulevard, North Fremantle (4,013 sqm) sold for $14,000,000 in December 2015 disclosing a rate of $3,489 per sqm of land area. The site is located directly opposite the subject property and has been included to demonstrate the potential uplift in value post rezoning to Urban and further subdivision.

Comments

- Our schedule of sales evidence above indicates the overall lack of comparable site sales (which is not unexpected, given the uniqueness of the subject site). As such there is no overriding sales-based evidence that would indicate a movement in the values in either direction since the property was purchased.

- Other factors that may have influenced the values would be a major progression in the rezoning process. Unfortunately, this has appeared to have stalled momentarily however considerable planning work has been completed towards achieving this goal over the past few years. Although the prospects of a rezoning to 'urban' remain positive the property currently remains zoned Industrial.
- The level of demand for apartments has continued to rise due to Western Australia's management of the COVID 19 situation and incentives from both State and Federal Governments related to stamp duty and building grants. This trend has resulted in an uplift in demand for residential development sites. In general, this sector of the market has remained active as developers look towards land banking into the future, although preference is for properties with a holding income.

11 Valuation Methodology

11.1 Introduction

Overview

- In arriving at our opinion of value, we have employed industry recognised valuation methodologies. We have considered relevant general and economic factors and in particular have investigated recent transactions of comparable sites (as previously detailed).

Valuation Approaches

- Direct Comparison.

11.1.1 Direct Comparison – As Is

Methodology

- Sales evidence is compared on a rate per square metre of site area.
- We have analysed a number of land and selected improved sales within the surrounding locality, and have considered the following criteria:
  - Location and strength of locality.
  - Access and level of exposure.
  - Zoning.
- Based on the available evidence, our interpretation of the market and our primary approach to valuation, our assessment excluding GST is summarised below:

SWA Site - Land Value - Direct Comparison			
Site Area (sqm)			16,863
Site Area Rate per Sqm			
Site Area (sqm)			16,863
Dollar rate per sqm of site arec	$1,020	to	$1,120
Calculated range	$17,200,260	to	$18,886,560
Adopt			$18,043,410
Market Value, Adopt			$18,000,000
$ per sqm Site Area			$1,067

Caltex Site - Land Value - Direct Comparison			
Site Area (sqm)			28,585
Site Area Rate per Sqm			
Site Area (sqm)			28,585
Dollar rate per sqm of site arec	$1,385	to	$1,485
Calculated range	$39,590,225	to	$42,448,725
Adopt			$41,019,475
Market Value, Adopt			$41,000,000
$ per sqm Site Area			$1,434

11.2 Treatment of GST

Treatment of GST

- Our valuation is expressed exclusive of GST.

We are not tax experts and have not been provided with tax or legal advice. The Reliant Party must make its own enquiries if they consider that GST applies.

12 Qualifications

The report must be read in accordance with and subject to the following qualifications:

Market Movement	Values vary from time to time in response to changing market circumstances. The valuation is based on available information as at the date of valuation. No warranty can be given as to the maintenance of this value into the future. Therefore, it should be reviewed periodically.
Extent of Investigations	We are not engaged to carry out all possible investigations in relation to the property. Where in our report we identify certain limitations to our investigations, this is to enable the Reliant Party to instruct further investigations where considered appropriate or where we recommend as necessary prior to Reliance. CBRE is not liable for any loss occasioned by a decision not to conduct further investigations.
Assumptions	Assumptions are a necessary part of undertaking valuations. CBRE adopts assumptions for the purpose of providing valuation advice because some matters are not capable of accurate calculation or fall outside the scope of our expertise, or our instructions. Assumptions adopted by CBRE will be formulated on the basis that they could reasonably be expected from a professional and experienced valuer. The Reliant Party accepts that the valuation contains certain specific assumptions and acknowledges and accepts the risk that if any of the assumptions adopted in the valuation are incorrect, then this may have an effect on the valuation.
Information Supplied by Others	This document contains information which is derived from other sources. Where this information is provided by experts and experienced professionals, we have relied upon the expertise of such experts and by necessity we have relied upon the information provided being accurate, whether prepared specifically for valuation purposes or not. Unless otherwise specifically instructed by you, we have not independently verified that information, nor adopted it as our own. Notwithstanding the above, we have reviewed the provided information to the extent that such a review would be reasonably expected from a professional and experienced valuer having regard to normal industry practice undertaking a similar valuation/consultancy service. The Reliant Party acknowledges that the valuer is not a specialist in the areas from which the expert information is derived and accepts the risk that if any of the information/advice provided by others and referred to in the valuation is incorrect, then this may have an effect on the valuation.
Future Matters	To the extent that the valuation includes any statement as to a future matter, that statement is provided as an estimate and/or opinion based on the information known to CBRE at the date of this document. CBRE does not warrant that such statements are accurate or correct.
Industry Practice	Subject to the assumptions and qualifications detailed within, this valuation report is issued in accordance with the Australian Property Institute Valuation and Property Standards (ISBN 0-9975414-0-1) and International Valuation Standards (2017). Where these are at variance, the assumptions and qualifications included within this valuation report will prevail generally, and the International Valuations Standards will prevail over the Australian Property Institute Valuation and Property Standards.

A. Letter of Instruction

CBRE Valuations Pty Limited
ABN 15 008 912 641
QV1, Level 25
250 St Georges Terrace
Perth WA 6000
T 61 8 9320 0000
F 61 8 9481 1296
jason.fenner@cbre.com.au
www.cbre.com.au

13 January 2022

Michael Barr
North Fremantle JV Pty Ltd
683 – 703 Hay Street Mall
Perth WA 6000

Via Email: mbarr@ispt.net.au

Dear Michael,

Valuation Report
Former SWA site (Lots 54, 241-262, 311 and 349) and former Caltex site (Lot 53, 153-159, 174-217, 222, 308, 309, 340, 350 and 356)

Thank you for your recent request for a quote to value the above properties.

VALUATION BRIEF

The valuation provided will be the current market value of the property at the date of valuation on the following bases:

- Market Value – As Is.

VALUATION PROTOCOL

The Valuation will be prepared under the provision of: Guidelines for API Declared Time of Crisis and/or State of Emergency Impacting Physical Inspections of Real Property (dated 29 March 2020) in response to COVID-19, under the framework of the API's Australia and New Zealand Valuation and Property Standards (or RICS Valuation - Professional Standards).

The valuation will be prepared strictly and only for the use of the Reliant Party and for the Purpose specifically stated, which we understand to be:

- Roxy-Pacific Holdings Limited for the purpose of Financial Reporting only for the specific purpose of a Voluntary General Offer.
- Roxy-Pacific Holdings Limited who is the offeree and the valuation is for inclusion in the offeree circular.
- The Independent Financial Adviser (IFA) may refer to the valuation report as issued to and for the reliance of the offeree.

We do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if the Reliant Party becomes aware of any factors that may have an effect on the valuation.

Outlined below is our fee proposal for provision of the valuation services outlined in the letter of engagement ("the Services") and attached are our standard terms and conditions. If accepted by you, this letter and attachments will form the Terms of Engagement between Roxy-Pacific Holdings Limited ("Instructing Party") and CBRE Valuations Pty Limited ("CBRE", "the Company" or "we").

Fee Proposal

Base Fee:	$2,500	+	$ 250 GST	=	$2,750
Disbursements:	$ 0	+	$ 0 GST	=	$ 0
Total*:	$2,500	+	$ 250 GST	=	$2,750

** 0.89% credit card fee where payment is made by credit card (Visa/Mastercard)*

Any additional advice/consultation beyond the scope of the initial valuation brief, including meetings with auditors, will require your written request and will incur an Additional Fee as detailed below, unless otherwise agreed in writing.

Additional Fees:	- Director	$400/hr	+	$40 GST	=	$440
	- Valuer	$280/hr	+	$28 GST	=	$308
	- Disbursements					As Incurred

We will produce an electronic copy of the report in Adobe PDF format. Additional copies will incur a cost of $250 + $25 GST = $275 per copy (your written request will be required).

Conflict of Interest

You acknowledge that CBRE is a large, multi-national company providing a variety of services to clients. If either party becomes aware of an actual or potential conflict of interest, it will notify the other party as soon as is reasonably practicable thereafter, and the parties will work together to attempt to resolve any such actual or potential conflict.

Cancellation Policy

If you decide for whatever reason to cancel the valuation brief, the following cancellation fees will apply:

- Before property inspection: $500 + $50 GST = $550 (minimum cancellation fee)
- After property inspection: 100% Disbursements + 50% Base Fee
- After issue of report (final or otherwise): 100% Disbursements + 100% Base Fee

CBRE is to provide the services as set out in accordance with the Terms of Engagement. Notwithstanding anything else contained in the Terms of Engagement, CBRE reserves its right to terminate the engagement in its absolute discretion where it considers that:

- a conflict of interest arises (notwithstanding the clause 'Conflict of Interest', above);
- any terms are changed by the Instructing Party or Reliant Party that CBRE considers substantially changes the engagement; or
- any other reason that CBRE is unable to continue carrying out the engagement.

Such termination will be notified in writing to the Instructing Party (or any other party as necessary) and will be without recourse.

Terms of Payment

Upon acceptance of these Terms of Engagement, our invoice will be presented upon delivery of the completed report, however in the event that you require that we delay formalization of our advice or release of our report, then we may present our account at that time. The fee is payable within 14 days of the date of invoice.

Our fee quote is valid for a period of 14 days from the above date.

Should you elect to pay your account via direct deposit, please advise us and we will issue you with your Tax Invoice along with our bank account details. (Please use the Tax Invoice Number as your direct deposit reference number.)

Please complete the Billing Party and Reliant Party details below as acknowledgement and acceptance of the Terms of Engagement.

We thank you for the opportunity to submit our proposal.

Yours sincerely
CBRE Valuations Pty Limited

Jason Fenner
Director
Valuation & Advisory Services

Billing Party & Reliant Party Details — * Authorised Representative

Company:	Roxy-Pacific Holdings Limited for the purpose of Financial Reporting only for the specific purpose of a Voluntary General Offer.
Name*:	Jason Chan
Signature*:	
Date:	14/01/2022

Liability limited by a scheme approved under Professional Standards Legislation.

The valuation and valuation service is provided subject to:

1. All issues, assumptions, disclaimers, qualifications and recommendations as outlined in the advice/report provided. Examples are provided in Attachment 1 and may differ in the report.
2. The "CBRE Valuation & Advisory Services Terms and Conditions" set out in Attachment 2.

BILLING PARTY (name in full):	Roxy-Pacific Holdings Limited / Roxy NF Pty Ltd
Billing Party Address:	C/- Michael Barr ISPT Pty Ltd
Billing Party ABN (must be provided):	8 1 / 604 / 372 / 714
Client Email:	mbarr@ispt.net.au /

CBRE

B. Valuation Terminology & Definitions

Terminology	Definition
Gross Realisation	The sum of the Market Values of the individual lots which a property can achieve over the specified selling period, assuming an orderly sale.
Profit & Risk Allowance	This represents the required monetary and financial return available to a developer from sale of the developed product, based on a percentage of the total development costs (net of selling costs). The return is expressed on a nominal basis and does not take the time value of money into consideration.
IRR	The Internal Rate of Return which the property would achieve given the forecast net cash flow and assessed value.

C. Title Search

REGISTER NUMBER	
N/A	
DUPLICATE EDITION	DATE DUPLICATE ISSUED
2	3/7/2012

WESTERN AUSTRALIA

VOLUME 1102 FOLIO 359

RECORD OF CERTIFICATE OF TITLE

UNDER THE TRANSFER OF LAND ACT 1893

The person described in the first schedule is the registered proprietor of an estate in fee simple in the land described below subject to the reservations, conditions and depth limit contained in the original grant (if a grant issued) and to the limitations, interests, encumbrances and notifications shown in the second schedule.

BGRoberts

REGISTRAR OF TITLES

THIS IS A MULTI-LOT TITLE

LAND DESCRIPTION:

LOT 308 ON DEPOSITED PLAN 160481
LOT 309 ON DEPOSITED PLAN 160482
LOTS 53 & 222 ON DEPOSITED PLAN 222459
LOTS 152, 153, 154, 155, 156, 157, 158, 159, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 350 & 356 ON PLAN 1593

REGISTERED PROPRIETOR:
(FIRST SCHEDULE)

NORTH FREMANTLE JV PTY LTD OF LEVEL 9, 114 WILLIAM STREET, MELBOURNE, VICTORIA
(T M991701) REGISTERED 7/5/2015

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS:
(SECOND SCHEDULE)

1. H744251 LEASE TO LUCENT TECHNOLOGIES AUSTRALIA PTY LTD OF LEVEL 4, 6-10 TALAVERA ROAD, NORTH RYDE, NEW SOUTH WALES EXPIRES: SEE LEASE. AS TO PORTION ONLY. AS TO LOT 159 ON P 1593 ONLY REGISTERED 10/5/2001.
   - I261893 TRANSFER OF LEASE H744251, LESSEE NOW LINDAY PTY LTD OF 68-72 WATERLOO ROAD, NORTH RYDE, NEW SOUTH WALES AS TO LOT 159 ON P 1593 ONLY REGISTERED 11/10/2002.
   - J859326 EXTENSION OF LEASE H744251. AS TO LOT 159 ON P 1593 ONLY REGISTERED 3/8/2006.
   - L964332 CHANGE OF NAME AFFECTING LEASE H744251. LESSEE NOW 3GIS PROPERTIES (NO 2) PTY LTD OF BUILDING A, 207 PACIFIC HIGHWAY, ST LEONARDS, NEW SOUTH WALES AS TO LOT 159 ON P 1593 ONLY REGISTERED 15/6/2012.
   - L964333 EXTENSION OF LEASE H744251. AS TO LOT 159 ON P 1593 ONLY REGISTERED 15/6/2012.
   - *M077275 TRANSFER OF LEASE H744251, LESSEE NOW TELSTRA CORPORATION LTD OF LEVEL 21, 242-383 EXHIBITION STREET, MELBOURNE, VICTORIA AS TO LOT 159 ON P 1593 ONLY REGISTERED 17/10/2012.
2. *M991702 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA REGISTERED 7/5/2015.
3. *N723646 MEMORIAL. CONTAMINATED SITES ACT 2003 REGISTERED 20/9/2017.

Warning: A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.

END OF PAGE 1 - CONTINUED OVER

* Any entries preceded by an asterisk may not appear on the current edition of the duplicate certificate of title.
Lot as described in the land description may be a lot or location.

--END OF CERTIFICATE OF TITLE--

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND:	DP160481, DP160482, DP222459, P1593
PREVIOUS TITLE:	226-182, 244-81, 276-134, 287-158, 363-109, 542-156, 659-68, 855-152, 856-82, 856-83, 936-84, 1016-530, 1028-217, 1091-851, 1099-45
PROPERTY STREET ADDRESS:	LOT 308 BRACKS ST, NORTH FREMANTLE (308/DP160481). LOT 309 BRACKS ST, NORTH FREMANTLE (309/DP160482). LOT 53 BRACKS ST, NORTH FREMANTLE (53/DP222459). LOT 222 BRACKS ST, NORTH FREMANTLE (222/DP222459). LOT 152 PORT BEACH RD, NORTH FREMANTLE (152/P1593). LOT 153 PORT BEACH RD, NORTH FREMANTLE (153/P1593). LOT 154 PORT BEACH RD, NORTH FREMANTLE (154/P1593). LOT 155 PORT BEACH RD, NORTH FREMANTLE (155/P1593). LOT 156 BRACKS ST, NORTH FREMANTLE (156/P1593). LOT 157 PORT BEACH RD, NORTH FREMANTLE (157/P1593). LOT 158 BRACKS ST, NORTH FREMANTLE (158/P1593). LOT 159 BRACKS ST, NORTH FREMANTLE (159/P1593). LOT 174 PORT BEACH RD, NORTH FREMANTLE (174/P1593). LOT 175 PORT BEACH RD, NORTH FREMANTLE (175/P1593). LOT 176 PORT BEACH RD, NORTH FREMANTLE (176/P1593). LOT 177 PORT BEACH RD, NORTH FREMANTLE (177/P1593). LOT 178 PORT BEACH RD, NORTH FREMANTLE (178/P1593). LOT 179 PORT BEACH RD, NORTH FREMANTLE (179/P1593). LOT 180 BRACKS ST, NORTH FREMANTLE (180/P1593). LOT 181 BRACKS ST, NORTH FREMANTLE (181/P1593). LOT 182 BRACKS ST, NORTH FREMANTLE (182/P1593). LOT 183 BRACKS ST, NORTH FREMANTLE (183/P1593). LOT 184 BRACKS ST, NORTH FREMANTLE (184/P1593). LOT 185 BRACKS ST, NORTH FREMANTLE (185/P1593). LOT 186 BRACKS ST, NORTH FREMANTLE (186/P1593). LOT 187 BRACKS ST, NORTH FREMANTLE (187/P1593). LOT 188 BRACKS ST, NORTH FREMANTLE (188/P1593). LOT 189 BRACKS ST, NORTH FREMANTLE (189/P1593). LOT 190 BRACKS ST, NORTH FREMANTLE (190/P1593). LOT 191 BRACKS ST, NORTH FREMANTLE (191/P1593). LOT 192 BRACKS ST, NORTH FREMANTLE (192/P1593). LOT 193 BRACKS ST, NORTH FREMANTLE (193/P1593). LOT 194 BRACKS ST, NORTH FREMANTLE (194/P1593). LOT 195 BRACKS ST, NORTH FREMANTLE (195/P1593). LOT 196 PORT BEACH RD, NORTH FREMANTLE (196/P1593). LOT 197 PORT BEACH RD, NORTH FREMANTLE (197/P1593). 198 PORT BEACH RD, NORTH FREMANTLE (198/P1593). LOT 199 PORT BEACH RD, NORTH FREMANTLE (199/P1593). LOT 200 PORT BEACH RD, NORTH FREMANTLE (200/P1593). LOT 201 PORT BEACH RD, NORTH FREMANTLE (201/P1593). LOT 202 BRACKS ST, NORTH FREMANTLE (202/P1593).

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LOT 203 BRACKS ST, NORTH FREMANTLE (203/P1593).
LOT 204 BRACKS ST, NORTH FREMANTLE (204/P1593).
LOT 205 BRACKS ST, NORTH FREMANTLE (205/P1593).
LOT 206 BRACKS ST, NORTH FREMANTLE (206/P1593).
LOT 207 BRACKS ST, NORTH FREMANTLE (207/P1593).
208 BRACKS ST, NORTH FREMANTLE (208/P1593).
LOT 209 BRACKS ST, NORTH FREMANTLE (209/P1593).
LOT 210 BRACKS ST, NORTH FREMANTLE (210/P1593).
LOT 211 BRACKS ST, NORTH FREMANTLE (211/P1593).
LOT 212 BRACKS ST, NORTH FREMANTLE (212/P1593).
LOT 213 BRACKS ST, NORTH FREMANTLE (213/P1593).
LOT 214 BRACKS ST, NORTH FREMANTLE (214/P1593).
LOT 215 BRACKS ST, NORTH FREMANTLE (215/P1593).
LOT 216 BRACKS ST, NORTH FREMANTLE (216/P1593).
LOT 217 BRACKS ST, NORTH FREMANTLE (217/P1593).
LOT 350 BRACKS ST, NORTH FREMANTLE (350/P1593).

LOCAL GOVERNMENT AUTHORITY: CITY OF FREMANTLE

NOTE 1:	L306885	SECTION 138D TLA APPLIES TO CAVEAT C1004/1911 AS TO LOTS 199, 202, 203, 204, 205, 206, 209, 210 & 350 ON P 1593 ONLY
NOTE 2:	M077275	DUPLICATE C/T NOT PRODUCED FOR DOCUMENT M077275.
NOTE 3:		DUPLICATE CERTIFICATE OF TITLE NOT ISSUED AS REQUESTED BY DEALING M991702

REGISTER NUMBER	
340/DP222459	
DUPLICATE EDITION	DATE DUPLICATE ISSUED
N/A	**N/A**

WESTERN AUSTRALIA

VOLUME **1252** FOLIO **233**

RECORD OF CERTIFICATE OF TITLE

UNDER THE TRANSFER OF LAND ACT 1893

The person described in the first schedule is the registered proprietor of an estate in fee simple in the land described below subject to the reservations, conditions and depth limit contained in the original grant (if a grant issued) and to the limitations, interests, encumbrances and notifications shown in the second schedule.

BGRoberts
REGISTRAR OF TITLES

LAND DESCRIPTION:

LOT 340 ON DEPOSITED PLAN 222459

REGISTERED PROPRIETOR:
(FIRST SCHEDULE)

NORTH FREMANTLE JV PTY LTD OF LEVEL 9 114 WILLIAM STREET MELBOURNE VICTORIA
(T M991701) REGISTERED 7/5/2015

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS:
(SECOND SCHEDULE)

1. *M991702 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA REGISTERED 7/5/2015.
2. *N723646 MEMORIAL. CONTAMINATED SITES ACT 2003 REGISTERED 20/9/2017.

Warning: A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.
* Any entries preceded by an asterisk may not appear on the current edition of the duplicate certificate of title.
Lot as described in the land description may be a lot or location.

--END OF CERTIFICATE OF TITLE--

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND:	1252-233 (340/DP222459)
PREVIOUS TITLE:	1252-233
PROPERTY STREET ADDRESS:	LOT 340 BRACKS ST, NORTH FREMANTLE.
LOCAL GOVERNMENT AUTHORITY:	CITY OF FREMANTLE

NOTE 1:		DUPLICATE CERTIFICATE OF TITLE NOT ISSUED AS REQUESTED BY DEALING M991702.
NOTE 2:	N403263	LAND DESCRIPTION AMENDED ON ORIGINAL CERTIFICATE OF TITLE - BUT NOT SHOWN ON CURRENT EDITION OF THE DUPLICATE.
NOTE 3:		SKETCH ON ORIGINAL SUPERCEDED PAPER TITLE AMENDED - BUT NOT SHOWN ON CURRENT EDITION OF THE DUPLICATE.

REGISTER NUMBER	
N/A	
DUPLICATE EDITION	DATE DUPLICATE ISSUED
2	30/12/2011

WESTERN AUSTRALIA

VOLUME 1438 FOLIO 698

RECORD OF CERTIFICATE OF TITLE

UNDER THE TRANSFER OF LAND ACT 1893

The person described in the first schedule is the registered proprietor of an estate in fee simple in the land described below subject to the reservations, conditions and depth limit contained in the original grant (if a grant issued) and to the limitations, interests, encumbrances and notifications shown in the second schedule.

BGRoberts

REGISTRAR OF TITLES

THIS IS A MULTI-LOT TITLE

LAND DESCRIPTION:

LOTS 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262 & 349 ON PLAN 1593

REGISTERED PROPRIETOR:
(FIRST SCHEDULE)

NORTH FREMANTLE JV PTY LTD OF LEVEL 9, 114 WILLIAM STREET, MELBOURNE, VICTORIA
(T M991705) REGISTERED 7/5/2015

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS:
(SECOND SCHEDULE)

1. *M991706 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA REGISTERED 7/5/2015.

Warning: A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.
* Any entries preceded by an asterisk may not appear on the current edition of the duplicate certificate of title.
Lot as described in the land description may be a lot or location.

--END OF CERTIFICATE OF TITLE--

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND:	P1593
PREVIOUS TITLE:	505-128
PROPERTY STREET ADDRESS:	LOT 241 BRACKS ST, NORTH FREMANTLE (241/P1593).
	LOT 242 BRACKS ST, NORTH FREMANTLE (242/P1593).
	LOT 243 BRACKS ST, NORTH FREMANTLE (243/P1593).
	LOT 244 BRACKS ST, NORTH FREMANTLE (244/P1593).
	LOT 245 BRACKS ST, NORTH FREMANTLE (245/P1593).
	LOT 246 BRACKS ST, NORTH FREMANTLE (246/P1593).
	6 IRENE ST, NORTH FREMANTLE (247/P1593).
	8 IRENE ST, NORTH FREMANTLE (248/P1593).
	10 IRENE ST, NORTH FREMANTLE (249/P1593).

END OF PAGE 1 - CONTINUED OVER

RECORD OF CERTIFICATE OF TITLE

12 IRENE ST, NORTH FREMANTLE (250/P1593).
14 IRENE ST, NORTH FREMANTLE (251/P1593).
LOT 252 WALTER PL, NORTH FREMANTLE (252/P1593).
LOT 253 WALTER PL, NORTH FREMANTLE (253/P1593).
LOT 254 WALTER PL, NORTH FREMANTLE (254/P1593).
LOT 255 WALTER PL, NORTH FREMANTLE (255/P1593).
LOT 256 WALTER PL, NORTH FREMANTLE (256/P1593).
LOT 257 WALTER PL, NORTH FREMANTLE (257/P1593).
LOT 258 BRACKS ST, NORTH FREMANTLE (258/P1593).
LOT 259 BRACKS ST, NORTH FREMANTLE (259/P1593).
LOT 260 BRACKS ST, NORTH FREMANTLE (260/P1593).
LOT 261 BRACKS ST, NORTH FREMANTLE (261/P1593).
LOT 262 BRACKS ST, NORTH FREMANTLE (262/P1593).
LOT 349 IRENE ST, NORTH FREMANTLE (349/P1593).

LOCAL GOVERNMENT AUTHORITY: CITY OF FREMANTLE

NOTE 1: K481070 DIAGRAM 14244 LOGDED AS TO LOTS 246, 247, 248, 249, 250, 251 & 252 ON P 1593 ONLY
NOTE 2: DUPLICATE CERTIFICATE OF TITLE NOT ISSUED AS REQUESTED BY DEALING M991706

REGISTER NUMBER	
311/DP222459	
DUPLICATE EDITION	DATE DUPLICATE ISSUED
5	**30/12/2011**

WESTERN AUSTRALIA

VOLUME **1438** FOLIO **699**

RECORD OF CERTIFICATE OF TITLE

UNDER THE TRANSFER OF LAND ACT 1893

The person described in the first schedule is the registered proprietor of an estate in fee simple in the land described below subject to the reservations, conditions and depth limit contained in the original grant (if a grant issued) and to the limitations, interests, encumbrances and notifications shown in the second schedule.

BGRoberts
REGISTRAR OF TITLES

LAND DESCRIPTION:

LOT 311 ON DEPOSITED PLAN 222459

REGISTERED PROPRIETOR:
(FIRST SCHEDULE)

NORTH FREMANTLE JV PTY LTD OF LEVEL 9, 114 WILLIAM STREET, MELBOURNE, VICTORIA
(T M991705) REGISTERED 7/5/2015

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS:
(SECOND SCHEDULE)

1. *M991706 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA REGISTERED 7/5/2015.

Warning: A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.
* Any entries preceded by an asterisk may not appear on the current edition of the duplicate certificate of title.
Lot as described in the land description may be a lot or location.

--END OF CERTIFICATE OF TITLE--

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND:	1438-699 (311/DP222459)
PREVIOUS TITLE:	1114-450
PROPERTY STREET ADDRESS:	LOT 311 BRACKS ST, NORTH FREMANTLE.
LOCAL GOVERNMENT AUTHORITY:	CITY OF FREMANTLE

NOTE 1:	A000001A	LAND PARCEL IDENTIFIER OF NORTH FREMANTLE TOWN LOT/LOT 311 (OR THE PART THEREOF) ON SUPERSEDED PAPER CERTIFICATE OF TITLE CHANGED TO LOT 311 ON DEPOSITED PLAN 222459 ON 09-JUL-02 TO ENABLE ISSUE OF A DIGITAL CERTIFICATE OF TITLE.
NOTE 2:		THE ABOVE NOTE MAY NOT BE SHOWN ON THE SUPERSEDED PAPER CERTIFICATE OF TITLE OR ON THE CURRENT EDITION OF DUPLICATE CERTIFICATE OF TITLE.
NOTE 3:		DUPLICATE CERTIFICATE OF TITLE NOT ISSUED AS REQUESTED BY DEALING M991706

REGISTER NUMBER	
54/DP222459	
DUPLICATE EDITION	DATE DUPLICATE ISSUED
5	30/12/2011

WESTERN AUSTRALIA

VOLUME 1438 FOLIO 700

RECORD OF CERTIFICATE OF TITLE

UNDER THE TRANSFER OF LAND ACT 1893

The person described in the first schedule is the registered proprietor of an estate in fee simple in the land described below subject to the reservations, conditions and depth limit contained in the original grant (if a grant issued) and to the limitations, interests, encumbrances and notifications shown in the second schedule.

BGRoberts
REGISTRAR OF TITLES

LAND DESCRIPTION:

LOT 54 ON DEPOSITED PLAN 222459

REGISTERED PROPRIETOR:
(FIRST SCHEDULE)

NORTH FREMANTLE JV PTY LTD OF LEVEL 9, 114 WILLIAM STREET, MELBOURNE, VICTORIA
(T M991705) REGISTERED 7/5/2015

LIMITATIONS, INTERESTS, ENCUMBRANCES AND NOTIFICATIONS:
(SECOND SCHEDULE)

1. *M991706 MORTGAGE TO COMMONWEALTH BANK OF AUSTRALIA REGISTERED 7/5/2015.

Warning: A current search of the sketch of the land should be obtained where detail of position, dimensions or area of the lot is required.
* Any entries preceded by an asterisk may not appear on the current edition of the duplicate certificate of title.
Lot as described in the land description may be a lot or location.

--END OF CERTIFICATE OF TITLE--

STATEMENTS:

The statements set out below are not intended to be nor should they be relied on as substitutes for inspection of the land and the relevant documents or for local government, legal, surveying or other professional advice.

SKETCH OF LAND:	1438-700 (54/DP222459)
PREVIOUS TITLE:	256-115
PROPERTY STREET ADDRESS:	LOT 54 BRACKS ST, NORTH FREMANTLE.
LOCAL GOVERNMENT AUTHORITY:	CITY OF FREMANTLE

NOTE 1:	A000001A	LAND PARCEL IDENTIFIER OF NORTH FREMANTLE TOWN LOT/LOT 54 (OR THE PART THEREOF) ON SUPERSEDED PAPER CERTIFICATE OF TITLE CHANGED TO LOT 54 ON DEPOSITED PLAN 222459 ON 09-JUL-02 TO ENABLE ISSUE OF A DIGITAL CERTIFICATE OF TITLE.
NOTE 2:		THE ABOVE NOTE MAY NOT BE SHOWN ON THE SUPERSEDED PAPER CERTIFICATE OF TITLE OR ON THE CURRENT EDITION OF DUPLICATE CERTIFICATE OF TITLE.
NOTE 3:		DUPLICATE CERTIFICATE OF TITLE NOT ISSUED AS REQUESTED BY DEALING M991706

D. Fremantle Port Buffer Area Development Guidelines

CITY OF FREMANTLE

LOCAL PLANNING POLICY 2.3

FREMANTLE PORT BUFFER AREA DEVELOPMENT GUIDELINES

ADOPTION DATE: 08/03/2007
AUTHORITY: LOCAL PLANNING SCHEME NO.4

STATUTORY BACKGROUND

STRATEGY

The Fremantle Planning Strategy and Fremantle City Plan 2000 - 2005 recognise the contribution of the Port to the Fremantle region. A viable working Port is identified as instrumental to maintaining the economic wellbeing of the area, including the attraction of a range of industries that generate income and employment to the region.

Nevertheless, in the future it will be important to ensure that the Port and its' surrounding area are well integrated, particularly in terms of the management of potential impacts. Potential impacts and risks include, but are not necessarily limited to, public risk, noise and odour. To this end, clause 5.1.4.2 {10.(ii)} of the Fremantle Planning Strategy recommends that the City develop, in conjunction with Fremantle Ports, a policy that provides for appropriate development controls for the area surrounding the Port.

The objectives of the Fremantle Planning Strategy are also consistent with the State Industrial Buffer Policy prepared by state government in 1997. The policy calls for the introduction of planning controls in town planning schemes to manage potential land use conflicts between industrial facilities and adjoining areas.

<u>Buffer areas</u>

Fremantle Ports has recently (May 2002) completed the Fremantle Inner Harbour Buffer Definition Study. The study has identified the need for an offsite buffer around the Port. The buffer was determined on the basis of a range of potential amenity impacts and risks including noise, odour and public risk.

Three buffer areas around the Port have been identified: Area 1, Area 2 and Area 3. The policy defines separate land use and built form requirements for each area. The areas are identified in Appendix A.

DEFINITIONS

Buffer Area - is the area within which some land use and development is either restricted or prohibited.

Sensitive Use - includes residential dwellings, major recreational areas, childcare facilities, aged persons facilities, prisons, hospitals, schools and other institutional uses involving accommodation and any other use that the City considers may be affected by proximity to the inner harbour of the Port of Fremantle.

Residential uses - means "Residence - private", "Residence other", hotel rooms and serviced apartments and backpacker accommodation.

PURPOSE

The policy has the following objectives:

- To provide clear development guidelines that seek to minimise potential impacts that may arise from the Port.
- To promote land use compatibility between the Port and surrounding urban area.
- To enable continued urban development around the port whilst maintaining efficient operation of the Port.
- Outline clear administrative processes for referral and liaison between the Fremantle Ports and Fremantle City Council.

Scope

This policy applies to land use and development for the land area identified in Appendix A. The City recognises that this policy is one aspect of the total management requirements that may be required now and in the future for the Port.

POLICY

4.1 Area 1

Potential Risk and Amenity Considerations

Within Area 1, there is a requirement to control development in order to minimise the following potential impacts:

a) Ingress of toxic gases in the event of an incident within the Port,
b) Shattering or flying glass as a consequence of an explosion within the Port,
c) Noise transmission emanating from the Port (attenuation in the order of 35dB(A) is required), and
d) Odour.

The following land use and built form requirements are intended to address the above potential impacts in order to maintain compliance with the Environmental Protection Act 1986.

Land Use

Non residential sensitive uses

The City shall not support the following sensitive uses within Area 1:

a) Childcare facilities,
b) Aged persons facilities,
c) Prisons,
d) Schools, and
e) Hospitals.

Residential use

The City may support residential uses within Area 1 subject to compliance with:

a) Built form requirements outlined below, and
b) All other relevant Council policies and provisions.

Residential density

Development applications proposing greater than 50 dwellings shall be supplemented with a formal risk assessment. The assessment shall clearly demonstrate how the development will be designed and constructed in order to ensure that the risk impacts from port operations to the occupants will be maintained to "as low as reasonably practical" (ALARP):

The applicable criteria and guidelines are provided in the following EPA Bulletins.

a) EPA Bulletin 611, February 1992, Criteria for the Assessment of Risk from Industry.
b) EPA Bulletin 627, May 1992, Criteria for the Assessment of Risk from Industry – expanded discussion.

Built Form - (all development)

Within Area 1, buildings shall be designed so as to incorporate all of the following design and construction features:

Windows and openings

a) The aggregate area of windows and doorways shall not exceed 40%* of the total area of the façade facing the Port Inner Harbour.

b) Any glass used for windows or other openings shall be laminated safety glass of minimum thickness 12 mm or "double glazed" utilising laminated or toughened safety glass of minimum thickness 6 mm.

c) Windows shall be fixed (non opening), however where this is not possible, windows shall be of a "hopper or "awning" style with a maximum opening arc of 12.5 degrees.

d) All safety glass shall be manufactured and installed to an appropriate Australian Standard.

e) All doors facing the port shall have automatic closure to a sealed state.

Balconies

f) Balconies shall not be provided to any facades facing the Port Inner Harbour.

Air - conditioning systems

g) All air conditioning systems shall incorporate the following features:

   i) multiple systems to have internally centrally located shut down point and associated procedures for emergency use,

   ii) preference for split "refrigerate" systems

Construction

h) All residential development shall incorporate the following minimum standards of construction:

   i) cavity masonry construction for external walls of residential buildings, and

   ii) roof insulation.

Note: 1) The City recognises that this requirement may not be possible to achieve in the case of the proposals involving the adaptation / reuse of buildings of conservation and heritage significance.

2) The City may accept alternative built form treatments subject to the applicant satisfactorily demonstrating fulfilment of the potential risk and amenity considerations outlined above. Alternative treatments shall be justified to the City through submission of professionally prepared and certified reports.

Notification and Memorials on Title

a) All residential development approvals shall be conditioned in order to require a notification to be placed on title advising of the potential amenity impacts associated with living/working in proximity of the Port.

b) In the case of all residential subdivision, the City and Fremantle Ports shall request the Western Australian Planning Commission to support the placing of memorials on new titles advising of the potential amenity impacts associated with living in proximity of the Port.

c) Notification and memorial statements shall be as per the standard wording contained in Appendix B.

4.2 Area 2

Potential Risk and Amenity Considerations

The potential impacts in Area 2 are not as great as in Area 1. Nevertheless, consideration is given to the following potential impacts:

a) Ingress of toxic gases in the event of an incident within the Port,
b) Shattering or flying glass as a consequence of explosion within the Port,
c) Noise transmission emanating from the Port (attenuation in the order of 30dB(A) is required), and
d) Odour.

Built Form Requirements

The following built form requirements shall apply to the following categories of development:

a) All residential development other than alterations and additions to existing dwellings.
b) All non-residential development other than refurbishment / renovations (not involving a nett increase in floor area) to existing buildings and non-residential change of use proposals.

Within Area 2, buildings shall be designed so as to incorporate all of the design and construction features outlined as follows:

Windows and openings

a) Any glass used for windows or other openings shall be laminated safety glass of minimum thickness of 6 mm or "double glazed" utilising laminated or toughened safety glass of a minimum thickness of 3 mm.

b) All safety glass shall be manufactured and installed to an appropriate Australian Standard.

Air - conditioning systems

c) As per Area 1 (f) above)

Construction

d) Quiet house design guidelines shall be applied to residential developments.

e) All developments shall incorporate roof insulation.

Note: 1) Council recognises that this requirement may not be possible to achieve in the case of the proposals involving the adaptation / reuse of buildings of conservation and heritage significance.

2) Council may accept alternative built form treatments subject to the applicant satisfactorily demonstrating fulfilment of the potential risk and amenity considerations outlined above. Alternative treatments shall be justified to Council through submission of professionally prepared and certified reports.

<u>Notification and Memorials on Title</u>

Where development, including subdivision, incorporates additional sensitive uses notification or a memorial shall be placed on the title as outlined in Area 1 above.

4.3 Area 3

<u>Potential Risk and Amenity Considerations</u>

Generally the potential risk and amenity impacts from the Port are considerably less in Area 3. Nevertheless, the Fremantle Inner Harbour Buffer Definition Study has identified the potential for some noise and odour impacts in this area.

The intent of the policy for Area 3 is the management, as opposed to the control, of sensitive uses.

<u>Development Controls</u>

There are no general buffer related development controls for Area 3. However, where a specific location within this area is known to be impacted from port operations (eg through a history of formal complaints), the City may, in consultation with Fremantle Ports, apply some or all of the development controls outlined in Section 4.2 above.

<u>Notification and Memorials on Title</u>

Where development, including subdivision, incorporates additional sensitive uses, notification or a memorial shall be placed on the title as outlined in Area 1 above if the specific location is known to be impacted from port operations as described above.

5.0 ADMINISTRATIVE PROCEDURES

Advice to Applicants - Areas 1 - 3

Where applicable, applicants should be advised as soon as possible of the requirements of this policy. Ideally, this should be prior to lodging a formal application for development, including proposals for subdivision and scheme amendments.

Applicants should be encouraged to liaise with relevant staff including those at Fremantle Ports, in order to understand the requirements of this policy.

Referral to Fremantle Ports

Area 1

All applications for development, including subdivision, shall be referred to Fremantle Ports as soon as possible for comment prior to determination of the application.

In the case of scheme amendments that effect the development potential of land, the City shall notify Fremantle Ports as soon as practicable prior to initiating the amendment.

Area 2

All applications for developments having the potential to accommodate 20 or more persons on a full or part-time basis shall be referred to Fremantle Ports as soon as possible for comment prior to determination of the application.

In the case of scheme amendments that would result in an increase or intensification of sensitive uses, the City shall notify Fremantle Ports as soon as practicable prior to initiating the amendment.

Area 3

The City shall refer a proposal to Fremantle Ports where the proposal falls within a specific location that has been formally notified to Council as being impacted from port operations.

In the case of scheme amendments that would result in an increase or intensification of sensitive uses, the City shall notify Fremantle Ports as soon as practicable prior to initiating the amendment.

General

The City shall refer a proposal to Fremantle Ports where a proponent seeks any significant variation to the development controls contained within this policy.

Receipt of Referral Comments

Fremantle Port shall within 14 days of notification, advise the City of Fremantle of its assessment of a development proposal referred as per the requirements outlined above.

Clearance of Conditions of Development Approval

In terms of conditions of development approval that arise from the requirements of this policy, the City shall require a building surveyor or suitably qualified structural engineer to certify that the requirements of the conditions have been fulfilled in accordance with the approved plans.

Where appropriate, certification shall be provided prior to the issue of a building licence, certificate of clearance / classification or strata / subdivision clearance.

The applicant shall arrange for certification to be endorsed by Fremantle Ports prior to lodgement of appropriate documentation with the City of Fremantle.

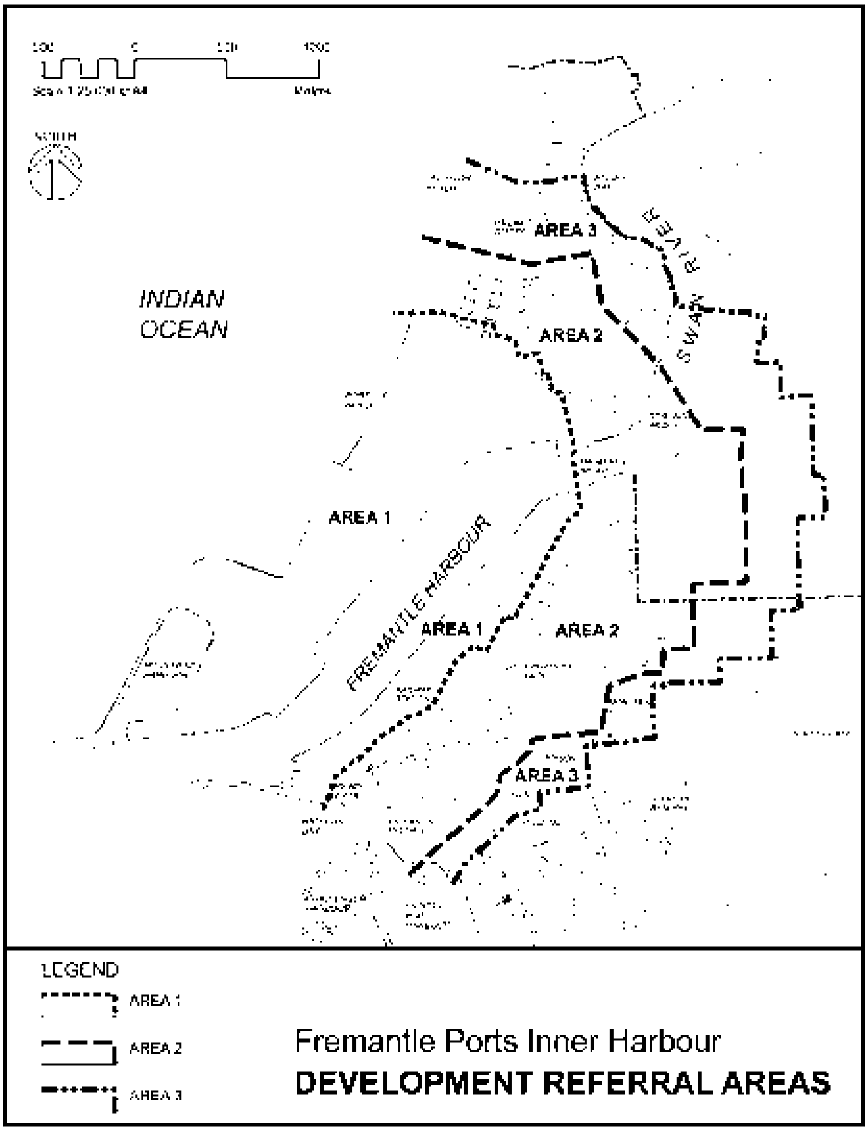
6.0 REFERENCES

Draft City Planning Scheme Four – March 2002 - Prepared by City of Fremantle Strategic Planning and Corporate Development Unit

Fremantle Inner Harbour Buffer Definition Study – May 2002. Prepared by HGM Maunsell on behalf of Fremantle Port

Fremantle Planning Strategy - July 2001 - Prepared by City of Fremantle Strategic Planning and Corporate Development Unit

APPENDIX A



AREA 3
INDIAN
OCEAN
SWAN RIVER
AREA 2
AREA 1
FREMANTLE HARBOUR
AREA 1
AREA 2
AREA 3
LEGEND
AREA 1
AREA 2
AREA 3
Fremantle Ports Inner Harbour
DEVELOPMENT REFERRAL AREAS

9

APPENDIX B

Standard Notification and Memorial Wording

> *The subject lot is located within (x) kilometres of Fremantle Port. From time to time the location may experience noise, odour, light spill and other factors that arise from the normal operations of a 24 hour working Port.*

F. Notice of a Re-classification of a Known or Suspected Contaminated Site

INSTRUCTIONS

1. If insufficient space in any section, Additional Sheet Form B1, should be used with appropriate headings. The boxed sections should only contain the words "see page...."

2. Additional Sheets shall be numbered consecutively and bound to this document by staples along the left margin prior to execution by the parties.

3. No alteration should be made by erasure. The words rejected should be scored through and those substituted typed or written above them, the alteration being initialled by the persons signing this document and their witnesses.

NOTES

1. **DESCRIPTION OF LAND**
Lot and Diagram/Plan/Strata/Survey-Strata Plan number or Location name and number to be stated.
Extent - Whole, part or balance of the land comprised in the Certificate of Title to be stated. If this document relates to only part of the land comprised in the Certificate of Title further narrative or graphic description may be necessary. The volume and folio number to be stated.

2. **REGISTERED PROPRIETOR**
State full name and address of the Registered Proprietors as shown on the Certificate of Title and the address / addresses to which future notices can be sent.

3. **INFORMATION CONCERNING SITE CLASSIFICATION**
Include information concerning site classification as either: contaminated – restricted use, contamination – remediation required, remediated for restricted use or possibly contaminated – investigation required.

4. **CHIEF EXECUTIVE OFFICER'S ATTESTATION**
This document must be signed by or on behalf of the Chief Executive Officer, Department of Water and Environmental Regulation under Section 91 of Contaminated Sites Act 2003. An Adult Person should witness this signature. The address and occupation of the witness must be stated.

EXAMINED

OFFICE USE ONLY

N723646 ML
20 Sep 2017 12:30:55 Perth

MEMORIAL
CONTAMINATED SITES ACT 2003

LODGED BY
Department of Water and Environmental Regulation

ADDRESS
Level 4, 168 St Georges Terrace
Perth, WA 6000

PHONE No. 1300 762 982

FAX No. (08) 9333 7575

REFERENCE No. 6340

ISSUING BOX No. 898V

PREPARED BY
Contaminated Sites
Department of Water and Environmental Regulation

ADDRESS
Level 4, 168 St Georges Terrace
Perth, WA 6000

PHONE No. 1300 762 982 FAX No. (08) 9333 7575

INSTRUCT IF ANY DOCUMENTS ARE TO ISSUE TO OTHER THAN LODGING PARTY

2/2

TITLES, LEASES, DECLARATIONS ETC LODGED HEREWITH

1.
2.
3.
4.
5.
6.

Received Items

Nos 0.

Receiving Clerk

Lodged pursuant to the provisions of the TRANSFER OF LAND ACT 1893 as amended on the day and time shown above and particulars entered in the Register.

APPROVAL NUMBER

DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION
Client ID 560

WESTERN AUSTRALIA
TRANSFER OF LAND ACT 1893 AS AMENDED

MEMORIAL

CONTAMINATED SITES ACT 2003

SECTION 58(1) (a) (i) (I) (II) (III) (IV)

DESCRIPTION OF LAND (Note 1)	EXTENT	VOLUME	FOLIO
LOT 308 ON DEPOSITED PLAN 160481 LOT 309 ON DEPOSITED PLAN 160482 LOTS 53 & 222 ON DEPOSITED PLAN 222459 LOTS 152, 153, 154, 155, 156, 157, 158, 159, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 350 & 356 ON PLAN 1593	Whole	1102	359
LOT 340 ON DEPOSITED PLAN 222459	Whole	1252	233

REGISTERED PROPRIETOR (Note 2)

NORTH FREMANTLE JV PTY LTD OF LEVEL 9, 114 WILLIAM STREET, MELBOURNE, VICTORIA

INFORMATION CONCERNING SITE CLASSIFICATION (Note 3)

Under the Contaminated Sites Act 2003, this site has been classified as "remediated for restricted use". For further information on the contamination status of this site, please contact Contaminated Sites at the Department of Water and Environmental Regulation.

Dated this Seventh day of September Year 2017

CHIEF EXECUTIVE OFFICER'S ATTESTATION (Note 4)

PW
Paul Newell
Manager

DELEGATE OF THE CHIEF EXECUTIVE OFFICER
DEPARTMENT OF WATER AND ENVIRONMENTAL REGULATION
UNDER SECTION 91 OF THE
CONTAMINATED SITES ACT 2003

C. Chau.

SIGNATURE OF WITNESS

FULL NAME: Christopher Chau
ADDRESS: 168 St Georges Tce,PERTH WA 6000
OCCUPATION: Senior Business Systems Officer

Government of **Western Australia**
Department of **Environment Regulation**

Your ref:	
Our ref:	DMO 560
Enquiries:	Samantha Lakin
Phone:	1300 762 982
Fax:	(08) 9333 7575
Email:	contaminated.sites@der.wa.gov.au

Caltex Australia Petroleum Pty Ltd
PO Box 280
Willetton WA 6955

ATTENTION TO: Lizzie Townsend

Dear Sir/Madam

NOTICE OF A CLASSIFICATION OF A KNOWN OR SUSPECTED CONTAMINATED SITE GIVEN UNDER SECTION 15 OF THE *CONTAMINATED SITES ACT 2003*

This letter is the formal notice of classification of a known or suspected contaminated site in which you have an interest. This constitutes the notice the Department of Environment Regulation (DER) is legally obliged to give under the *Contaminated Sites Act 2003* (CS Act), which came into effect on 1 December 2006.

The notice explains why the site received the classification, any restrictions on the use of the site, and how you can appeal the classification if you believe it is incorrect. In some cases, this notice may include other lots which also form part of the classified site, in addition to the lot in which you have an interest.

If, after reading this letter, you have any further queries, please contact DER on 1300 762 982 (Contaminated Sites Information Line).

Re-classification of the Site

Site location: Former Caltex Depot, 85 Bracks Street, North Fremantle WA 6159 (the site)

The site, detailed in Attachment A consisting of 59 parcel(s) of land, was previously classified by DER under the CS Act on 6 February 2012 as *'Possibly contaminated - investigation required'*.

Following the submission of further information, the site has been re-classified.

New Site Classification

Category of New site classification: Remediated for restricted use

Date of New site classification: 09/02/2017

Nature and extent of contamination:
Hydrocarbons (such as from petrol and diesel) are present in groundwater beneath the northern portion of the site as a plume extending off-site to the west.

Perfluoroalkyl and polyfluoroalkyl substances (such as from fire-fighting foam) is present in groundwater beneath the south-western portion of the site.

Restrictions on use:
Groundwater should not be abstracted unless analytical testing demonstrates that it is suitable for its intended use.

Reasons for classification: This site was reported to the Department of Environment Regulation (DER) prior to the commencement of the 'Contaminated Sites Act 2003' (the Act). The site was originally classified under section 13 of the Act based on information submitted to DER by November 2006. The reasons for classification were updated to reflect additional technical information submitted to DER by November 2011 and again by December 2016.

This site was used as a fuel storage and distribution facility for approximately 76 years, from 1918 to 1994. This is a land use that has the potential to cause contamination, as specified in the guideline 'Assessment and management of contaminated sites' (DER, 2014).

Several investigation reports have been prepared as part of on-going management of the site since 1993 and as part of decommissioning works between 2014 and 2016. The site had previously been investigated and classified as part of a larger site with the adjacent fuel terminal to the south.

Investigations in 2014 identified metals (zinc and copper) present in soils at concentrations exceeding the relevant Ecological Investigation Levels for urban residential land, public open space and commercial and industrial land specified in the 'National Environment Protection (Assessment of Site Contamination) Measure 1999' (the NEPM).

Lead was present in soils at concentrations exceeding Health Investigation Levels (HILs) for residential land with accessible soil specified in the NEPM.

Hydrocarbons (such as from petrol or diesel) were present in soils at concentrations exceeding Ecological Screening Levels for areas of urban residential land and public open space and the relevant soil Health Screening Levels (HSLs) for vapour intrusion on residential land and Management Limits for parkland and public open space as specified in the NEPM.

Decommissioning, demolition and remedial works were undertaken at the site in 2015 and 2016. This work involved the removal and off-site disposal of 80.2 tonnes of asbestos-containing material (ACM) and the excavation and off-site disposal of 5,515m3 of metal or hydrocarbon-contaminated soils. All identified impacted soils have been successfully remediated to below the relevant HILs for residential land use specified in the NEPM. Retained subsurface infrastructure containing asbestos cement material is required to be managed through an asbestos management plan and register.

Groundwater monitoring has been undertaken at the site since at least 1993 including eight monitoring events between 2014 and 2016. The monitoring has identified a hydrocarbon plume in groundwater beneath the north-western portion of the site, migrating off-site to the west. The hydrocarbon plume has been delineated and it has been demonstrated that the plume is stable and attenuating.

The most recent results from 2016 found residual hydrocarbon concentrations in groundwater below the relevant groundwater HSLs for vapour intrusion on residential land as outlined in the NEPM. However, concentrations exceed the adopted non-potable use guideline derived from the World Health Organisation 'Petroleum Products in Drinking Water' 2008.

Perfluoroalkyl and polyfluoroalkyl substances (PFAS) (such as from fire-fighting foam) were identified in groundwater below the south-western portion of the site at concentrations exceeding the interim groundwater screening criteria for non-potable use as published in the 'Interim guideline for the assessment and management of perfluoroalkyl and polyfluoroalkyl substances (PFAS)' (DER, February 2016). The PFAS concentrations were stable and the plume clearly defined with no significant changes due to seasonal conditions.

A tier 1 risk assessment has indicated that the contamination present on the site does not currently pose an unacceptable risk to human health, the environment or environmental values under the potential future proposed residential land use. However, the contamination may present an unacceptable risk to human health if groundwater is abstracted and used on-site.

An accredited contaminated sites auditor (the auditor) reviewed the investigations and risk assessment for the site. The auditor's findings are documented in (mandatory auditor's report dated 14 November 2016 and in subsequent auditor's advice dated 23 January 2017. DER accepts the auditor's recommendation that the site is suitable for residential land use.

As the site is contaminated and has been remediated such that it is suitable for residential land use, subject to a restriction on groundwater abstraction, the site is classified as 'remediated for restricted use'.

A memorial stating the site's classification has been placed on the certificate of title, and will trigger the need for further investigations and risk assessment should the site be proposed for a more sensitive land use.

DER, in consultation with the Department of Health, has classified this site based on the information available to DER at the time of classification. It is acknowledged that the contamination status of the site may have changed since the information was collated and/or submitted to DER, and as such, the usefulness of this information may be limited.

Other Relevant Information:

Additional information included herein is relevant to the contamination status of the site and includes DER's expectations for action that should be taken to address potential or actual contamination described in the Reasons for Classification.

Where the land is part of a transaction - sale, mortgagee or lease agreement, the land owners MUST PROVIDE WRITTEN DISCLOSURE (on the prescribed Form 6) of the site's status to any potential owner, mortgagee (e.g. financial institutions) or lessee at least 14 days before the completion of the transaction. A copy of the disclosure must also be forwarded to DER.

Based on the available information, contamination present on this site has also been identified beyond the site boundary on adjacent land, and as such, DER considers this site meets the definition of a "source site" as specified in Part 1, Section 3 of the Act. In accordance with

Regulation 31(1)(b) of the Contaminated Sites Regulations 2006, any reports or information submitted to DER that are relevant to the investigation, assessment, monitoring or remediation of a source site are required to be accompanied by a mandatory auditor's report (MAR) prepared by an accredited contaminated sites auditor.

Action Required:

DER notes that the site is in an area zoned 'industrial' under the metropolitan region scheme. It is therefore possible that a potentially contaminating activity, industry or land use may take place at the site after December 2016. For this reason, DER recommends that further assessment of potential contamination should be undertaken before any change in land use to a more sensitive land use (such as residential, primary school or childcare centre) in the future.

Please refer to the Restrictions on Use applicable to the site.

General Information

The nature and extent of contamination and any restrictions on the use of the land, if applicable, are listed in Attachment A.

Information in relation to the classification of the site is available free of charge as a summary of records via the Contaminated Sites Database at www.der.wa.gov.au/contaminatedsites.

In some instances DER has had to classify sites based on historical information. A site may be re-classified at any stage when additional information becomes available, for example where a new investigation or remediation report completed in accordance with DER's 'Contaminated Sites Guidelines' and the *National Environment Protection (Assessment of Site Contamination) Measure 1999*, is submitted to DER. The current site classification is the classification most recently conferred on the site.

Memorials

In accordance with sections 58 (1) and (3) of the Act, DER will give notice to Landgate to withdraw the current memorial(s) lodged against the Certificate(s) of Title relating to the site, and subsequently lodge a new memorial against the Certificate(s) of Title, which will record the new site classification.

Parcel(s) without a registration number or certificate of title will not have a memorial lodged against them until a certificate of title has been created. Once complete, confirmation of the lodgement of the memorial(s) will be forwarded to the following people:

(a) each owner,
(b) Western Australian Planning Commission;
(c) CEO of the Department of Health;
(d) Local Government Authority;
(e) relevant scheme authority.

Given that memorial(s) will be lodged against the site, the Western Australian Planning Commission (WAPC) may not approve the subdivision of the land under Section 135 of the *Planning and Development Act 2005*, or the amalgamation of that land with any other land without seeking, and taking into account, the advice of DER as to the suitability of the land for subdivision or amalgamation. Furthermore, a responsible authority (e.g. Local Government Authorities) may not grant approval under a scheme for any proposed development of the land without seeking, and taking into account, advice from DER as to the suitability of the proposed development.

Appealing the Site Classification

All site classifications given by DER are appealable. However, only certain people can lodge a valid appeal. The people who can lodge a valid appeal varies, depending on the classification category, as detailed in Fact Sheet 4: *Site classifications and appeals*. Appeals need to be lodged in writing with the Contaminated Sites Committee at Forrest Centre, Level 22, 221 St Georges Terrace, Perth WA 6000, within **45 days** of being given this notification. The appeal should set out the appellant's relationship to the site, and must include the grounds and facts upon which it is based. An appeal fee (currently $45) applies.

To find out more about the appeal process, see the Contaminated Sites Committee website at www.consitescommittee.wa.gov.au or contact the office of the Committee on (08) 6467 5201.

For further information on all aspects of site classification, please refer to Fact Sheet 4 and the 'Contaminated Sites Guidelines', which are available from DER's website at www.der.wa.gov.au/contaminatedsites or by contacting the Contaminated Sites Information Line on 1300 762 982.

Yours sincerely

Paul Newell, Manager

CONTAMINATED SITES
Delegated Officer under section 91
of the *Contaminated Sites Act 2003*

15/02/2017

Enc. Enc. Attachment A – List of lots (85 Bracks Street, North Fremantle)
Map (85 Bracks Street, North Fremantle)

Fact Sheet 4: *Site classifications and appeals*
Fact Sheet 5: *Buyer beware – buying and selling contaminated land*

ATTACHMENT A – Former Caltex Depot, 85 Bracks Street, North Fremantle

- LOT 152 ON PLAN 1593 as shown on certificate of title 1102/359 known as 152 Port Beach Rd, North Fremantle WA 6159
- LOT 153 ON PLAN 1593 as shown on certificate of title 1102/359 known as 153 Port Beach Rd, North Fremantle WA 6159
- LOT 154 ON PLAN 1593 as shown on certificate of title 1102/359 known as 154 Port Beach Rd, North Fremantle WA 6159
- LOT 155 ON PLAN 1593 as shown on certificate of title 1102/359 known as 155 Port Beach Rd, North Fremantle WA 6159
- LOT 156 ON PLAN 1593 as shown on certificate of title 1102/359 known as 156 Bracks St, North Fremantle WA 6159
- LOT 157 ON PLAN 1593 as shown on certificate of title 1102/359 known as 157 Port Beach Rd, North Fremantle WA 6159
- NORTH FREMANTLE TOWNSITE LOT 340 as shown on certificate of title 1252/233 known as 340 Bracks St, North Fremantle WA 6159
- LOT 158 ON PLAN 1593 as shown on certificate of title 1102/359 known as 158 Bracks St, North Fremantle WA 6159
- LOT 159 ON PLAN 1593 as shown on certificate of title 1102/359 known as 159 Bracks St, North Fremantle WA 6159
- LOT 356 ON PLAN 1593 as shown on certificate of title 1102/359 known as North Fremantle WA 6159
- LOT 190 ON PLAN 1593 as shown on certificate of title 1102/359 known as 190 Bracks St, North Fremantle WA 6159
- LOT 188 ON PLAN 1593 as shown on certificate of title 1102/359 known as 188 Bracks St, North Fremantle WA 6159
- LOT 189 ON PLAN 1593 as shown on certificate of title 1102/359 known as 189 Bracks St, North Fremantle WA 6159
- LOT 187 ON PLAN 1593 as shown on certificate of title 1102/359 known as 187 Bracks St, North Fremantle WA 6159
- LOT 185 ON PLAN 1593 as shown on certificate of title 1102/359 known as 185 Bracks St, North Fremantle WA 6159
- LOT 186 ON PLAN 1593 as shown on certificate of title 1102/359 known as 186 Bracks St, North Fremantle WA 6159
- LOT 184 ON PLAN 1593 as shown on certificate of title 1102/359 known as 184 Bracks St, North Fremantle WA 6159
- LOT 183 ON PLAN 1593 as shown on certificate of title 1102/359 known as 183 Bracks St, North Fremantle WA 6159
- LOT 182 ON PLAN 1593 as shown on certificate of title 1102/359 known as 182 Bracks St, North Fremantle WA 6159
- LOT 181 ON PLAN 1593 as shown on certificate of title 1102/359 known as 181 Bracks St, North Fremantle WA 6159
- LOT 180 ON PLAN 1593 as shown on certificate of title 1102/359 known as 180 Bracks St, North Fremantle WA 6159
- NORTH FREMANTLE TOWNSITE LOT 309 as shown on certificate of title 1102/359 known as 309 Bracks St, North Fremantle WA 6159
- LOT 194 ON PLAN 1593 as shown on certificate of title 1102/359 known as 194 Bracks St, North Fremantle WA 6159
- LOT 195 ON PLAN 1593 as shown on certificate of title 1102/359 known as 195 Bracks St, North Fremantle WA 6159

- LOT 193 ON PLAN 1593 as shown on certificate of title 1102/359 known as 193 Bracks St, North Fremantle WA 6159
- LOT 191 ON PLAN 1593 as shown on certificate of title 1102/359 known as 191 Bracks St, North Fremantle WA 6159
- LOT 192 ON PLAN 1593 as shown on certificate of title 1102/359 known as 192 Bracks St, North Fremantle WA 6159
- LOT 174 ON PLAN 1593 as shown on certificate of title 1102/359 known as 174 Port Beach Rd, North Fremantle WA 6159
- LOT 175 ON PLAN 1593 as shown on certificate of title 1102/359 known as 175 Port Beach Rd, North Fremantle WA 6159
- LOT 176 ON PLAN 1593 as shown on certificate of title 1102/359 known as 176 Port Beach Rd, North Fremantle WA 6159
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- LOT 179 ON PLAN 1593 as shown on certificate of title 1102/359 known as 179 Port Beach Rd, North Fremantle WA 6159
- LOT 178 ON PLAN 1593 as shown on certificate of title 1102/359 known as 178 Port Beach Rd, North Fremantle WA 6159
- NORTH FREMANTLE TOWNSITE LOT 308 as shown on certificate of title 1102/359 known as 308 Bracks St, North Fremantle WA 6159
- LOT 196 ON PLAN 1593 as shown on certificate of title 1102/359 known as 196 Port Beach Rd, North Fremantle WA 6159
- LOT 197 ON PLAN 1593 as shown on certificate of title 1102/359 known as 197 Port Beach Rd, North Fremantle WA 6159
- LOT 198 ON PLAN 1593 as shown on certificate of title 1102/359 known as 198 Port Beach Rd, North Fremantle WA 6159
- LOT 199 ON PLAN 1593 as shown on certificate of title 1102/359 known as 199 Port Beach Rd, North Fremantle WA 6159
- LOT 201 ON PLAN 1593 as shown on certificate of title 1102/359 known as 201 Port Beach Rd, North Fremantle WA 6159
- LOT 200 ON PLAN 1593 as shown on certificate of title 1102/359 known as 200 Port Beach Rd, North Fremantle WA 6159
- NORTH FREMANTLE TOWNSITE LOT 222 as shown on certificate of title 1102/359 known as 222 Bracks St, North Fremantle WA 6159
- NORTH FREMANTLE TOWNSITE LOT 53 as shown on certificate of title 1102/359 known as 53 Bracks St, North Fremantle WA 6159
- LOT 350 ON PLAN 1593 as shown on certificate of title 1102/359 known as 350 Bracks St, North Fremantle WA 6159
- LOT 202 ON PLAN 1593 as shown on certificate of title 1102/359 known as 202 Bracks St, North Fremantle WA 6159
- LOT 203 ON PLAN 1593 as shown on certificate of title 1102/359 known as 203 Bracks St, North Fremantle WA 6159
- LOT 204 ON PLAN 1593 as shown on certificate of title 1102/359 known as 204 Bracks St, North Fremantle WA 6159
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- LOT 206 ON PLAN 1593 as shown on certificate of title 1102/359 known as 206 Bracks St, North Fremantle WA 6159
- LOT 213 ON PLAN 1593 as shown on certificate of title 1102/359 known as 213 Bracks St, North Fremantle WA 6159
- LOT 214 ON PLAN 1593 as shown on certificate of title 1102/359 known as 214 Bracks St, North Fremantle WA 6159

- LOT 215 ON PLAN 1593 as shown on certificate of title 1102/359 known as 215 Bracks St, North Fremantle WA 6159
- LOT 216 ON PLAN 1593 as shown on certificate of title 1102/359 known as 216 Bracks St, North Fremantle WA 6159
- LOT 217 ON PLAN 1593 as shown on certificate of title 1102/359 known as 217 Bracks St, North Fremantle WA 6159
- LOT 212 ON PLAN 1593 as shown on certificate of title 1102/359 known as 212 Bracks St, North Fremantle WA 6159
- LOT 211 ON PLAN 1593 as shown on certificate of title 1102/359 known as 211 Bracks St, North Fremantle WA 6159
- LOT 210 ON PLAN 1593 as shown on certificate of title 1102/359 known as 210 Bracks St, North Fremantle WA 6159
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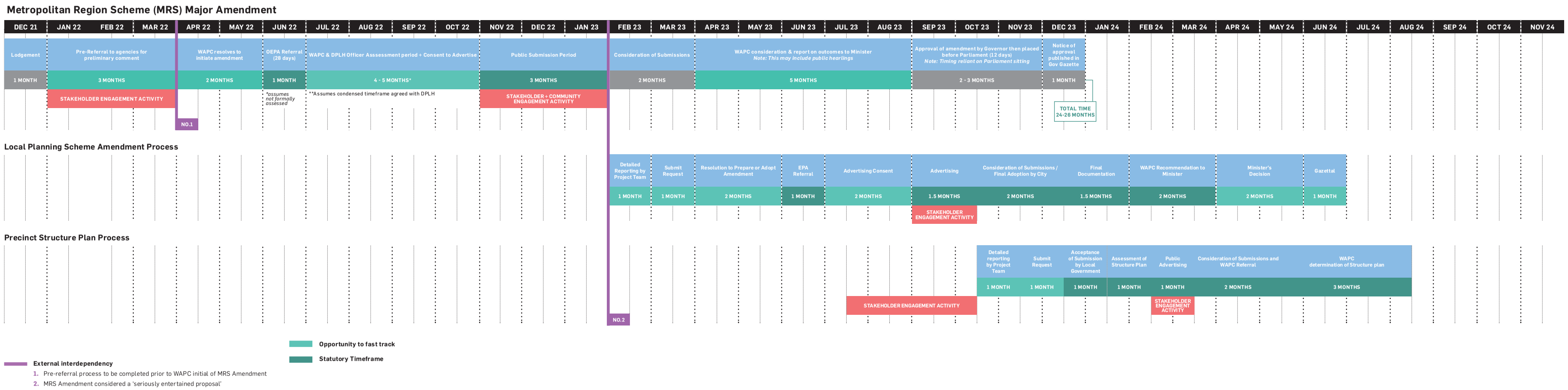
- LOT 207 ON PLAN 1593 as shown on certificate of title 1102/359 known as 207 Bracks St, North Fremantle WA 6159

F. Planning Process Timeline

PLANNING PROCESS TIMELINE

URBIS



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VALUATION CERTIFICATE
of
VACANT LAND

Located at
Jalan Kramat Raya No. 110
Kelurahan Kwitang, Kecamatan Senen
Jakarta Pusat, DKI Jakarta

Prepared for
ROXY-PACIFIC HOLDINGS LIMITED
50 East Coast Road #03-11
Roxy Square Shopping Centre
Singapore

Date
January 10th, 2022

Susan Widjojo & Rekan
Registered Public Appraiser & Consultant

Susan Widjojo & Rekan
Registered Public Appraiser & Consultant
Licence No. 2.09.0068

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vpc_indo@indo.net.id

VPC ASIA PACIFIC
in association with
CLUTTONS

Jakarta, January 10th, 2022

To:
Roxy-Pacific Holdings Limited
50 East Coast Road #03-11
Roxy Square Shopping Centre
Singapore

Reff	:	Valuation of Land Only
Reff No.	:	00001/2.0068-00/PI/10/0198/1/I/2022

Dear Sir/Madam,

Based on **Contract Agreement No. : 001/SWR/PROP-VAL-ENG/I/2022,** dated **January 4th, 2022**, that has been approved by **Roxy-Pacific Holdings Limited**, then Kantor Jasa Penilai Publik Susan Widjojo & Rekan (KJPP SWR) have conducted Property Desktop Valuation.

Valuer Credential
KJPP SWR is registered valuation company with license number 2.09.0068, based on the decision of Minister of Finance number 1284/KM.1/2009, dated November 13, 2009 and *Surat Tanda Terdaftar Profesi Penunjang Pasar Modal* issued by BAPEPAM No. S-114 / BL / 2010 dated January 11, 2010.

The team work for this valuation assignment is entirely from our Internal Valuer, and has no relation to or in connection with the Client (Independent). Our valuation team consist of :

- Public Certified Property Appraiser
- Licensed Property Appraiser (MAPPI)
- Surveyor

All valuers, experts and staff performing this assignment constitute a single assignment team under the coordination of the Licensed Valuer or Responsible of this valuation report.

All employees of KJPP SWR assigned in this job working in a professional, competence, objectivity, impartiality and have no potential conflicts of interest by the client, user and / or objects of valuation.

Client Name
The Client is Roxy-Pacific Holdings Limited, domiciled at 50 East Coast Road #03-11, Roxy Square Shopping Centre, Singapore.

User Name
User of the Valuation Report is Roxy-Pacific Holdings Limited, domiciled at 50 East Coast Road #03-11, Roxy Square Shopping Centre, Singapore.

Object of Valuation
This valuation covers **Vacant Land** but excluding building and any kind of intangible property, with the land size of 1,703 square meters, which is located at **Jalan Kramat Raya No. 110, Kelurahan Kwitang, Kecamatan Senen, Jakarta Pusat, DKI Jakarta, Indonesia.**

Land Ownership
The property is registered under the name of Sutantio, based on 1 (one) Freehold Title (*Hak Milik* Certificate). Roxy-Pacific Holdings Limited is the joint venture partner to certificate holder to develop the land.

Currency Used
We understand that the currency relevant to the transaction in Indonesia is in Indonesian Rupiah, therefore, we have valued the property in Indonesian Rupiah. On the date of valuation December 31st, 2021, the exchange rate of United States Dollar to Indonesian Rupiah is USD 1 = IDR 14,269 (middle rate of Bank Indonesia).

Purpose and Objective of Valuation
We understand that this appraisal is providing our opinion of Market Value of the real property by desktop valuation based on the previous Valuation Report No. 021/SWR/APP-C/MISC/IV/2014 date April 17th, 2014, and Executive Summary No. 002/SWR/ADF/II/19 date February 25th, 2019 for the purpose of **Voluntary Offer** and not related to OJK reporting and taxation.

Base of Value
In accordance with the Indonesian Valuation Standard (SPI) Edition VII-2018 in compliances with IVSC, the base of value used for the purpose on Internal Financial Report is **Market Value**.

Market Value is defined as an estimated amount for which an asset or liablity should exchange or paid on the valuation date between a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently, and without compulaion. (SPI 101 point 3.1)

Market Value is understood as the value of an asset estimated without regard to the costs of sales or purchases and without being associated with any related transfer tax. (SPI 101 point 3.3).

Valuation Approach
The valuation approach that we have used in this valuation is **Market Approach**

The Market Approach is used in this valuation with the reason that market data of vacant land that is comparable and similar to the property is still available.

Date of Valuation and Inspection Date
As requested by Roxy-Pacific Holdings Limited, this valuation is a Desktop Valuation with no on-site inspection conducted, and Valuation Date is set to be **December 31st, 2021**, which is the date the comparative data is obtained and the valuation process is carried out.

The Depth of Valuation Investigation
As requested by Roxy-Pacific Holdings Limited, the valuation is a Desktop Valuation which Site Inspection will not be conducted. Based on Indonesian Valuation Standard (SPI) Edition VII-2018 (SPI 103 point 5.4), Desktop Valuation will be conducted with limited Depth on Investigation.

Desktop Valuation can be conducted for the reason :
- KJPP SWR has conducted site inspection and valuation in previous valuation;
- Roxy-Pacific Holdings Limited provides data if there is any changes from the Object of Valuation.

The valuation covers :
- The Valuer has identified the problem, collected data, reviewed, calculated and analyzed, however, the data and information that cannot be obtained directly by the Valuer because no on-site inspection conducted, it is assumed to be provided by the Client.
- Data and information concerning the physical and legal aspects of the Object of Valuation are obtained from the Client in accordance with the list of tangible assets and ownership documents or control rights received.
- The Valuer has verified the data and valuation objects including secondary data provided by the Client and set forth in a special assumption.
- For special matters, in the typical and large amounts of Assets, only checks / verification are carried out by sampling.
- Anything that limits the work of this valuation will be recorded as a binding part of the results of this valuation.
- If it turns out in the future there is a change in the investigation process that is different from what has been stated in the scope of the assignment, the change will be stated in the addendum.

Reliable Characteristic and Source of Information
1. Datas given by the client :
   - Copy of Freehold Title (*Hak Milik* Certificate) No. 998/Kwitang;
   - Copy of Property Tax (*Pajak Bumi dan Bangunan* / PBB) 2020;
   - Statement letter as an attachment stating that the truth of the data and the nature of information/data given to us.

2. Other Source of Informatioan
   The unverify information and relevant data can be used as long as the source of the data is published such as :
   - Data from the government and research institutions
   - The sources of the data include Bank Indonesia, Indonesia Stock Exchange
   - Information from any other countries, research data from national and international independent institutions, as well as information from electronic mass media, national, and international
   - Market data from the sellers, agents property, the competent authority, and media.

Assumption and Special Assumption
This valuation is carried out based on the market conditions that existed at the date of the valuation and taking into account the factors that the Valuer believes represent the current economic instability. However, the adjustment factors applied in these calculations are not accurate predictions of the global economy in the future.

During our valuation, the object of valuation has no masterplan on the future development

Fair Value Opinions expressed in this Report can change significantly and unexpectedly over a relatively short period of time due to economic turbulence as a result of the impact of the COVID-19 Pandemic. Liability for losses arising from changes in value is subsequently excluded due to unknown impacts in the future that may have as a result of the impact of the COVID-19 pandemic on the property market.

Therefore, it is recommended that users of this Valuation Report will use caution when using this Valuation Report. The Valuer recommends that the Report User conducts a review of this Valuation Report periodically after this Valuation Report is issued if the Report User is aware of any factors that may affect the results of the valuation.

Considering that market data information is not always available as mentioned above, for that the Valuer emphasizes that the Fair Value above is Fair Value for the continued use of the current Asset where the Asset user receives a special advantage that is not owned by other parties in general.

Our valuation is subject to :
- The subject property is supported by good and marketable title, free and clear from any liens and encumbrances, easements, restriction, and/or limitation
- The subject property is supported by the permit related to its utilization
- The details, comments, terms and condition contained within this report.

If in the future there is a difference between the information give by the client and the actual condition of the valuation object, then the Fair Value concluded in this Valuation Report is invalid and subject to be reviewed. The Appraiser is freed from responsibility and for the report user, it is recommended to periodically review beyond the date of this valuation report, or such earlier date if you become aware of any factors that have any effect on the valuation.

Requirements on Approval for Publication
The Valuation Report and / or its attachments are confidential to the Client and Report Users as stated in this scope of work, in accordance with the written assessment objectives. The Valuer is not responsible to third parties, and neither part or all of the report or reference to this report is permitted to be published in any document without prior written approval from the Valuer for the format or context in which it was raised.

Valuation Standard
The valuation complies with the Indonesian Valuation Standard (*Standar Penilaian Indonesia*) Edition VII-2018 in compliances with IVSC, Code of Ethics of Indonesian Appraisers (*Kode Etik Penilai Indonesia*/KEPI), and Prevailing Legislation.

Limitation or Exclusion of Responsibility to Parties Other Than the Client
The Valuers have no responsibility to third parties as long as they do not deviate from the applicable regulation and laws.

Written Statement from the Client Regarding the Truth and Nature of Information Provided by the Client
The Valuer requires a written statement from the Client about the truth and nature of the information provided by the Client and is made on company letterhead.

Subsequent Events After Cut Off Date
After the Valuation Date until the issuance of this Report there has been a Covid-19 Virus Pandemic in early March 2020 and has caused uncertainty that prevails in the global economy throughout the world. Given its unknown impact on the property market in the future, the Valuer recommends that report users regularly review this Valuation Report after this Report is issued.

CONCLUSION

By using accepted valuation methods, considering all information, factors as contained in this report and based upon underlying assumptions and restrictions, we are of the opinion that the M**arket Value** of **Land Only** but excluding building and any kind of intangible property, with the land size of 1,703 square meters owned by Sutantio, the joint venture partner of Roxy-Pacific Holdings Limited, which is located at **Jalan Kramat Raya No. 110, Kelurahan Kwitang, Kecamatan Senen, Jakarta Pusat, DKI Jakarta, Indonesia**, on the valuation date of **December 31st, 2021** is :

IDR 76,465,000,000

(said : Rupiah Seventy Six Billion Four Hundred and Sixty Five Million only)

This valuation report consists of several parts that are bound together and can not be separated, is:

- This letter is the result, conclusions and summary of valuation
- A description of the asset and its opinion on the Fair Value of the asset.
- General assumptions and limiting conditions.
- Photograph and site plan of the assets being valued

Yours faithfully,
KJPP SUSAN WIDJOJO & REKAN

Susan Widjojo, MAPPI (Cert)
Managing Partners

MAPPI No. : 95-S-00610
Valuer License : P-1.09.00198
STTD.PP-24/PM.2/2018
Valuer Register No. RMK–2017.00183

VALUER STATEMENT

Within our abilities and conviction as valuers, we herewith state that :

1. The statements of fact presented in the report are correct to the best of Valuer's knowledge ;

2. The analysis and conclusions are limited only by the reported assumptions and conditions ;

3. The Valuer has no interest in the subject property ;

4. The Appointment of the assignment is not related to the Valuation opinions that previously agreed with the Client ;

5. The Valuer's fee is not contingent upon any aspect of the report ;

6. The Valuer has satisfied professional education requirements ;

7. The Valuer has experience in the location and category of the asset being valued ;

8. The valuer has conducted the following scope of work :
   - Problem Identification (limitation, purpose and objective, valuation definition, and date of valuation);
   - Data collection and interview;
   - Data analysis;
   - Value estimation based on applied Valuation Approach;
   - Reporting

9. As requested by the Client, the site inspection do not be conducted;

10. No one, except those specified in the report, has provided professional assistance in preparing the report ;

11. The valuation was performed in accordance with Code of Ethics of Indonesian Appraisers *(Kode Etik Penilai Indonesia / KEPI)* and Indonesian Valuation Standard *(Standar Penilaian Indonesia)* EditionVII-2018.

Our valuation team consist of :

No	Nama Penanggung Jawab	Tanda Tangan
1	**Managing Partners** **Susan Widjojo, MAPPI (Cert)** MAPPI No. 95-S-00610 Valuer License No. P-1.09.00198 STTD.PP-24/PM.2/2018 Valuer Registered No. RMK-2017.00183	
2	**Reviewer 1** **Fakhry Tasrab** MAPPI No. 07-S-02110 Valuer Registered No. RMK-2017.01579	
3	**Reviewer 2** **Anton Hendralianto** MAPPI No. 09-T-02384 Valuer Registered No. RMK-2017.01581	
4	**Valuer** **Della Miyono** MAPPI No. 21-P-011148 Valuer Registered No. RMK-2021.04126	

GENERAL DESCRIPTION OF THE OBJECT OF VALUATION

1.1. Location

Situation

The subject property is located at Jalan Kramat Raya No. 110, Kelurahan Kwitang, Kecamatan Senen, Jakarta Pusat, DKI Jakarta, Indonesia, at approximately 100 meters radius south of Ibis Hotel, at approximately 700 meters radius south of Pasar Senen and approximately 2 kilometers radius southeast of National Monument (Monas).

Sumber Peta: Google Maps

Fronting Road

The property is located at the corner of Jalan Kramat Raya at northeast as the fronting road and Jalan Kramat III at southeast, both roads are an asphalted 2 (two) ways road and approximately 32 meters and 6 meters width respectively.

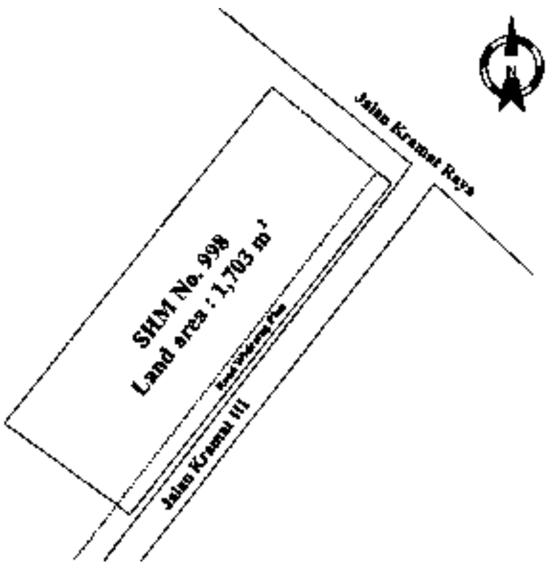
Surrounding Properties

The surrounding properties generally consist of hotel, shophouse, office building, school and residential houses.

1.2. Land

Shape and Area

The land parcel is rectangular in shape, and based on the copy of land title certificate and data we received from Roxy-Pacific Holdings Limited, the total land area is **1,703** square meters. This total area is taken into account of the valuation for the purpose of Financial Report and not related to reporting OJK and taxation.



Topography

The subject property's topography is mostly flat and is higher than the level of the existing fronting road.

Boundaries

The site boundaries of the property are :

- Northeast : Jalan Kramat Raya;
- Southeast : Jalan Kramat III;
- Southwest : Residential house;
- Northwest : Residential house.

Land Use

Based on the information given by the Client, there is an old house building erected on site, however, as client requested the subject of the valuation is assumed as vacant land.

1.3. Zoning and City Plan

Based on Advice Planning that we received from the ordering party, the property is located in the area zoned for Office, Trading and Service with the following restrictions:

- Building Coverage Ratio (KDB) : 60 %
- Plot Ratio (KLB) : 3.5
- Maximum height : 8 (eight) Floors
- Type of building : Single

1.4. Land Ownership Documents

Copy of land title certificates that we received is:

- Land Title : Freehold Title (*Hak Milik* Certificate)
- Land Title # : 998/Kwitang
- Registered Owner : Sutantio
- Registration Date : January 28th, 2005
- Issuance Date : September 27th, 2004
- Land Size : 1,703 sqm
- *Surat Ukur* # : 00025/2004
- *Surat Ukur* Date : June 25th, 2004

Note : Based on the information by the Client, the name written in the certificate (Sutantio) is the owner of the land and Roxy-Pacific Holdings Limited is the joint venture party. For the purposes of this valuation, we assume that the information is valid and accurate.

In our capacity as a Valuer, we did not conduct an investigation into the validity of land ownership of the property. All bonds and lawsuits over the property if there, has been ignored in this assessment. Property deemed to be under the ownership status of a clear, legitimate, free from any dispute, and transferable.

17 January 2022

The Board of Directors
Roxy-Pacific Holdings Limited
50 East Coast Road
Roxy Square
Singapore 428769

Dear Sirs

VALUATION OF
50 EAST COAST ROAD
#01-01 TO 08/24/29/38/57 TO 62/95/96/97/110/135/136, #02-22/34/34A/34B/43/82 TO 86/91/92/98/108/113 TO 116/121/122/134/140/144 AND #03-11/14/19 TO 22 (TOTAL 52 STRATA-TITLED UNITS) "ROXY SQUARE"
SINGAPORE 428769

Instructions

We refer to your instructions for a formal valuation to be carried out in respect of the abovementioned property (the "Property") for the purposes of Voluntary General Offer for all the issued ordinary shares (excluding treasury shares) in the capital of Roxy-Pacific Holdings Limited.

We have specifically been instructed to provide our opinion of Market Value of the Property, as at 31 December 2021, on an "as is" basis, subject to existing tenancies and occupational arrangements for the tenanted units/with vacant possession for the vacant units.

We have, in accordance with the instructions, issued a formal comprehensive Valuation Report and this Valuation Summary Letter, in accordance with the terms of engagement entered into between Knight Frank Pte Ltd and Roxy-Pacific Holdings Limited, dated 4 January 2022.

Our valuation is our opinion of the Market Value, which we would define as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on 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".

In preparing this valuation, we have relied on information provided by Roxy-Pacific Developments Pte Ltd, particularly in respect of such matters as strata areas, year of completion, tenancy details, annual values, etc. We have relied upon this information as being accurate and complete. We accept no responsibility for subsequent changes in the information provided. Dimensions, measurements and areas are only approximations.

Knight Frank Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315
Tel: +65 6222 1333 Fax: +65 6224 5843 Reg.No: 198205243Z CEA Licence No: L3005536J
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Other Offices:
Knight Frank Property Asset Management Pte Ltd 160 Paya Lebar Road #05-05 Orion@Paya Lebar Singapore 409022
KF Property Network Pte Ltd 10 Collyer Quay #08-01 Ocean Financial Centre Singapore 049315

All works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.

Unless otherwise stated, all valuation figures herein are stated on a net of GST basis.

We have carried out site inspection, prepared and provided this Valuation Summary Letter outlining key factors that have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular to shareholders of Roxy-Pacific Holdings Limited (the "Circular"), in relation to the Voluntary General Offer for all the issued ordinary shares (excluding treasury shares) in the capital of Roxy-Pacific Holdings Limited. The value conclusions reflect all information known by the valuers of Knight Frank Pte Ltd who worked on the valuation in respect to the Property, market conditions and available data.

As at the valuation date, the pandemic and the measures taken to tackle COVID-19 continue to affect the economy and the real estate market. A higher degree of caution should be attached to our valuation than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the Property under frequent review.

For the avoidance of doubt, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19, we highlight the importance of the valuation date.

Reliance on This Letter

We have prepared this Letter which outlines key factors which have been considered in arriving at our opinions of value for inclusion in, and/or to be made available for inspection under, the Circular. This letter alone does not contain all the necessary data and support information included in our Valuation Report. Knight Frank Pte Ltd has provided Roxy-Pacific Holdings Limited a comprehensive Valuation Report for the Property. The valuation and market information are not guarantees or predictions and must be read in conjunction with the following:

(a) The estimated value is based upon the factual information provided by Roxy-Pacific Developments Pte Ltd. Whilst Knight Frank Pte Ltd has endeavoured to assure the accuracy of the factual information, it has not independently verified all information provided by Roxy-Pacific Developments Pte Ltd or the Government of Singapore (primarily statistical information relating to market conditions). Knight Frank Pte Ltd believes that every recipient of the Circular should review the Valuation Report to understand the complexity of the methodology and the many variables involved.

(b) The primary methodology used by Knight Frank Pte Ltd in valuing the Property is the Direct Comparison Method. The valuation methodology is summarised in the Valuation Rationale section of this Letter.

(c) The Valuation Report was undertaken based upon information available as of November/December 2021. Knight Frank Pte Ltd accepts no responsibility for subsequent changes in information as to floor area, income or market conditions.

The Valuation Report, Valuation Summary Letter and Valuation Certificate may only be relied upon by Roxy-Pacific Holdings Limited for the purposes of Voluntary General Offer for all the issued ordinary shares (excluding treasury shares) in the capital of Roxy-Pacific Holdings Limited.

The Property

The Property comprises a total of 52 strata-titled commercial units within a mixed-use development known as “Roxy Square”

“Roxy Square” comprises a front 7-storey commercial-cum residential block, a rear 3-storey extension and a basement car park. The front block comprises shop units on the 1st to 3rd storeys, car park lots on the 4th and 5th storeys and apartment units on the 6th and 7th storeys. The rear extension block comprises an office unit and car park lots at the basement level and shop units from the 1st to 3rd storeys. Adjacent to the rear extension block is a 17-storey hotel development known as “Grand Mercure Singapore Roxy”.

The following table summarises key property details of the Property:

Property	Strata Area (sm)	Tenure	Master Plan 2019
50 East Coast Road “Roxy Square” (Total 52 strata-titled units)	3,423.0 sm (36,845 sf)	Leasehold 9999 years commencing from 1 January 1980	“Commercial & Residential” with a gross plot ratio of 3.0 and “Hotel”

Valuation Rationale

Our valuation has been undertaken using appropriate valuation methodology and our professional judgement.

We have valued the Property primarily by the Direct Comparison Method.

Direct comparison method

In this method, a comparison is made with sales of similar properties in the subject development and other comparable developments located in the vicinity. Adjustments are made, where appropriate, for differences in floor area, floor level, siting, quality of development, age, date of sale, etc., before arriving at the value of the Property.

Market Value as at 31 December 2021

We are of the opinion that the Market Value (exclusive of GST) of the unencumbered remaining leasehold interest in the Property, on an "as is" basis, subject to existing tenancies and occupational arrangements for the tenanted units/with vacant possession for the vacant units, for the purposes of Voluntary General Offer for all the issued ordinary shares (excluding treasury shares) in the capital of Roxy-Pacific Holdings Limited, at the valuation date, is:

S$80,021,000
(Singapore Dollars Eighty Million And Twenty-One Thousand Only)

Disclaimer

We have prepared this Valuation Summary Letter for inclusion in, and/or to be made available for inspection under, the Circular and specifically disclaim liability to any person in the event of any omission from or false or misleading statement included in the Circular, other than in respect of the information provided within this Valuation Summary Letter and the enclosed Valuation Certificate. We do not make any warranty or representation as to the accuracy of the information in any other part of the Circular other than as expressly made or given by Knight Frank Pte Ltd in this Valuation Summary Letter or in the Valuation Certificate.

Knight Frank Pte Ltd has relied upon property data supplied by Roxy-Pacific Developments Pte Ltd, which we assume to be true and accurate. Knight Frank Pte Ltd takes no responsibility for inaccurate data supplied by Roxy-Pacific Developments Pte Ltd and subsequent conclusions related to such data.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the Property and have no personal interest or bias with respect to the party or parties involved. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

We certify that our valuers undertaking the valuations are authorised to practise as valuers and have the necessary expertise and experience in valuing similar types of Property.

Yours faithfully

Sherri Fong
B.Sc.(Estate Management) Hons.,MSISV
Senior Director
Valuation & Advisory
Appraiser's Licence No. AD 041-2008950C
For and on behalf of Knight Frank Pte Ltd

Valuation Certificate

Property	:	50 East Coast Road #01-01 to 08/24/29/38/57 to 62/95/96/97/110/135/136, #02-22/34/34A/34B/43/82 to 86/91/92/98/108/113 to 116/121/122/134/140/144 and #03-11/14/19 to 22 (Total 52 Strata-Titled Units) "Roxy Square" Singapore 428769
Instructing Party/ Relying Party	:	Roxy-Pacific Holdings Limited
Purpose of Valuation	:	Voluntary General Offer for all the issued ordinary shares (excluding treasury shares) in the capital of Roxy-Pacific Holdings Limited
Legal Description	:	Part of Land Lot No. : 7922X Mukim : 26
Tenure	:	Leasehold 9999 years commencing from 1 January 1980
Interest Valued	:	Leasehold interest
Basis of Valuation	:	Market Value on an "as is" basis, subject to existing tenancies and occupational arrangements for the tenanted units/with vacant possession for the vacant units
Registered Owner	:	Roxy-Pacific Developments Pte Ltd
Master Plan 2019	:	"Commercial & Residential" with a gross plot ratio of 3.0 and "Hotel"
Brief Description	:	Roxy Square is located on the south-eastern side of East Coast Road, and approximately 8.5 km from the City Centre. The development comprises a front 7-storey commercial-cum residential block, a rear 3-storey extension and a basement car park. The front block comprises shop units on the 1st to 3rd storeys, car park lots on the 4th and 5th storeys and apartment units on the 6th and 7th storeys. The rear extension block comprises an office unit and car park lots at the basement level and shop units from the 1st to 3rd storeys. Adjacent to the rear extension block is a 17-storey hotel development known as "Grand Mercure Singapore Roxy". We understand that the front block was completed in 1984 ("Roxy Square I") while the rear extension was completed in the 1990s ("Roxy Square II").
Tenancy	:	The Property is currently multi-tenanted. The leases for the tenants are generally for a period of about 1 to 3 years.
Strata Area (SA)	:	3,423.0 sm (36,845 sf) approximately
Valuation Approach	:	Direct Comparison Method
Date of Inspection	:	31 December 2021
Date of Issue	:	17 January 2022
Valuation Date	:	31 December 2021
Market Value	:	**S$80,021,000** **(Singapore Dollars Eighty Million And Twenty-One Thousand Only)** This valuation is exclusive of GST.
Market Value on SA	:	S$23,377 psm (S$ 2,172 psf)
Market Conditions Clause	:	*As at the valuation date, the pandemic and the measures taken to tackle COVID-19 continue to affect the economy and the real estate market. A higher degree of caution should be attached to our valuation than during standard market conditions. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this Property under frequent review.*
Assumptions, Disclaimers, Limitations & Qualifications	:	*This valuation certificate is provided subject to the assumptions, disclaimers, limitations and qualifications detailed throughout this certificate which are made in conjunction with those included within the General Terms of Business for Valuations located at the end of the certificate. Reliance on this certificate and extension of our liability is conditional upon the reader's acknowledgement and understanding of these statements. Use by, or reliance upon this document for any other purpose if not authorised, Knight Frank Pte Ltd is not liable for any loss arising from such unauthorised use or reliance. The document should not be reproduced without our written authority. The valuers have no pecuniary interest that would conflict with the proper valuation of the Property.*
Prepared by	:	Knight Frank Pte Ltd Sherri Fong B.Sc.(Estate Management) Hons.,MSISV Senior Director Valuation & Advisory Appraiser's Licence No. AD 041-2008950C For and on behalf of Knight Frank Pte Ltd

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General Terms of Business for Valuations

These General Terms of Business and our Terms of Engagement letter together form the agreement between us ("Agreement"). The following General Terms of Business apply to all valuations and appraisals undertaken by Knight Frank Pte Ltd unless specifically agreed otherwise in the Terms of Engagement letter and so stated within the main body of the valuation report and/or certificate.

1. Knight Frank Pte Ltd ("the company")

Knight Frank Pte Ltd is a privately owned company with registration number 198205243Z. Any work done by an individual is in the capacity as an employee of the Company.

Our GST registration number is M2-0058829-X.

2. Limitations on Liability

The Valuer's responsibility in connection with this valuation report and/or certificate is limited to the party to whom the valuation report and/or certificate is addressed for the stated purpose. The Valuer disclaims all responsibility and will accept no liability to any third party for the whole or any part of its contents saved on the basis of written and agreed instructions; this will incur an additional fee.

Our maximum total liability for any direct loss or damage whether caused by our negligence or breach of contract or otherwise is limited to the lower of S$1 million or 3 times Knight Frank Pte Ltd's fee under the instruction.

We do not accept liability for any indirect or consequential loss (such as loss of profits).

3. Disclosure and Publication

If our opinion of value is disclosed to persons other than the addressees of our valuation report and/or certificate, the basis of valuation should be stated. Reproduction of this valuation report and/or certificate in any manner whatsoever in whole or in part or any reference to it in any published document, circular or statement nor published in any way whatsoever whether in hard copy or electronically (including on any websites) without the Valuer's prior written approval of the form and context in which may appear is prohibited.

4. Our Fees

If any invoice remains unpaid after the date on which it is due to be paid, we reserve the right to charge interest, calculated daily, from the date when payment was due until payment is made at 1.5% per month. If we should find it necessary to use legal representatives or collection agents to recover monies due, you will be required to pay all costs and disbursements so incurred.

If before the valuation is concluded :-
(a) you end this instruction, we will charge abortive fees; or
(b) you delay the instruction by more than [1] month or materially alter the instruction so that additional work is required at any stage we will charge additional fees,

And in each case such fees will be calculated on the basis of reasonable time and expenses incurred.

Where the valuation is for loan security purposes, and we agree to accept payment of our fee from the borrower, the fee remains due from yourselves until payment is received by us. Additionally, payment of our fee is not conditional upon the loan being drawn down or any conditions of the loan being met.

5. Valuation Standards

Valuations and appraisals will be carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Practice Guidelines and International Valuation Standards (IVS), and all codes, standards and requirements of professionalism will be met.

6. Valuation Basis

Valuations and appraisals are carried out on a basis appropriate to the purpose for which they are intended and in accordance with the relevant definitions, commentary and assumptions outlined in the valuation report and/or certificate. The basis of valuation will be agreed with you for the instruction.

The opinion expressed in this valuation report and/or certificate is made strictly in accordance with the terms and for the purpose expressed therein and the values assessed and any allocation of values between portions of the property need not be applicable in relation to some other assessment.

7. Titles and Burdens

We do not read documents of title although, where provided, we consider and take account of matters referred to in solicitor's reports or Certificate of title. We would normally assume, unless specifically informed and stated otherwise, that each property has good and marketable title and that all documentation is satisfactorily drawn and that there are no unusual outgoings, planning proposals, onerous restrictions or regulatory intentions which affect the property, nor any material litigation pending.

All liens and encumbrances, if any, affecting the property have been disregarded unless otherwise stated and it is assumed that the current use of the property is not in contravention of any planning or other governmental regulation or law.

The Valuer does not warrant to the party to whom the valuation report and/or certificate is addressed and any other person the title or the rights of any person with regard to the property.

8. Disposal Costs and Liabilities

No allowance is made in our valuation for expenses of realisation or for taxation which may arise in the event of a disposal and our valuation is expressed as exclusive of any GST that may become chargeable. Property are valued disregarding any mortgages or other charges.

9. Sources of Information

We rely upon the information provided to us, by the sources listed, as to details of tenure and tenancies (subject to "leases" below), planning consents and other relevant matters, as summarised in our valuation report and/or certificate. We do not check with the relevant government departments or other appropriate authorities on the legality of the structures, approved gross floor area or other information provided to us. We assume that this information is complete and correct and the Valuer shall not be held responsible or liable if this should prove not to be so.

Unless otherwise stated, all information has been obtained by our search of records and examination of documents or by enquiry from Government departments or other appropriate authorities. When it is stated in this valuation report and/or certificate that information has been supplied to the Valuer by another party, this information is believed to be reliable and the Valuer shall not be held responsible or liable if this should prove not to be so.

10. **Boundaries**

Plans accompanying valuation report are for identification purposes and should not be relied upon to define boundaries, title or easements. The extent of the site is outlined in accordance with information given to us and/or our understanding of the boundaries.

11. **Planning and Other Statutory Regulations**

Enquiries of the relevant planning authorities in respect of matters affecting the property, where considered appropriate, are normally only obtained verbally and this information is given to us, and accepted by us, on the basis that it should not be relied upon. Where reassurance is required on planning matters, we recommend that formal written enquiries should be undertaken by the client's solicitors who should also confirm the position with regard to any legal matters referred to in our report. We assume that Property have been constructed, or are being constructed, and are occupied or used in accordance with the appropriate consents and that there are no outstanding statutory notices.

12. **Property Insurance**

Our valuation assumes that the property would, in all respects, be insurable against all usual risks at normal, commercially acceptable premiums.

13. **Building Areas and Age**

Where so instructed, areas provided from a quoted source will be relied upon. Where the age of the building is estimated, this is for guidance only.

14. **Structural Condition**

Building structural and ground condition surveys are detailed investigations of the building, the structure, technical services and ground and soil conditions undertaken by specialist building surveyors or engineers and fall outside the normal remit of a valuation. Since we will not have carried out any of these investigations, except where separately instructed to do so, we are unable to report that the property is free of any structural fault, rot, infestation or defects of any other nature, including inherent weaknesses due to the use in construction of deleterious materials. We do reflect the contents of any building survey report referred to us or any defects or items of disrepair of which we are advised or which we note during the course of our valuation inspections but otherwise assume Property to be free from defect.

15. **Ground Conditions**

We assume there to be no unidentified adverse ground or soil conditions and that the load bearing qualities of the sites of each property are sufficient to support the building constructed or to be constructed thereon.

16. **Environmental Issues**

Investigations into environmental matters would usually be commissioned of suitably qualified environmental specialists by most responsible purchasers of higher value Property or where there was any reason to suspect contamination or a potential future liability. Furthermore, such investigation would be pursued to the point at which any inherent risk was identified and quantified before a purchase proceeded. Anyone averse to risk is strongly recommended to have a property environmental investigation undertaken and, besides, a favourable report may be of assistance to any future sale of the property. Where we are provided with the conclusive results of such investigations, on which we are instructed to rely, these will be reflected in our valuations with reference to the source and nature of the enquiries. We would endeavour to point out any obvious indications or occurrences known to us of harmful contamination encountered during the course of our valuation enquiries.

We are not, however, environmental specialists and therefore we do not carry out any scientific investigations of sites or buildings to establish the existence or otherwise of any environmental contamination, nor do we undertake searches of public archives to seek evidence of past activities which might identify potential for contamination. In the absence of appropriate investigations and where there is no apparent reason to suspect potential for contamination, our valuation will be on the assumption that the property is unaffected.

17. **Leases**

The client should confirm to us in writing if they require us to read leases. Where we do read leases reliance must not be placed on our interpretation of these documents without reference to solicitors, particularly where purchase or lending against the security of a property is involved.

18. **Covenant**

We reflect our general appreciation of potential purchasers' likely perceptions of the financial status of tenants. We do not, however, carry out detailed investigations as to the financial standing of the tenants, except where specifically instructed, and assume, unless informed otherwise, that in all cases there are no significant arrears of payment and that they are capable of meeting their obligations under the terms of leases and agreements.

19. **Loan Security**

Where instructed to comment on the suitability of property as a loan security we are only able to comment on any inherent property risk. Determination of the degree and adequacy of capital and income cover for loans is the responsibility of the lender having regard to the terms of the loan.

20. **Build Cost Information**

Where our instruction requires us to have regard to build cost information, for example in the valuation of Property with development potential, we strongly recommend that you supply us with build cost and other relevant information prepared by a suitably qualified construction cost professional, such as a quantity surveyor. We do not hold ourselves out to have expertise in assessing build costs and any property valuation advice provided by us will be stated to have been arrived at in reliance upon the build cost information supplied to us by you. In the absence of any build cost information supplied to us, we may have regard to published build cost information. There are severe limitations on the accuracy of build costs applied by this approach and professional advice on the build costs should be sought by you. The reliance which can be placed upon our advice in these circumstances is severely restricted. If you subsequently obtain specialist build cost advice, we recommend that we are instructed to review our advice.

21. **Reinstatement Assessments**

A reinstatement assessment for insurance purposes is a specialist service and we recommend that separate instructions are issued for this specific purpose. If advice is required as a check against the adequacy of existing cover this should be specified as part of the initial instruction. Any indication given is provided only for guidance and must not be relied upon as the basis for insurance cover. Our reinstatement assessment should be compared with the owner's and if there is a material difference, then a full reinstatement valuation should be considered.

22. **Attendance in Court**

The Valuer is not obliged to give testimony or to appear in Court with regard to this valuation report and/or certificate, with reference to the property unless specific arrangement has been made therefor.

Valuation Advisory

Report prepared for Roxy-Pacific Holdings Limited for the purpose of the Voluntary General Offer

NZI Building

1 Fanshawe Street, Auckland CBD

31 December 2021

Executive Summary

NZI Building - 1 Fanshawe Street, Auckland CBD

The NZI Building comprises a 5 level office building plus basement car parking situated upon the high profile corner site at 1 Fanshawe Street in the Auckland Viaduct Harbour within the Auckland CBD. The building constructed in 2009 achieves a 5.5 star NABERS rating and provides high quality office accommodation. The property is situated upon a 2,604 sqm perpetually renewable leasehold site, with 20 year renewable lease terms and 5 yearly market reviews. Current ground rent is $944,471 per annum, none of which is recovered from tenants, with the next market ground rent review on 1 January 2022.

The improvements provide 9,313 sqm of good quality office accommodation across levels 1 to 5, along with storage accommodation and 65 car parking spaces provided at the basement level. A lobby café and associated seating areas are provided to the ground floor.

At the date of valuation, the property is 100% leased by IAG and Tonkin & Taylor. The property is returning a total net income of $2,296,680 per annum (after ground rent and unexpired year 1 incentives), with a WALT of 5.13 years (by income).

New Zealand is currently in a cautious phase as part of efforts to constrain an outbreak of the 'Delta' variant of COVID-19 that has been persisting since August 2021, with the most recent step a move to a 'traffic light' system of controls. Associated restrictions and periods of lockdown have been disruptive, however the property market in general has proven to be resilient to the introduced challenges. Our assessment has been conducted in accordance with the definition of 'Market Value', with reference to the provisions of the assumption to a willing buyer, a willing seller, acting prudently and without compulsion.

Valuation

Prepared for	Roxy-Pacific Holdings Limited
Valuation Purpose	Market Valuation for inclusion within a Voluntary General Offer
Date of Valuation	31 December 2021
Date of Report	10 January 2022
Valuation Approaches	Capitalisation of Net Income and Discounted Cashflow Approaches
Zoning	City Centre – Auckland Unitary Plan (Operative in Part November 2016)
Tenure	Leasehold – Record of Title 805306 Freehold – Record of Title NA133D/480 and NA133D/481
Site Area	2,604 sqm
Lettable Area	9,313 sqm
Adopted Value	**$73,200,000 plus GST, if any** Seventy Three Million Two Hundred Thousand Dollars plus GST, if any

Valuation Analysis

Initial Yield	3.14%	Rate / sqm of Lettable Area	$7,860
Initial Yield (Fully Leased)	6.54%	Weighted Average Lease Term	5.13 years by income
Equivalent Yield	6.07%	Current Occupancy	100.00%
Internal Rate of Return (10 years)	6.25%	Current Vacancy	0.00%

Tenancy Overview

IAG	$3,538,967	5,550 sqm
Tonkin & Taylor	$2,500,073	3,763 sqm
Total – Before Adjustments	$6,039,040	9,313 sqm

Financial Summary

Gross Passing Income	$7,042,322
Gross Market Income	$6,846,033
Adopted Outgoings	$1,003,282
Net Passing Income	$2,296,860
Net Passing Income (Fully Leased)	$4,789,040
Net Market Income	$5,842,751

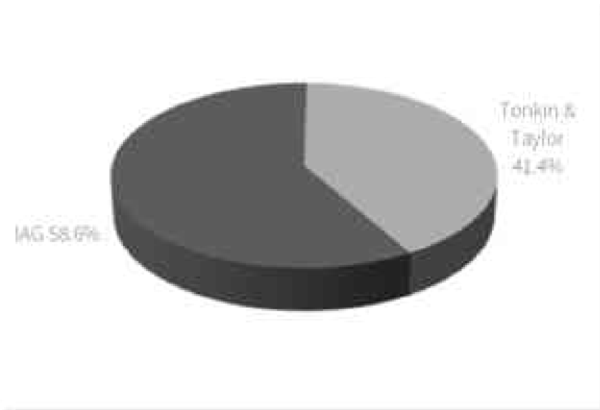
Cap Approach Assumptions

Adopted Cap Rate	6.000%
Allowance for Capex/Expiries	24 months
Market Income Capitalisation	$74,100,000
Passing Income Capitalisation	$74,100,000

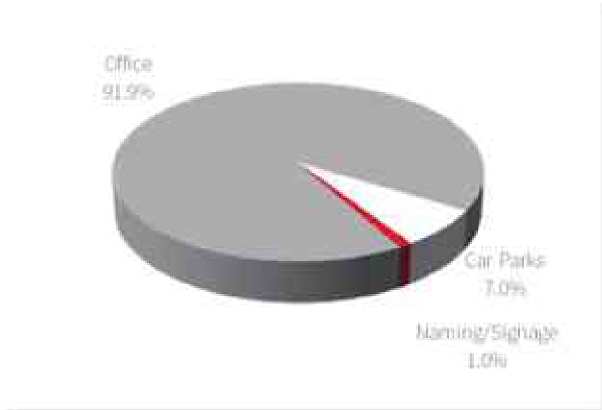
DCF Approach Assumptions

Discount Rate	6.500%
Terminal Yield	6.250%
Average Applied Rental Growth	2.65%
Value Based on DCF Approach	$71,800,000

Major Occupiers



Building Components



Valuers

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Critical Assumptions, Conditions & Limitations

- The valuation is current as at the date of valuation only, being 31 December 2021. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property).
- We do not accept liability for losses arising from such subsequent changes in value. Without limiting this statement, we do not accept any liability where this valuation is relied upon more than 90 days after the date of valuation, or earlier if you become aware of any factors that may have any effect on the valuation.
- This report is relevant at the date of preparation and to the circumstances prevailing at that time. However, within a changing economic environment experiencing fluctuations in interest rates, inflation levels, rents and global economic circumstances, acceptable returns on investment may, as a consequence, be susceptible to future variation. We therefore recommend that before any action is taken involving an acquisition, disposal or other transaction more than 90 days after the date of this report, you consult the Valuer.
- This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.
- Our valuation assumes the information provided by the instructing party or its agents is correct, and we reserve the right to amend our calculations, if deemed necessary, if that information is incorrect.
- Our valuation assumes all other professional/consultancy advice provided and relied upon is true and correct.
- We have relied on building areas, income figures and expense figures as provided by the instructing party or its agents and made specified adjustments where necessary. Where possible these have been verified through lease documentation and physical measurements.
- Unless otherwise stated all property measurements are in conformity with the Guide for the Measurement of Rentable Areas issued by the Property Council of New Zealand. Where certified areas have not been provided, we have normally undertaken measurement in accordance with Property Council of New Zealand Standards.
- We have relied on the land dimensions and areas as provided in the Record of Title as searched. In certain cases, physical checking of land dimensions and areas is difficult or not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. Jones Lang LaSalle accepts no responsibility if any of the land dimensions or the area shown on title is found to be incorrect.
- Our valuation is made on the basis that the property is free of further caveats, mortgages, charges and other financial liens and that there are no memorials, encumbrances, restrictions or other impediments of an onerous nature which will affect the value other than those stated in the report or registered on the Record of Title.
- Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of leases it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.
- In the case of buildings where works are in hand or have recently been completed Jones Lang LaSalle does not normally make allowance for any liability already incurred but not yet discharged in respect of completed works or obligations in favour of contractors, sub-contractors or any members of the professional or design team.
- No enquiries in respect of any property, or of any improvements erected thereon, has been made for any sign of timber infestation, asbestos or other defect, whether latent, patent, or structural.
- Substances such as asbestos or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the valuer is not qualified to detect such substances or estimate the remedial cost.
- While due care has been taken to note any contamination liability, our investigations have been undertaken for valuation purposes only, and this report does not constitute an environmental audit. Unless otherwise stated no account has been taken of the effect on value due to contamination or pollution.
- We have undertaken a visual inspection in respect of any building valued but must advise that we have not commissioned structural surveys or tested any of the services and are therefore unable to confirm that these are free from defect. We note further that we have not inspected unexposed or inaccessible portions of any building and are therefore unable to certify that these are free from defect.
- We note we are not experts in relation to assessing the condition of the building structure and cladding, or in assessing the impact or otherwise of water/weather penetration issues. Should the building prove to have structural or weather penetration issues we reserve the right to amend the valuation assessment and any recommendations contained within this report.

- Any elements of deterioration apparent during our consideration of the general state of repair of building/s has been noted or reflected in our valuation. We are, however, unable to give any warranty as to structural soundness of any building and have assumed in arriving at our valuation that there are no structural defects or the inclusion of unsatisfactory materials.
- In preparing the valuation it has been assumed that items such as lifts, hot and cold water systems, electrical systems, ventilating systems and other devices, fittings, installations or conveniences as are in the building are in proper working order and functioning for the purposes for which they were designed, and conform to the current building, fire and government regulations and codes.
- Information on town planning and resource management is often obtained verbally from the local planning authority and if assurance is required Jones Lang LaSalle recommends that verification is sought from the relevant authority that confirms the position is correctly stated within this report, that the property is not subject to other decisions or conditions prescribed by public authorities and that there are no outstanding statutory notices.
- Jones Lang LaSalle's valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations including the Building Act 2004 and the requirements of Territorial Authorities. Where we have obtained a Land Information Memorandum, we comment on this within our report. Where we have not obtained a Land Information Memorandum our valuation is therefore undertaken with the assumption that there are no outstanding requisitions.
- Unless otherwise stated all currencies within this report are in New Zealand Dollars.
- Non-residential valuations are (unless otherwise stated) carried out on the basis that the valuation is plus GST (if any). Residential property valuations are (unless otherwise stated) carried out on the basis that the valuation includes GST (if any).
- A reliant party can only rely on this valuation if received directly from JLL without any third-party intervention.

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Appendices

Appendix 1 – Valuation Definitions

Appendix 2 – Record of Title

1 Introduction

1.1 Instructions

We refer to instructions requesting that we undertake a market valuation of the leasehold interest of 1 Fanshawe Street, Auckland CBD (the Subject/Property), as at 31 December 2021 for Roxy-Pacific Holdings Limited . We understand that the valuation is to be relied upon for inclusion within a Voluntary General Offer.

Our report has been prepared in accordance with the current Australia and New Zealand Property Institute's Valuation Standards, International Valuation Standards and the instructing parties valuation brief, and we confirm that the prime signatory:

- is independent of both the Instructing Party and Report Recipient;
- is authorised, under The Valuers Act 1948 to practise as a Valuer;
- is suitably registered and qualified to carry out valuations of such property;
- has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property;
- has satisfied professional education requirements and has experience in the location and category of property being valued or where applicable, has sought the advice of suitably qualified professionals who hold locational expertise; and
- has made a personal inspection of the property.

We confirm:

- the statements of fact presented in the report are correct to the best of the Valuers knowledge;
- the analyses and conclusions are limited only by the assumptions and conditions which follow within this report;
- the firm, Jones Lang LaSalle and the undersigned Valuers do not have a direct or indirect pecuniary interest in the subject property;
- the professional fee charged in relation to this assignment has not been contingent upon any aspect of this report;
- the valuation contained herein has been performed in accordance with PINZ / NZIV Codes of Ethics and Conduct;

Our report is confidential to the party or parties to which it is addressed, for the specific purpose to which it refers. No responsibility is accepted to any third parties. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear. Furthermore, this report can only be relied upon when the given party has received the report directly from JLL.

1.2 Valuation and Inspection Dates

The key dates that are relevant for our valuation are shown below:

Date of Valuation	31 December 2021
Date of Property Inspection	24 November 2021
Date of Preparation of Report	10 January 2022

We advise that we have been instructed to value the property as at 31 December 2021, which is our date of valuation. Our assessment assumes that there is no material change to the property or the market between the date of inspection and the date of valuation, and we reserve the right to review the valuation if there are material changes to either the property or the market over this period.

1.3 Basis of Valuation

Market Value

The value given herein is that of the market value of the Property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

"Market Value is 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 wherein the parties had each acted knowledgeably, prudently and without compulsion."

We confirm that this valuation has been undertaken on the basis of the price that might reasonably be expected if the Property was sold at the date of valuation assuming:

- a willing, but not anxious, buyer and seller;
- a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for property of the same kind;
- that the Property was reasonably exposed to that market;
- that no account is taken of the value or other advantages or benefit additional to market value, to the buyer incidental to ownership of the property being valued;
- that the current proprietor has sufficient resources to allow a reasonable period for the exposure of the Property for sale; and
- that the current proprietor has sufficient resources to negotiate an agreement for the sale of the Property.

Included within this valuation are lessor-owned items of building fixtures, fittings, plant and equipment. These items exclude all movable equipment, furniture, furnishings and tenant owned fit-out and improvements.

1.4 Relevant Valuation Standards & Disclosures

The valuations contained herein have been completed in accordance with current Australia and New Zealand Valuation and Property Standards, and in particular with:

- IVS (International Valuation Standards 2020) Framework and General Standards
- ANZVGP 111 – Valuation Procedures – Real Property
- ANZVGP 108 – Valuations for use in Offer Documents

1.5 Information Sources

The information reviewed or previously provided includes, but is not limited to, the following:

- Record of Title particulars memorialised by Land Information New Zealand;
- Resource Management classifications and controls as stated within the District Plan of the governing Territorial Local Authority;
- Sales and leasing data from various industry sources, including real estate agents;
- Market research and forecasts from JLL Research; and
- Lease documentation, building areas, tenancy schedule and budgets supplied by the instructing party.

Our valuation is based on a significant amount of information that has been sourced from the instructing party or managing agent and other third parties. We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. Jones Lang LaSalle accepts no liability for any inaccuracies contained in the information disclosed to us.

1.6 Specific Assumptions

Our assessment as to value has been based on the following specific assumptions:

- As per the Tonkin & Taylor Heads of Terms to Lease provided to us, Clause 24 notes that IAG and Tonkin & Taylor are to enter into a sub-lease agreement in regards to the ground floor of the building. We have not been provided with this agreement. We have adopted the IAG head lease details as provided to us.
- We note the property is subject to a pending Ground Rental Review as at 1 January 2022, with date of this valuation assessment 31 December 2021. The current Ground Rental for the land is $944,471 per annum plus GST, and we consider it very likely that this will increase at review.

  As far as we are aware neither landlord (Land Owner) or tenant (Building Owner) have served notices on each other, however for the purposes of this valuation we have been required to assume an outcome from 1 January.

  We consider the reasonable range for the rent review outcome at the current date to be a ground rental between $1,100,000 and $1,300,000 per annum. We have adopted a rental at the upper range of this at $1,250,000 per annum based on a conservative view in line with where we consider a prudent purchaser for the building would allow as at the valuation date.

  For clarity we consider the appropriate market ground rental to be significantly below this level, and recommend appropriate advice is sought to assist with negotiations. Should the agreed ground rental vary from the figures noted above, it will impact on our opinion of value for the property.
- New Zealand is currently in a cautious phase as part of efforts to constrain an outbreak of the ‘Delta’ variant of COVID-19 that has been persisting since August 2021, with the most recent step a move to a ‘traffic light’ system of controls.

Associated restrictions and periods of lockdown have been disruptive, however the property market in general has proven to be resilient to the introduced challenges.

Our assessment has been conducted in accordance with the definition of 'Market Value', with reference to the provisions of the assumption to a willing buyer, a willing seller, acting prudently and without compulsion.

2 Property Particulars

2.1 Location

The property is situated along the northern alignment of Fanshawe Street, within the Auckland CBD. The property is located on the prominent corner position of Fanshawe Street, Market Place, Lucy Lane and Pakenham Street East and benefits from good profile and exposure to passing vehicular and foot traffic.

The property's location offers good access to transportation networks with ingress / egress points to the northern motorway located approximately 900 metres to the west. Slightly further afield approximately 1 kilometre south, the spaghetti junction motorway interchange offers linkages to all major motorway networks.

The Britomart transportation centre is within close proximity, to the east, where all major bus and train routes are accessed. Fanshawe Street is a major thoroughfare linking the CBD to the central city suburb of Freemans Bay and the North Shore. Multiple public transport bays are situated along Fanshawe Street.

Surrounding development comprises multi-level commercial and residential premises. The property is in close proximity to both the Viaduct Harbour and the Wynyard Quarter. The development of the Viaduct Harbour and Wynyard Quarter continues to enhance the area as an office location with numerous occupiers relocating from the core of the CBD. The Wynyard Quarter area has undergone significant development with the construction of several new office buildings which include the Datacom Building, the Bayleys Building and Innovation 5A.

The following map identifies the approximate location of the Property:

Source: Google Maps

2.2 Title Particulars

The subject is held within two Freehold and a Leasehold Record of Title being NA133D/480, NA133D/481 and 805306, respectively. We summarise these Records of Title below:

Freehold – NA133D/480

Title Reference	NA133D/480
Tenure	Freehold
Legal Description	Lot 3 Deposited Plan 205351
Area	1,387 square metres more or less
Registered Owner	Viaduct Harbour Holdings Limited
Registered Interest	▪ C054008.1 Encumbrance to Auckland City Council ▪ D146195.1 Compensation Certificate pursuant to Section 19 Public Works Act 1981 ▪ D594678.5 Consent Notice pursuant to Section 221 (1) Resource Management Act 1991 ▪ 10012950.7 Mortgage to ASB Bank Limited ▪ 10908017.1 Lease in renewal of Lease 7246938.5 Term commencing 1 January 2017 and expiring 31 December 2037 (Right of Renewal) CT 805306

Source: Land Information New Zealand

Freehold – NA133D/481

Title Reference	NA133D/481
Tenure	Freehold
Legal Description	Lot 4 Deposited Plan 205351
Area	1,282 square metres (Part Cancelled)
Registered Owner	Viaduct Harbour Holdings Limited
Registered Interest	▪ C054008.1 Encumbrance to Auckland City Council ▪ D594678.5 Consent Notice pursuant to Section 221 (1) Resource Management Act 1991 ▪ 8097710.1 Gazette Notice (NZ Gazette 5.3.2009 No 26 p 738) declaring part (65m2 being Section 4 SO 70004) is hereby acquired for road and shall vest in the Auckland City Council ▪ 10012950.7 Mortgage to ASB Bank Limited ▪ 10908017.1 Lease in renewal of Lease 7246938.5 Term commencing 1 January 2017 and expiring 31 December 2037 (Right of Renewal) CT 805306

Source: Land Information New Zealand

Leasehold – 805306

Title Reference	805306
Tenure	Leasehold
Legal Description	Lot 3 Deposited Plan 205351 and Part Lot 4 Deposited Plan 205351
Instrument	L 10908017.1
Term	Lease in renewal of Lease 7246938.5 commencing 1 January 2017 and expiring 31 December 2037 (Right of Renewal)
Area	2,604 square metres
Registered Owner	Roxy-Pacific NZI Limited
Registered Interest	▪ Subject to a right (in gross) to electricity supply over part marked A DP 415780 and cable rights over part marked B DP 415780 in favour of Vector Limited created by Easement Instrument 8246804.1 ▪ 10971404.3 Mortgage to DBS Bank Ltd.

Source: Land Information New Zealand

We have considered these notifications in arriving at our opinion of value. For a detailed summary of the dealings noted above, we refer you to the Record of Title appended to this report.

Ground Lease – Lease Instrument

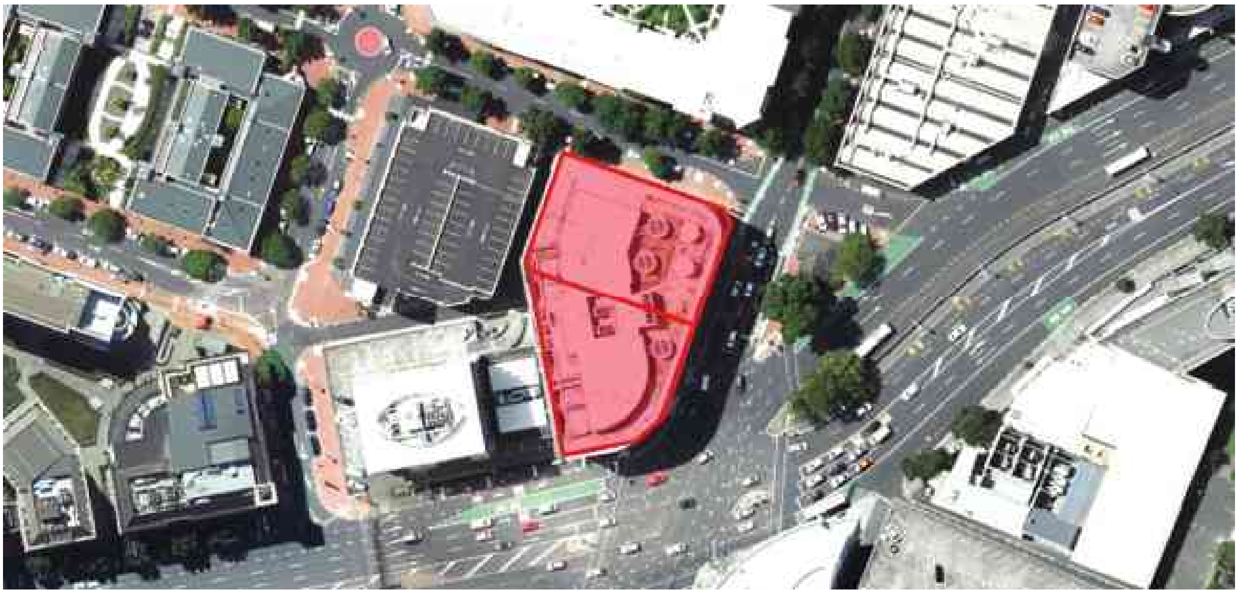
Lease Summary	
Documents reviewed	Letter to agreement to renew lease dated 18 May 2016 Original Ground Lease dated 8 February 2007 Current Ground Lease dated 21 September 2017
Lessee	M Six Investments Limited
Lessor	Viaduct Harbour Holdings Ltd
Commencement Date	Original: 1 January 2007 Current: 1 January 2017
Expiry Date	31 December 2037
Renewed Lease Term	Perpetual at 20 years each
Commencement Rent	$507,780 per annum plus GST
Current Rent	$944,471 per annum plus GST ($363 per sqm). Assumed for the purposes of this assessment to be $1,250,000 per annum plus GST. Payment dates are quarterly
Rental Review Provisions	5 yearly (next review 1 January 2022) To market rental value of unimproved land
Special Provisions	For the purposes of Clause 2.3 it is agreed that the "current market rent" of the Land shall be the full current market rental value of the freehold Land whereby: (a) no account shall be taken of: the value or existence ot any Buildings, structures or fixtures erected, constructed or made on the Land; any consent notices, encumbrances or other interests registered against the Land that may adversely affect the value of the Land; and (b) account shall be taken of: the Land being available for use or development for its highest and best use, disregarding any restrictions that may be contained in this Lease; any existing use rights land use consents or resource consents issued in respect of or benefiting the Land; and any easements or access agreements that benefit the Land.

2.3 Site Details

The subject comprises two parcels of land forming an irregular shaped site of 2,604 sqm of reclaimed land. The property benefits from frontage onto four streets being approximately 41 metres onto Lucy Lane, approximately 42 metres onto Pakenham Street East, approximately 51 metres onto Market Place and approximately 28 metres onto Fanshawe Street.

Pedestrian access to the site is provided via Market Place and Lucy Lane and vehicle access to the basement carpark is provided via Lucy Lane. The site is essentially level in contour and improvements cover the entirety of the site.

Site Area	Lot 3 Deposited Plan 205351	1,387 square metres more or less
	Lot 4 Deposited Plan 205351	1,282 square metres (Part Cancelled)
	Total	**2,604 square metres**



Source: Emap

2.4 Resource Management

Local Authority	Auckland Council
Planning Instrument	Auckland Unitary Plan
Operative Date	2016 – Operative in Part
Zoning	**City Centre Zone** The City Centre zone is the top of the centres hierarchy and plays a pivotal role in Auckland's present and future success. This zone aims to ensure the city centre is an international centre for business and learning, innovation, entertainment, culture and urban living. To maintain and enhance the vibrancy of the city centre, the zone permits a wide range of activities to establish in most parts of the city centre. The zone also manages activities that have the potential to adversely affect the amenity of the city centre or that have the potential to generate reverse sensitivity effects on identified marine and port activity areas.
Objectives	▪ The city centre is an internationally significant centre for business. ▪ The city centre is an attractive place to live, learn, work and visit with a 24-hour vibrant and vital business, education, entertainment, and retail areas. ▪ Development in the city centre is managed to accommodate growth and the greatest intensity of development in Auckland and New Zealand while respecting its valley and ridgeline form and waterfront setting. ▪ The distinctive built form, scale, identified special character and functions of particular areas within and adjoining the city centre are maintained and enhanced. ▪ A hub of an integrated regional transport system is located within the city centre. ▪ The city centre is accessible by a range of transport modes with an increasing percentage of residents, visitors, students and workers choosing walking, cycling and public transport.
Development Controls	Building Height:

	▪ Maximum 24 m Site Intensity: ▪ BFAR & MFAR: 3.5 : 1 Permitted activities include, but are not limited to: residential activities, community activities, industry activities, commercial services, entertainment services, offices, retail, conference facilities and marae complexes. In terms of development controls, the City Centre zone permits minor cosmetic alterations to a building, internal alterations to buildings and retail less than 1000 sqm gross floor area. Restricted Discretionary activities include: new buildings, external alterations and additions to a special character building, alterations and additions to buildings not otherwise provided for, conversion of a building or part of a building to dwellings, retail between 1000 sqm–5000 sqm gross floor area, visitor accommodation or boarding houses, and the total or substantial demolition of the front façade of a special character building. Non complying activities include: drive-through facilities and service stations not otherwise provided for. In terms of development controls, the City Centre zone does not permit buildings that exceeds the basic floor area ratio specified for the site and buildings that do not comply with standards relating to the admission of sunlight to public places, the Aotea Square height control plane, and the railway station building and garden view protection plane.
Precinct	**Viaduct Harbour Sub-Precinct A** The Viaduct Harbour precinct incorporates Viaduct Harbour and the land fronting the harbour (including Hobson Wharf), and the adjacent coastal marine area. The precinct is characterised by its enclosed water space, interesting water edge, proximity to the city core, and areas of low-rise character buildings. Refer to Viaduct Harbour Precinct plan 1 for the location and extent of the precinct. Coordinates for the precinct boundary in the costal marine area are shown on Precinct plan 6. The purpose of the Viaduct Harbour precinct is to provide for a scale of development and a range of uses which reflect and complement the Viaduct Harbour as a special place of character within the city centre. Building height, bulk and design controls are intended to provide a framework which, while providing flexibility in building design, encourages well-defined edges to public spaces, a sense of enclosure at the built edges of public space and a visual transition in the height of built form extending from the water's edge of Viaduct Harbour to the established central commercial area.
Controls	Macroinvertebrate Community Index - Urban
Overlays	Natural Heritage: Regionally Significant Volcanic Viewshafts And Height Sensitive Areas Overlay [rcp/dp] - E10, Mount Eden, Viewshafts
Designations	Airspace Restriction Designations - ID 8302, Satellite earth station transmission paths, Television New Zealand Ltd

The existing improvements would appear to comply with the resource management requirements of the site. Further, we have assumed that the property benefits from existing use rights or has an applicable Resource Consent.

2.5 Rateable Value

We have been advised that the Property's Rateable Value, as at 01 July 2017, being Assessment Number 12345808947, is as follows:

Land Value	$18,000,000
Improvements Value	$54,500,000
Capital Value	$72,500,000

We note that rating valuations do not take account of a number of key issues affecting value, including land tenure and occupancy arrangements, and are often assessed on an indexed or kerb-side basis. Accordingly, market and rating values may vary significantly.

2.6 Environmental Issues

During the course of our inspection we did not notice any evidence of land or building contamination. Importantly, however, we are not experts in the detection or quantification of environmental problems, and we have not sighted an Environmental Audit.

Our valuation has been made assuming an audit would be available which would satisfy all relevant environmental, and occupational health & safety legislation. If the Property's status needs to be clarified, an Environmental Audit should be undertaken. Our valuation excludes the cost to rectify and make good the Property, which may have become contaminated because of past and present uses.

2.7 Heritage

We have not undertaken any formal heritage searches; the property is not notified on the District Plan as being a heritage structure and our valuation is made on the assumption that there are no heritage issues relating to the Property.

2.8 Improvements

The NZI Building comprises a 5 level office building situated upon the high profile corner site at 1 Fanshawe street at the Auckland Viaduct Harbour within the Auckland CBD. The building constructed in 2009 achieves a 5.5 star NABERS rating and provides high quality office accommodation.

The improvements provide 9,313 sqm of good quality office accommodation across levels 1 to 5, along with storage accommodation and 65 car parking spaces provided at the basement level. The ground floor foyer accommodates a large public cafe and reception area with several seating areas and a relatively central lift lobby.

The property benefits from floor plates of approximately 1,908 sqm that have views of the Viaduct Harbour. The building also features a roof-top garden / terrace with seating, which enjoys views towards the city and Viaduct Harbour area. There is a green roof installation to approximately 500 sqm of the roof area over the atrium which is made up of granular soil mix planted in sedum varieties.

Office accommodation

Central Atrium

The property has won several awards, we list some of these awards below:

- 2009 Best Design Award - Silver - Spatial: Office & Workplace Environments
- 2010 Property Council Supreme Award
- 2011 Property Council Excellence Award - Green Building
- 2010 Property Council Excellence Award - Commercial Office
- 2010 NZIA New Zealand Architecture Award - Interior Architecture
- 2010 NZIA New Zealand Architecture Award - Sustainability
- 2010 NZIA New Zealand Architecture Award - Commercial Architecture
- 2011 Concrete Global shortlist finalist for the Global Innovation awards in the US.
- 2011 Concrete Sustainability Awards - Merit - Commercial Concrete Construction
- 5 Green Star NZGBC Office Interiors
- 5 Green Star NZGBC Office Design
- 5.5/6 Star NABERS Rating (2015)

The building has achieved a 5 Star NZGBC Office Design Rating and most recently a 5.5 Star NABERSNZ Rating. The building employs a number of Environmentally Sustainable Design (ESD) initiatives in order to meet the requirements of these rating systems. These include:

- Underfloor air distribution system
- Twin skin facade with automated blinds
- LED lighting throughout
- Green roof
- Rain water re-use and water saving devices
- Solar and heat recovery hot water heating. The trend towards ESD has gained momentum in New Zealand, and the ESD initiatives incorporated within this building future proof the building making it more competitive in the leasing market.

2.9 Construction

We briefly outline construction details to the building as follows:

Structure:	Reinforced concrete slabs and columns, with concrete beam construction.
External Walls:	A combination of marble tiles, concrete block, precast concrete panels, aluminium sheeting and glass façade.
Internal Walls:	Predominantly plasterboard lining to lettable areas.
Roof:	Tiled deck, garden and longrun steel.
Ceiling:	Acoustic tiles in a suspended grid system.
Lighting:	Recessed fluorescent lighting.
Windows and doors:	Aluminium framing and glazed windows.
Key Services:	Ducted air conditioning, central fire sprinkler system, automatic fire alarm, automatic doors, access controlled doors, emergency lighting system, passenger carrying lifts, service lifts, mechanical smoke control, natural smoke control, smoke curtains, emergency power systems, fire separations, smoke separations.

2.10 Accommodation

Office accommodation

The improvements provide 9,313 sqm of tidy office accommodation across levels 1 to 5. The office accommodation benefits from views of the Viaduct Harbour and excellent natural light is attained from all levels due to the generous stud height. The office accommodation is primarily open plan, with break out/ meeting and board rooms throughout.

A single row of columns located towards the centre of the floor plate only reduces efficiency to a minor extent, which is not atypical for floor plates of this size.

General internal linings within the office accommodation comprise carpet flooring, LED lighting, suspended grid tile ceiling, exposed concrete ceiling, full height glazing and underfloor heating.

Amenities comprises male and female bathroom facilities on each level, a 38,000 litre rainwater detention tank, sprinklers and three lifts servicing the building. The building benefits from a generous stud height of no less than 3 meters to each level.

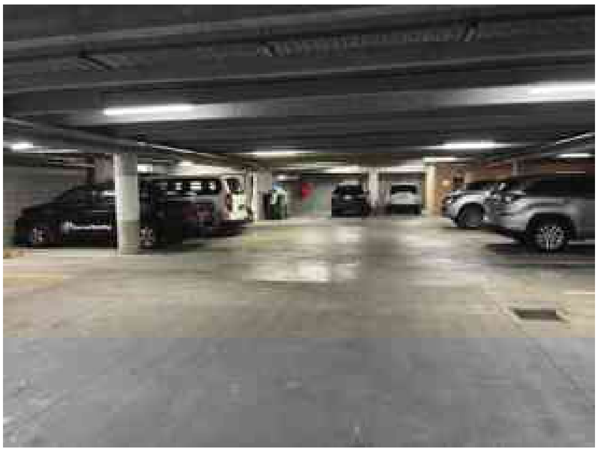
Office accommodation – Level 5

Office accommodation – Level 4

Car Parks

A single level of basement car parking is provided with space for approximately 65 car parks. There are 63 single spaces and 2 stacked spaces.

Bike storage, storage and shower facilities are also provided at the basement level.



Car parks

Bike storage & lockers

2.11 Lettable Areas

The Property's total Lettable Area is approximately 9,313 square metres. A summary of this Lettable Area is detailed as follows:

Building Floor Area	
Accommodation/Level	Lettable Area
Level 1	1,955
Level 2	1,687
Level 3	1,908
Level 4	1,855
Level 5	1,908
Total Lettable Area	9,313 square metres
Car Parking	Spaces
Single spaces	63
Stacked spaces	2
Total Car Parking	65 spaces

The areas noted above have been taken from survey plans provided. We understand that these areas have been measured in accordance with the Guide for the Measurement of Rentable Areas as published by the Property Institute and Property Council of New Zealand.

2.12 Condition and Repair

We inspected the interior and exterior of the property. The building appears to have been well maintained with no significant deferred maintenance requirements evident.

Our valuation has had regard to the apparent state of repair and condition of the Property; however, we were not instructed to carry out a structural survey or to test any of the services available to the Property. We are therefore unable to report that the Property is free from further defect and we have assumed that no deleterious material was used in the construction.

A Building Warrant of Fitness is an annual certificate that confirms the Specified Systems in the building have been inspected and maintained, and that the requirements of the Compliance Schedule associated with the operation of the property in its current use have been complied with. We confirm that we have sighted a Warrant of Fitness for the property current through to 27 May 2022, and therefore assume that the property complies with the provisions of Compliance Schedule 2009000062.

The Health and Safety at Work (Asbestos) Regulations 2016 place requirements on building owners and occupiers in terms of assessing the risks associated with asbestos within buildings. Worksafe New Zealand recommend that buildings constructed before January 2000 are assessed for materials likely to contain asbestos, and if found, formulate a management plan. As the building was constructed after January 2000 we have not sought further information on asbestos within the property.

2.13 Earthquake Strengthening Requirements

New Zealand is prone to seismic activity and there are requirements on building owners to ensure their buildings are safe for occupants and users as outlined in the Building Act 2004 and Amendment (Earthquake-prone Buildings) Act 2016. These regulations categorise New Zealand into three seismic risk areas and sets timeframes for identifying and taking action to strengthen or remove earthquake prone buildings.

As part of our valuation we have been made aware of the following information:

Year of Building Construction	2009
National Risk Zone	Low
Compliance with New Building Standard	100% NBS
Assessment Type	Seismic Letter
Assessment Completed By	BGT Structures
Assessment Date	February 2015

We note the building does not appear on the Earthquake Prone Building Register as published here: https://epbr.building.govt.nz/.

The letter states that the building has been designed to the current loadings and materials standards for New Zealand as an Importance Level 2 Structure.

We are not qualified to undertake a structural survey of the property and have proceeded based on the information available. We recommend interested parties confirm the insurability of the subject building.

3 Property Income and Expenditure

3.1 Tenancy Overview

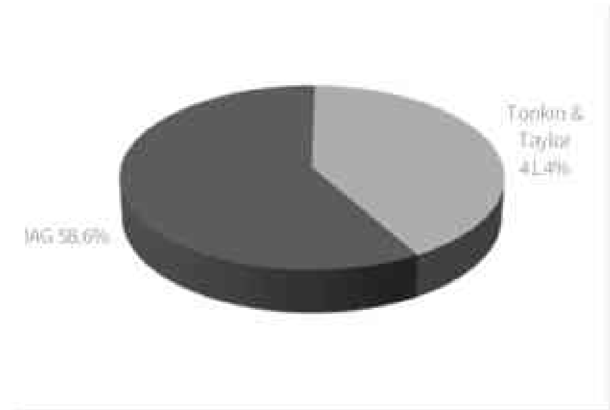
We have been provided with a tenancy schedule and with Lease documentation that was available at the time of valuation.

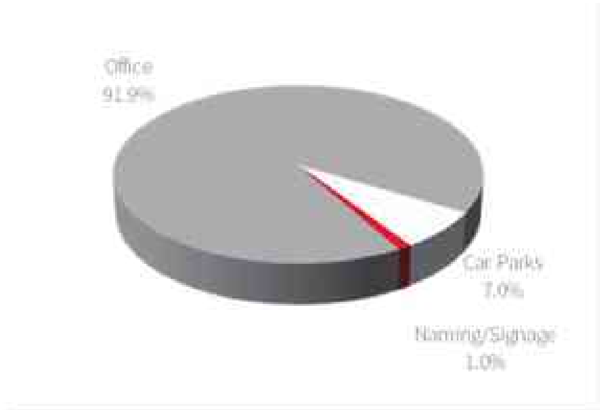
The net rental from the Property can be summarised as follows:

Tenant	Net Rental	Lettable Area	Proportion of Lettable Area
IAG	$3,538,967	5,550	59.6%
Tonkin & Taylor	$2,500,073	3,790	40.7%
Total	$6,039,040	9,313 sqm	100%

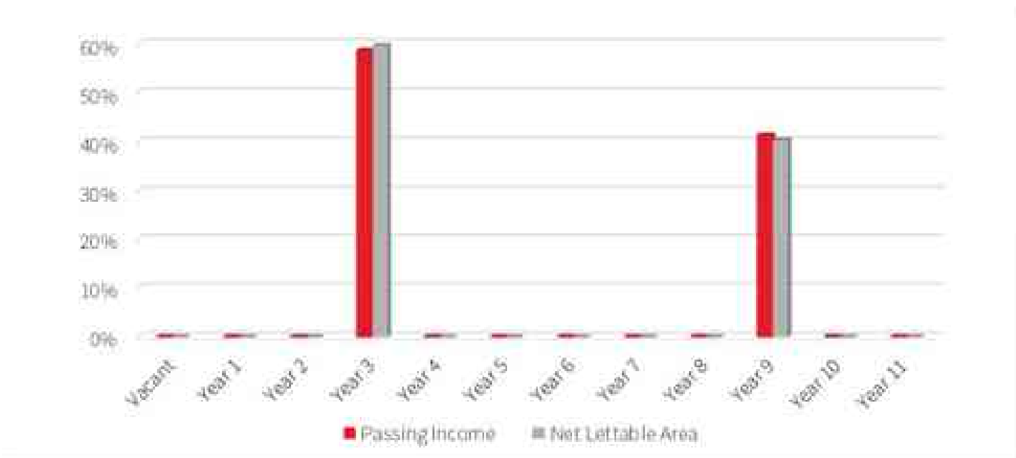
The events surrounding COVID-19 have led to greater consideration by market participants of the covenant strength of the occupiers within investment property. We are not qualified to advise you on the financial standing of the occupiers, however have formed a view on how we think the market would approach the tenancy profile of the property.

The net rental from the property can be analysed by occupier and component proportion as follows:





The graph below demonstrates the lease expiry profile (by income and area) over a ten-year horizon:



Our calculation of the property's Weighted Average Lease term is as noted below:

Weighted Average Lease Term Remaining	Years
By Area	5.08
By Income	5.13

3.2 Lease Summaries

We summarise below the lease agreements for the tenants within the property:

Lease Summary	IAG
Documents reviewed	Signed Deed of Sublease dated 19 August 2010 Market rent review letter dated 22 July 2019 Unsigned Deed of Surrender and Variation of Lease dated 2021
Lessee	IAG New Zealand Limited
Demised premises	The leasehold land, NZI Centre, 1 Fanshawe Street, Auckland
Lettable Area	Level 1: 1,954.50 sqm Level 2: 1,686.80 sqm Level 3: 1,908.40 sqm Total office area: 5,549.70 sqm Naming Storage: 3.70 sqm Car parks: 32 basement spaces
Commencement Date	1 August 2009
Expiry Date	31 July 2024
Lease Term	15 years plus two rights of renewals of 6 years each
Commencement Rent	$5,040,984 per annum plus GST (to lease the entire premises)
Current Rent	$3,627,442 per annum plus GST
Rental Review Provisions	Increased annually by 2.5%. Next review 1 August 2022. Market reviews on the 8th, 10th, 12th and 14th anniversaries, shall not be less than the rent payable in the 12-month period immediately preceding the relevant review date
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Commercial office use and retail use
Special Provisions	Deed of Surrender and Variation of Lease dated 2021: the lessee originally leased the entire subject property, on 30 September 2021 the tenant agrees to surrender their lease across all of level 4, level 5, level 4 signage and 33 basement car parks. The tenant will pay a surrender fee.

Lease Summary	Tonkin & Taylor
Documents reviewed	Signed Agreement to Lease dated 3 June 2021 and attached Deed of Lease Heads to Terms to Lease dated 24 March 2021
Lessee	Tonkin & Taylor
Demised premises	The leasehold land, NZI Centre, 1 Fanshawe Street, Auckland
Lettable Area	Level 4: 1,854.80 sqm Level 5: 1,908.00 sqm Signage Basement storage 33 car parking spaces
Commencement Date	1 October 2021
Expiry Date	30 September 2030
Lease Term	9 years plus two rights of renewal of 3 years each
Commencement Rent	$600 per sqm Signage: $20,000 per annum plus GST
Current Rent	$2,500,073 per annum plus GST
Rental Review Provisions	Fixed 2.5% increases annually throughout the lease. Next review 1 October 2022.

Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Commercial office & storage
Special Provisions	**Incentive:** An incentive shall be provided equivalent to 15 months net rental, on the basis of a 9 year initial Term. The exact form and application of the Incentive is to be agreed during the drafting of the formal lease documentation; however the Lessee's preference is for all the Incentive to be applied on account of rental following the Commencement Date and application of the Deposit (as per Item 18.). Noting Lessor's preference to apply incentive to any lessee fit-out cost and have the reminder applied on account of rental. **First right of refusal:** If at any time during the Term or Renewal Period any space becomes available to Lease within the Building, the Lessor will first offer any new lease of the space to the Lessee, under the same terms and conditions as the original Lease, and in particular the annual rent per square metre (or car park as appropriate) shall be at the then Passing Rent as the original Lease. **Green Star & NABERSNZ rating:** The Lessor agrees to use best endeavours to achieve the highest Green Star – Performance NZ rating and maintain a 5.5 NABERSNZ rating and improve where possible throughout the duration of the lease. **Reinstatement:** The premises shall be provided on an as-is basis including the internal fitout and furniture. The Lessee confirms all the items specified in the Furniture Schedule provided by the Current Tenant, is acceptable to the Lessee. No make good required at the expiry of the Lease or Renewal periods, subject to the Lessor's approval of the Lessee's fitout works as noted above.

3.3 Building Outgoings and Recoveries

The leases within the Property are structured on a net basis, with the tenants being responsible for payment of rates and other property expenses in addition to premises rental.

We have adopted the following allowances for building outgoings within our calculations:

Adopted Property Outgoings	Per Annum	Per Sqm of Lettable Area
Statutory Charges	$503,980	$54.12
Operating Expenses	$499,302	$53.62
Total Outgoings	$1,003,282	$107.73
Non-Recoverable Ground Rent	$1,250,000	$134.23
Total Outgoings & Ground Rent	$2,253,282	$241.96

The above allowances are based on the provided budget for the year ending 31 December 2021. We have had regard to the budget provided and have sought confirmation from the relevant rating authorities in relation to statutory charges and have considered the figures against the Property Council of New Zealand's (PCNZ) benchmarks and other similar buildings.

We consider that the adopted outgoings rate of $107.73 per square metre of Lettable Area to be in line with market parameters for this type of asset in this location.

The assumed ground rent amounts to $1,250,000 per annum, or $134.23 per square metre of Lettable Area. We note that none of the ground rent is recovered from the tenants.

3.4 Outstanding/Remaining Incentives

Current outstanding tenant incentives, as at the date of valuation, are summarised in the table below:

Lease Incentives and Income Support Arrangements		
Tenant	Lease Incentives	Remaining Incentive
Tonkin & Taylor - Level 4	Rent free	$1,327,380
Tonkin & Taylor - Level 5	Rent free	$1,144,800
Tonkin & Taylor - Signage	Rent free	$20,000
Total Outstanding Incentives/Abatements		$2,492,180

The total amount of unexpired incentives is $2,492,180, the present value of which is $2,426,844.

3.5 Tenancy Schedule

Our understanding of the Property's occupancy situation is detailed in the Tenancy Schedule below:

Tenant Name	Premises	Lettable Area	Car Parks	Lease Start	Lease Expiry	Lease Term	Next Review	Review Frequency	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Outgoings Recovery	Recovery / sqm
IAG	Level 1	1,954.5		Aug 2009	Jul 2024	15.0 years	Aug 2022	1 yearly	Fixed	$1,158,643	$593		$210,568	$108
IAG	Level 2	1,686.8		Aug 2009	Jul 2024	15.0 years	Aug 2022	1 yearly	Fixed	$999,949	$593		$181,727	$108
IAG	Level 3	1,908.4		Aug 2009	Jul 2024	15.0 years	Aug 2022	1 yearly	Fixed	$1,131,315	$593		$205,601	$108
Tonkin & Taylor	Level 4	1,854.8	33	Oct 2021	Sep 2030	9.0 years	Oct 2022	1 yearly	Fixed	$1,327,380	$600	$125	$199,827	$108
Tonkin & Taylor	Level 5	1,908.0		Oct 2021	Sep 2030	9.0 years	Oct 2022	1 yearly	Fixed	$1,144,800	$600		$205,558	$108
Tonkin & Taylor	Signage	1.0		Oct 2021	Sep 2030	9.0 years	Oct 2022	1 yearly	Fixed	$20,000	$20,000		$0	$0
Tonkin & Taylor	Storage	27.5		Oct 2021	Sep 2030	9.0 years	Oct 2022	1 yearly	Market	$7,893	$287		$0	$0
IAG	Naming	1.0		Aug 2009	Jul 2024	15.0 years	Aug 2022	1 yearly	Fixed	$40,000	$40,000		$0	$0
IAG	Storage	3.7		Aug 2009	Jul 2024	15.0 years	Aug 2022	1 yearly	Fixed	$1,061	$287		$0	$0
IAG	Car Parks	0.0	32	Aug 2009	Jul 2024	15.0 years	Aug 2022	1 yearly	Fixed	$208,000	$0	$125	$0	
Aggregate		9,345.7	65							$6,039,040			$1,003,282	

3.6 Income Analysis

We summarise the Property's total Passing Income and Income Fully Leased as follows:

Passing Rental Analysis		
Lettable Area Rental	$5,616,540	79.75%
Car Parking Rental	$422,500	6.00%
Outgoings Recovery	$1,003,282	14.25%
Gross Passing Income	$7,042,322	100.00%
Unexpired Incentives in Year 1 (excludes capital contributions)	$2,492,180	
Outgoings	$1,003,282	
Contract Ground Rental	$1,250,000	
Net Passing Income	$2,296,860	
Unexpired Incentives in Year 1	$2,492,180	
Potential Net Income Fully Leased	$4,789,040	

4 Market Commentary

4.1 Economic Overview

As at 15 November 2021

- The September 2021 Consumer Price Index rose 2.2% up from the June 2021 quarter and rose 4.9% on an annual basis compared to September 2021. This quarterly rise is the largest movement since a 2.3% rise in December 2010 and the biggest annual movement since inflation reached 5.3% between the June 2010 and June 2011 quarters. The main drivers for the increase were noted as housing-related costs, such as construction of new houses and local authority rates.
- Gross Domestic Product (GDP) in June 2021 increased by 2.8% from the March 2021 quarter. On an annual basis, the average GDP rose 5.1% through the year to June 2021. Service industries, which make up about two-thirds of the economy, rose 2.8% and primary industries having the highest rise of 5%. GDP for the third quarter is likely to be impacted by the prolonged lockdown in Auckland.
- On 6 October 2021 The Monetary Policy Committee agreed to increase the Official Cash Rate (OCR) to 0.50%, being previously set at 0.25% over the past 18 months. This rise in OCR by the Reserve Bank is the first since 2014 and was noted as appropriate to continue reducing the level of monetary stimulus to maintain low inflation and support maximum sustainable employment. Banks have increased mortgage lending rates with further increases in the OCR forecast.
- The 90-day Bank Bill Benchmark Rate (BKBM) sits at 0.85 as at 12 November, which has crept up from the low point of 0.25% last achieved in November 2020. 10-year bonds currently sit at 2.64%, remaining well above the low of 0.44% in September 2020.
- The unemployment rate is 3.4% as at September 2021, a 0.6% decrease from the June 2021 quarter. This decline in unemployment brought the rate down to New Zealand’s lowest rate on record, matching December 2007, when it was also 3.4 %. This also shows a sharp annual decline on an annual basis with the September 2020 quarter at a peak of 5.3% unemployment.
- The REINZ median house price across New Zealand for October 2021 is $895,000. This is a 23.4% annual increase from October 2020 at a median house price of $725,000 and a 12.6% monthly increase from September 2021. It is expected that sales activity across New Zealand will continue to rise in the coming months, as lockdown related restrictions ease further and travel limitations lift.
- Growth in both the residential and non-residential construction sector has mirrored the growth in the New Zealand economy in recent years, with 46,453 residential dwelling consents issued in the year to August 2021, the highest level since records began. Non-residential consents to August summed to $7.9 billion, up 15% since 2020. Capacity pressures are evident in both the supply of materials and labour, with commentators forecasting high construction cost inflation over the coming year.

Following a strong response to COVID-19 in 2020, the emergence of the Delta Variant of COVID-19 in August 2021 has severely restricted the flow of business in Auckland and surrounding areas. The primary response to the outbreak is now focused on vaccination, with approximately 81% of the eligible population having received two doses of the Pfizer vaccine as at 14 November.

Auckland remains the focus of lockdown restrictions, with limited re-opening of retail and education facilities, albeit with limits on the size of gatherings and a recommendation to work from home if you can.

4.2 Auckland CBD Office

Despite the recent Delta-related lockdown since 17th August 2021, the general sentiment in the Auckland office market remains positive with both SME and large occupiers taking a longer term view and progressing with their renewal and/or relocation plans. Vacancy remains unevenly spread across the CBD on a building-by-building basis with ongoing divergence between grade and location however.

While forecasting remains difficult, there are some likely outcomes as we note below:

- The restrictions around travel and people entering New Zealand will continue to have a significant impact on tourism, hospitality and education occupiers.
- Changing workplace strategies for a wide selection of businesses may result in longer leasing up periods for vacant space as individual company’s shift focus from growth to consolidation and restructuring.
- Tenant churn and a more conservative leasing environment will drive demand for turnkey or low-investment space.
- Construction costs have escalated quickly, which may make relocation difficult for occupiers with specialist requirements or suppress further new build activity.

- Investment appetite remains strong from local institutions, syndicators and private investors supported by low interest rates. This low interest rate environment is changing with the RBNZ starting to firm the OCR in 4Q21.
- Overseas investors continue to have trouble personally inspecting New Zealand property, which may slow sales of mid quantum and larger institutional grade assets.
- Secondary rents are likely to face additional downward pressure in an increasingly more competitive market. Landlords with current or impending vacancy will continue to offer high incentives to maintain occupancy and secure income.

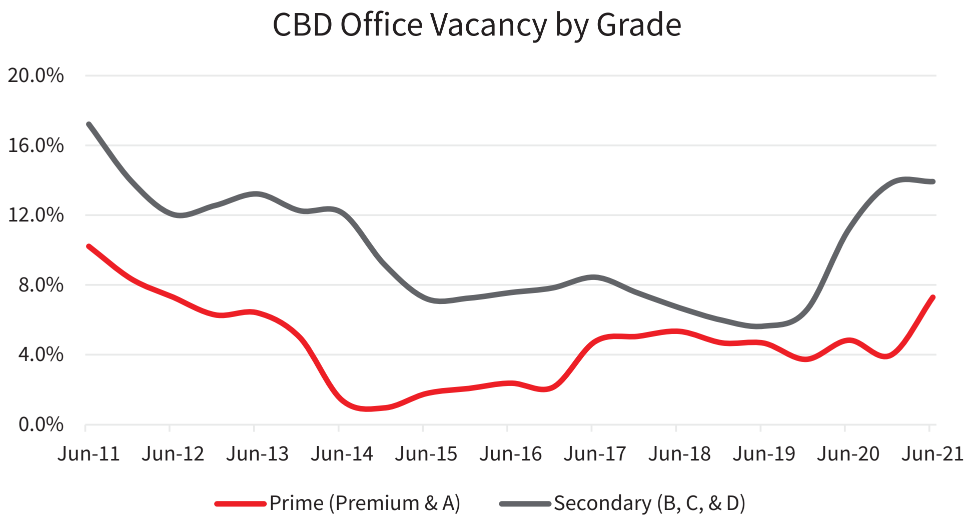
Demand

Our latest 2Q21 vacancy survey results show overall vacancy in the CBD office increased from 9.0% to 10.6% suggesting an additional 20,700 sqm of available space. However, we continue to note the uneven spread of occupancy across the city on a building-by-building basis with ongoing divergence between grade and location. In comparison by grade, Prime office vacancy (being Premium and A grade space) is currently sitting at 7.3% while Secondary office vacancy (being B, C and D grade space) is currently sitting at 13.9%.

Recent announcements of Deloitte committing to One Queen Street (7,500 sqm) and BNZ committing to the existing Deloitte premises at 80 Queen Street (21,000 sqm) further highlights the ongoing occupier demand for the highest quality buildings which occupy good locations and enjoy surrounding existing amenities. Lower quality offices in the up-town and university precincts however continue to show weak occupancy and slow leasing profiles due to the lack of demand from education and tourism related occupiers that have traditionally dominated this part of the market.

Sublease availabilities are showing signs of stabilising, reducing from ~100,000 sqm to ~60,000 sqm in recent months as many offices listed for sublease have either been absorbed, translated into direct leases, or withdrawn. With sublease space proving difficult to lease, we anticipate reduced options coming to market as occupiers and owners increasingly work collaboratively to resolve changing workplace strategies.

Looking forward, rising employment confidence and strong hiring demand in the labour market should support ongoing demand for office space. With ongoing occupier preference for quality and location however, we continue to expect a widening gap between prime and secondary occupancy levels.



Source: JLL Research and Consulting

Accommodation Grade	1H21	2H20	H-o-H Change
Premium	8.4%	4.6%	3.9%
A	6.9%	3.8%	3.1%
B	14.6%	14.4%	0.2%
C	14.0%	14.0%	0.0%
D	10.3%	10.4%	(0.1%)
Prime	7.3%	4.0%	3.3%
Secondary	13.9%	13.8%	0.1%

Source: JLL Research and Consulting

Supply

The completion of 136 Fanshawe (100% occupancy) during 3Q21 added 20,000 sqm of A-grade stock to the CBD office supply. Meanwhile, the development of One Mills lane (25,0000 sqm A-grade space, estimated completion 2025) and One Queen Street (14,300 sqm Premium space, estimated completion 2023) have commenced construction illustrating recovery of developer confidence supported by success of completed projects.

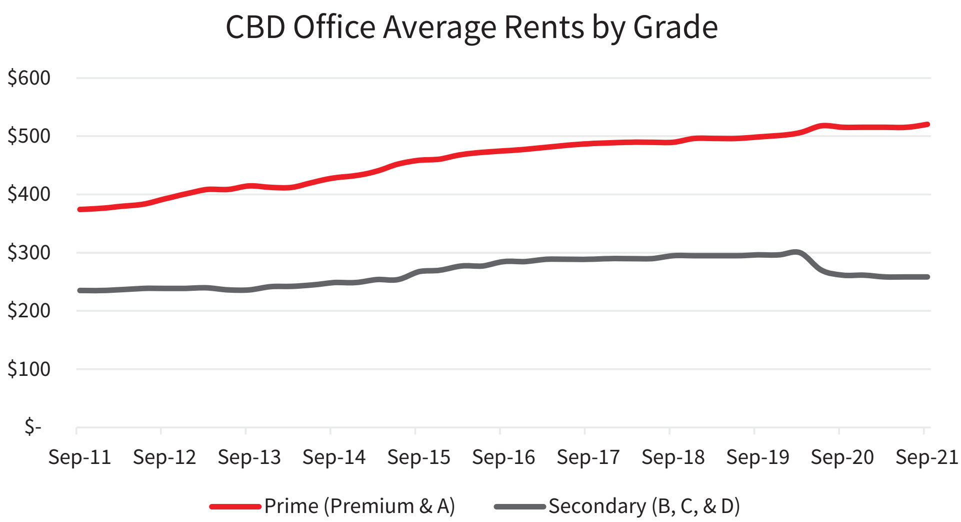
Other notable projects in the pipeline include 3-15 Albert (15,000 sqm new build), 35 Graham Street (24,000 sqm refurbishment), 87 Alberts (14,500 sqm refurbishment) and the final stage of Precinct Wynyard Quarter innovation precinct (~18,000 sqm across three buildings), all currently in planning stage.

Overall, there is substantial supply forecasted in the short-to-medium term with majority being prime (Premium and A-Grade). While the delivery of these projects will rely on various factors including pre-commitment and ability of the construction industry to keep up, this substantial pipeline is expected to create further challenges for landlords to attract and retain tenants within lower grade properties.

Rents

Rents at the upper end of Premium and A-grade space saw growth this quarter supported by the on-going 'flight to quality' trend, as the backfill opportunities have seen occupiers continue to move up the grade spectrum. Where available, the option to repurpose existing fit-outs is an additional drawcard to prospective tenants as the time and cost of relocating is reduced. In comparison by grade, average prime net face rent increased 1.0% from $516 psm to $521 psm during the quarter, while average secondary net face rents remained static at $259 psm.

Looking forward, with notable supply of prime stock in the pipeline including One Queen Street (14,300 sqm, 2023) and One Mills Lane (25,000 sqm, 2025), prime rental growth is expected to increase in-line with the delivery of these projects. On the other hand, secondary rents are likely to face additional downward pressure through to 2023 in an increasingly more competitive market. The gap between prime and secondary rents is therefore expected to widen.



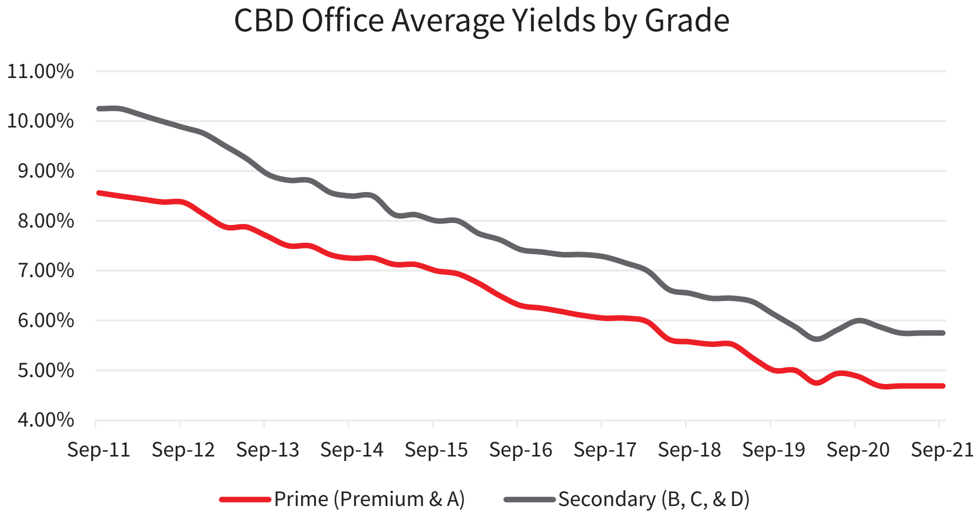
Source: JLL Research and Consulting

Asset Performance

While there continues to be strong investor demand, especially for core assets with strong tenant covenants with longer term WALTs, we have kept office yields static across the board due to the changing interest rate environment with the RBNZ starting to firm the OCR in 4Q21. The lack of assets available for sale is also a persistent constraint on investment activity. Overall, average prime yields remained at 4.69% (the lowest levels ever recorded by JLL) and average secondary yields remained at 5.75% as at 3Q21.

We recorded only a handful of CBD office transaction during 2021 so far, the most notable sale is the sale of ANZ half share to GIC for $177 million with an initial yield of 4.39%. This is followed by the sale of AA Insurance House to Stride Property for $152 million with an initial yield of 5.23%. The sale of these trophy assets illustrates the ongoing investor interest for quality assets as and when they become available on the market.

Looking forward, funding costs will be a consideration for investors as they review their investment strategies and medium to longer term returns. Yields are expected to hold steady for the remainder of 2021 with expansion from 2022 in line with rising interest rates.



Source: JLL Research and Consulting

Auckland Office Market Outlook

We expect the 'flight-to-quality' trend to continue, with strong occupier demand for well-located and well-presented space. There remains hesitation from occupiers in terms of up-town or basic-specification accommodation, which is likely to increase the gaps between prime and secondary occupancy and rent levels over the short term.

Investor demand for Auckland office is expected to remain strong with expectations of growth within prime stock and a number of 'value add' investors interested in buildings that can be redeveloped or repositioned. Investors are also attracted to NZ market due to its transparency, long term economic fundamentals, and stable returns. With RBNZ starting the OCR firming cycle in 4Q21, decompression of yields is expected from 2022 as cost of funding increases.

5 Ground Rental Considerations

The ground lease for the subject property specifies that the rental is to be reviewed every five years with the next review being 1 January 2022. The current Ground Rental for the land is $944,471 per annum plus GST, and we consider it very likely that this will increase at review.

We note the Ground Rental Review is likely to negotiated and that this version of the Valuation Report is to be published as part of a Voluntary General Offer. As such we have limited discussion in this section due to the sensitivities associated with negotiation.

As far as we are aware neither landlord (Land Owner) or tenant (Building Owner) have served notices on each other, however for the purposes of this valuation we have been required to assume an outcome from 1 January.

We consider the reasonable range for the rent review outcome at the current date to be a ground rental between $1,100,000 and $1,300,000 per annum. We have adopted a rental at the upper range of this at $1,250,000 per annum based on a conservative view in line with where we consider a prudent purchaser for the building would allow as at the valuation date.

6 Leasing Evidence

In this version on the Valuation Report we provide a summary of the rental transactions involved in order to protect the privacy requirements of the lessees and lessors involved.

6.1 Leasing Evidence

In assessing a market rental profile for the accommodation, we have had regard to the leases within the property:

Property	Tenant	Level	Area sqm	Basis	Date	Type	Parking pcpw	Opex $/sqm	Face Rent $/sqm	Net Effective $/sqm
1 Fanshawe Street	Tonkin + Taylor	5 & 6	3,763	Net	Oct-21	NL	$125	$107	$600	$515

* NL = New Lease, NLST = New Lease Sitting Tenant, LR = Lease Renewal, RR = Rent Review, Var = Lease Variation

Within the subject property Tonkin + Taylor have taken a new 9 year lease over levels 5 and 6 at a face rent of $600 per sqm over the office accommodation and $125 pcpw over the car parks. An incentive was provided to the tenant, with our analysis reflecting a net effective rent of $515 per sqm.

We confirm that we have reviewed a range of office rental evidence incoming to our opinion of market rental for the subject premises, and provide a summary of this below:

Property	Area sqm	Basis	Date	Type	Net Effective $/sqm
12 Viaduct Harbour Ave, Viaduct	146	Gross	Aug-21	NL	Mid $500's
	142	Gross	Aug-20	NL	Mid $300's
	435	Net	Jun-20	NL	High $500's
10 Viaduct Harbour Ave, Viaduct	161	Gross	Mar-21	NL	High $300's
	342	Gross	Aug-21	NL	High $500's
	310	Gross	Aug-21	NL	High $300's
Datacom, 58 Gaunt St, Wynyard Quarter	307	Net	Pre-com	NL	Mid $400's
	219	Net	Apr-20	NL	Mid $500's
100 Halsey Street	800	Net	Pre-com	NL	Circa $500
Microsoft Building, 22 Viaduct Harbour	970	Net	Sep-21	NL	Mid $500's
100-120 Beaumont Street	943	Net	Pre-com	NL	Low $400's
	3,811	Net	Pre-com	NLST	Low $400's
30 Graham Street	943	Net	Pre-com	NL	Circa $500
10 Madden Street, Wynyard Quarter	1,295	Net	Apr-21	NL	Low $500's
Grant Thornton 152 Fanshawe Street	400	Net	Nov-20	NL	Mid $400's
136 Fanshawe Street	2,138	Net	Sep-21	NL	Circa $800
	5,500	Net	Sep-21	NL	Circa $800

Property	Area sqm	Basis	Date	Type	Net Effective $/sqm
	3,216	Net	Sep-21	NL	Circa $800
	3,604	Net	Aug-21	NL	Circa $800
155 Fanshawe Street	4,649	Net	Oct-20	NL	Circa $800
	3,497	Net	Oct-20	NL	Circa $800
	2,416	Net	Oct-20	NL	Circa $800
	2,422	Net	Oct-20	NL	Circa $800

* NL = New Lease, NLST = New Lease Sitting Tenant, LR = Lease Renewal, RR = Rent Review, Var = Lease Variation

The above evidence displays new build accommodation within close proximity to the subject. The recent deals within new build properties generally reflect rates of between $390 to $560 per sqm providing a good indication of face rents achievable in high quality, new build office accommodation. Mansons developments of 136 Fanshawe Street and 155 Fanshawe Street provides the most recent new build evidence, reflecting face rents of circa $800 per sqm.

100-120 Beaumont Street provides large long floor plates situated in reasonably close proximity to the subject, within Westhaven on the periphery of the CBD. We consider the subject to provide superior quality accommodation built more recently. There has been two recent transactions including a new lease at level 1 and a variation over an existing lease on level 4 both showing a net effective rent in the low $400's per sqm. We note that as part of these lease agreements the landlord has agreed to remodel the ground floor foyer and building entrance, with these new rents commencing in late 2022.

100 Halsey Street provides a recently completed mixed use development in Wynyard Quarter. The property provides a Travel Lodge hotel, Countdown supermarket, multi-level car park, various ground floor retailers and a ground floor office tenancy. There is a new lease over an office tenancy which comprises 800 sqm of high stud, ground floor space. The rent was agreed at circa $500 per sqm. The property provides a good indication of rents achievable in new builds in the area. We consider the subject overall superior.

The subject comprises a 5.5 star NABERS rated green building providing good quality office accommodation with natural light and views of the Viaduct Harbour and back to the city. The subject has recently achieved new leases commencing October 2021 across level 4 and 5, at face rents of $600 per sqm. This deal includes 15 months rent free incentive from the commencement date and expiring 1 January 2023. We have adopted market face rents of $565 per sqm across the top floor being level 5 and adjusted the market rents to reflect outlook and views, reflecting a market face rental range of $565 to $540 per sqm across the office accommodation. We have adopted rental incentives equivalent to one month per year of lease term, or 8.33%. Our adopted market rents reflect a net effective range of $495 to $520 per sqm.

In regards to the car parking we have considered the current car parking rates in the immediate and wider locality as detailed in the table above. Car park rents are location and format specific with the highest rates generally achieved for secured and covered spaces. The evidence above generally reflects rates of between $120 - $165 pcpw with the higher rates generally reflective of secure, covered spaces in CBD locations. The subject car parks have recently been let at $125 pcpw, which we consider to be at market levels. For the subject car parks we have adopted $125 pcpw for the single spaces and $100 pcpw for the stacked spaces.

6.2 Naming Rights and Signage Evidence

We have had regard to Naming Rights and Signage rental set within the wider area that we hold details of on file.

Tonkin & Taylor have recently taken signage rights within the subject building at $20,000 per annum and IAG currently have naming rights at $40,000 per annum. Given the building's good exposure and location on Fanshawe Street we have adopted the passing rentals as the market rental rates.

6.3 Market Rental Profile

We have assessed the market rental profile for the property on a net basis. Our adopted market rental profile is as summarised below:

Tenant Name	Premises	Lettable Area	Car Parks	Next Review/Expiry	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Recovery / sqm	Ideal Recovery	Net Market / sqm	Gross Market / sqm	Car Park pcpw	Net Market Rental
IAG	Level 1	1,954.5		Aug 2022	Fixed	$1,158,643	$593		$108	$108	$570	$677		$1,113,088
IAG	Level 2	1,686.8		Aug 2022	Fixed	$999,949	$593		$108	$108	$573	$680		$965,693
IAG	Level 3	1,908.4		Aug 2022	Fixed	$1,131,315	$593		$108	$108	$575	$683		$1,097,330
Tonkin & Taylor	Level 4	1,854.8	33	Oct 2022	Fixed	$1,327,380	$600	$125	$108	$108	$578	$685	$123	$1,283,047
Tonkin & Taylor	Level 5	1,908.0		Oct 2022	Fixed	$1,144,800	$600		$108	$108	$580	$688		$1,106,640
Tonkin & Taylor	Signage	1.0		Oct 2022	Fixed	$20,000	$20,000		$0	$0	$20,000	$20,000		$20,000
Tonkin & Taylor	Storage	27.5		Oct 2022	Market	$7,893	$287		$0	$0	$287	$287		$7,893
IAG	Naming	1.0		Aug 2022	Fixed	$40,000	$40,000		$0	$0	$40,000	$40,000		$40,000
IAG	Storage	3.7		Aug 2022	Fixed	$1,061	$287		$0	$0	$287	$287		$1,061
IAG	Car Parks	0.0	32	Aug 2022	Fixed	$208,000	$0	$125		$0	$0	$0	$125	$208,000
Aggregate		9,345.7	65			$6,039,040								$5,842,751

6.4 Net Income Assessment

The table below presents both the passing income and adopted market net income profile of the Property:

Passing Versus Market Comparison	Passing per annum	Market per annum
Rental Analysis		
Lettable Area Rental	$5,616,540	$5,422,851
Car Parking Rental	$422,500	$419,900
Outgoings Recovery	$1,003,282	$1,003,282
Gross Income	$7,042,322	$6,846,033
Unexpired Incentives in Yr 1 (excludes contributions)	$2,492,180	$0
Outgoings	$1,003,282	$1,003,282
Contract Ground Rental	$1,250,000	$1,250,000
Net Income	$2,296,860	$4,592,751
Unexpired Incentives in Year 1	$2,492,180	
Potential Net Income Fully Leased	$4,789,040	$4,592,751

7 Sales Evidence

7.1 Freehold Sales Transactions

In assessing a suitable capitalisation rate and discount rate profile for the Property, we have had regard to a range of property transactions. The more relevant sales are summarised in the sales schedule and commentary below:

46 Sale Street, Auckland CBD

Sale Price	$152,000,000	Sale Date	May 2021
Initial Yield	5.23%	Equivalent Yield	4.64%
IRR	6.09%	WALT	7.35 years

The property was constructed in 2017 and provides a 5 star Green rated commercial office building. The property is situated on a 2,180 sqm freehold site on Sale Street, on the western fringe of the Auckland CBD. The building has been assessed to a 4.5 star NABERS NZ energy rating.

The building provides a total net lettable area of circa 11,352 sqm over seven levels, along with 100 car parking spaces. The ground floor of the building comprises both retail and office tenancies, with the above six levels incorporating office tenancies with floor plates of circa 1,682 sqm.

At the date of sale the property was fully occupied by five tenants including AA Insurance, Fujitsu and Ezibuy, returning a total net rental of $7,955,086 per annum plus GST with a remaining WALT of 7.35 years (based on income).

The property sold off market in May 2021 for $152 million which reflects an initial yield of 5.23%, equivalent yield of 4.64%, IRR of 6.09% and a land and buildings rate of $13,491 per sqm of NLA.

Carlaw Park, 12-16 Nichols Lane, Auckland

Sale Price	$110,000,000	Sale Date	February 2021
Initial Yield	6.25%	Equivalent Yield	6.20%
IRR	7.08%	WALT	5.56 years

The property comprises two modern CBD Fringe buildings providing for high quality 4 Star Green rated office accommodation over 10,973 sqm of office accommodation, a Quest-branded serviced apartment building, a childcare centre and parking for 706 vehicles.

Major Occupiers within the development in addition to Quest include Nestle, Jacobs, Department of Internal Affairs, Wilson parking and the Chartered Accountants of New Zealand. The property is essentially fully leased with a small vendor underwrite over an unleased office tenancy.

The sale shows an initial yield of 6.25%, equivalent yield of 6.20% and an IRR of 7.08% or $8,264 / sqm.

ANZ Centre, 23-29 Albert Street, Auckland – (50% Interest)

Sale Price	$177,000,000	Sale Date	November 2020
Initial Yield	4.39%	Equivalent Yield	5.06%
IRR	6.61%	WALT	5.44 years

The ANZ Centre is a premium Auckland CBD office building, providing for 39 levels of office with 32,282 square metres of lettable area. The building provides for an extensive lobby area incorporating a café, basement car parking for 442 cars and end of trip facilities for building occupiers.

A 50% share in the building was sold by Precinct Properties in late 2020 to GIC Real Estate following an on-market sales campaign for an announced amount of $177.0 million plus GST. The sale is subject to OIO approval, but we understand is otherwise unconditional.

The sale follows an initial sale of 50% by Precinct in May 2018 for $181 million, with that share purchased by Australian fund Invesco.

The sale of the 50% share shows an initial yield of 4.39%, equivalent yield of 5.06% and an IRR of 6.61% or alternatively $10,544 / sqm.

220 Queen Street, Auckland CBD

Sale Price	$48,000,000	Sale Date	December 2020
Initial Yield	5.08%	Equivalent Yield	4.73%
IRR	6.08%	WALT	5.70 years

The property comprises a corner property providing for an 11-level building, incorporating ground floor retail, 10 levels of office, a 11th level apartment and a basement data storage use. The property was sold via an off-market campaign in December 2020.

The achieved sale price was $48,000,000 plus GST, reflecting an initial yield of 5.08%, equivalent yield of 4.73% and an IRR of 6.08%. The sale price can be shown as $8,170 per sqm of lettable area.

34 Shortland Street, Auckland

Sale Price	$67,500,000	Sale Date	August 2020
Initial Yield	6.18%	Equivalent Yield	5.45%
IRR	6.46%	WALT	2.70 years

34 Shortland Street, formerly known as the Auckland Club tower, sold in August 2020 following an off-market sales campaign and extended negotiation period disrupted by the Covid-19 restrictions. The property provides a strata interest in Levels 8 to 17 plus lobby and car parking levels within the building, with the lower office levels owned and occupied separately by Barfoot and Thompson.

The building is occupied by a range of tenants including Barfoot and Thompson, Fusion 5, Public Trust and Haigh Lyon, with a weighted lease term of 2.7 years.

Our review of the transaction suggests an initial yield of 6.18%, equivalent yield of 5.45% and an IRR of 6.46%, or alternatively $8,303 / sqm of lettable area.

280 Queen Street, Auckland

Sale Price	$70,000,000	Sale Date	February 2020
Initial Yield	4.67%	Equivalent Yield	6.47%
IRR	7.35%	WALT	2.09 years

The subject property comprises a large CBD investment asset providing a mix of office and retail tenancies. The initial building was provides for an 'L' shaped office floorplate with a retail podium over three levels, incorporating a retail arcade/through link from Queen Street to Lorne Street.

Retailers within the property include JB Hifi and Unichem Pharmacy, with office occupiers primarily Government (such as MBIE, Ministry of Justice). Overall the property has a weighted lease term of 2.09 years, and occupancy of 74.8%.

The property has been available in the market for some time and sold in February 2020. Settlement is due for late 2020.

90 Queen Street, Auckland

Sale Price	$30,000,000	Sale Date	January 2020
Initial Yield	3.11%	Equivalent Yield	3.25%
IRR	5.53%	WALT	8.72 years

A 5-level historic building (Council category B, HPT Category I) constructed in 1879, and refurbished by Phillimore Properties in 1998. There is a basement in multi tenancies, 3 ground floor shops with mezzanines, and four upper levels of character office space in good condition. The building has a seismic rating of 67%NBS.

The retail tenants include Florsheim, The Cashmere Company and L&L Global, which provide circa 82% of income, are all on 12 year lease terms from 2018 with annual fixed 3% increases. The property was 96% leased by income with a WALT of 8.72 years at the time of sale.

The property sold in January 2020 for $30,000,000, reflecting an initial yield of 3.11% and an equivalent yield of 3.25%. The sale reflects $32,895 per sqm of NLA.

112-116 Queen Street, Auckland

Sale Price	$30,000,000	Sale Date	January 2020
Initial Yield	3.10%	Equivalent Yield	2.76%
IRR	4.52%	WALT	6.29 years

A 5 level character building constructed in 1933 on a small 187 sqm rectangular shaped lot on the corner of Queen Street and Vulcan Lane. The building has a seismic rating of 50% NBS.

The property was fully leased to five tenants with a WALT of 6.29 years. Partridge Jewellers occupy the main ground floor retail tenancy with a small coffee kiosk on Vulcan Lane. Three office tenants occupy the three levels above.

The property sold in January 2020 for $30 million, reflecting an initial yield 3.10% and an equivalent yield of 2.76% or $35,928 per sqm of NLA.

136 Fanshawe Street, Auckland CBD

Sale Price	$300 m+	Sale Date	April 2019
Initial Yield	Mid/High 5.0%	Equivalent Yield	Circa 5.0%
IRR	Circa 6.0%	WALT	12.78 years

136 Fanshawe Street comprises a new build office property, due for completion in 2021 and expected to provide for a lettable area of approximately 20,753 sqm.

The building at the date of sale had confirmed leasings to Two Degrees and Meredith Connell, however has since progressed through to 60% occupancy on forecast income, and an expectation it will be close to fully leased on completion. Agreed rentals reflect a high face rental of $795 per sqm, reflective of the high intended specification within the building, which is expected to achieve a 6-star green rating (Design and Built rating from the New Zealand Green Building Council) and 100% NBS to Importance Level 2 (a grade higher than required for an office building).

The building has been sold subject to completion, and we understand is unconditional in all other aspects. The sale price is dependent on the final leasing situation, however on our numbers will equate to $300m+.

155 Fanshawe Street, Auckland CBD

Sale Price	$235,700,000	Sale Date	May 2018
Initial Yield	5.85%	Equivalent Yield	5.30%
IRR	6.39%	WALT	11.50 years

One55 comprises a newly completed commercial building providing for seven levels of high quality office and retail accommodation. The property completed and settled in October 2020 and provides approximately 15,903 sqm of 6-Star Green Office accommodation with good outlook over the adjacent Victoria Park and high profile to passing traffic on Fanshawe Street.

The property was sold fully leased with occupiers included Kiwibank, Southern Cross, TradeMe and Genesis on long term leases with high face rentals and fixed annual growth provisions. At the date of sale, the property was producing net income of $13,793,792 per annum plus GST with a weighted lease term of 11.5 years.

The property was sold in an off-market transaction to PAG Real Estate prior to construction completion, incorporating occupancy, net rental and lease term targets for the vendor. We note the Sale and Purchase Agreement included a mechanism for the sale price based on a fixed initial yield proportion.

The sales transactions are summarised in the table below for comparison purposes:

Property Address	Sale Date	Sale Price	$ / sqm	Initial	Equivalent	IRR	WALT
46 Sale Street, Auckland CBD	May-21	$152.00 m	$13,491	5.23%	4.64%	6.09%	7.35 years
Carlaw Park, 12-16 Nichols Lane, Auckland	Feb-21	$110.00 m	$8,264	6.25%	6.20%	7.08%	5.56 years
ANZ Centre, 23-29 Albert St, Auckland (50% Share)	Nov-20	$177.00 m	$10,544	4.39%	5.06%	6.61%	5.44 years
220 Queen Street, Auckland CBD	Dec-20	$48.00 m	$8,170	5.08%	4.73%	6.08%	5.70 years

Property Address	Sale Date	Sale Price	$ / sqm	Initial	Equivalent	IRR	WALT
34 Shortland Street, Auckland	Aug-20	$67.50 m	$8,303	6.18%	5.45%	6.46%	2.70 years
280 Queen Street, Auckland	Feb-20	$70.00 m	$4,772	4.67%	6.47%	7.35%	2.09 years
90 Queen Street, Auckland	Jan-20	$30.00 m	$32,895	3.11%	3.25%	5.53%	8.72 years
112-116 Queen Street, Auckland	Jan-20	$30.00 m	$35,928	3.10%	2.76%	4.52%	6.29 years
136 Fanshawe Street, Auckland	Apr-19	$300 m +	Conf.	Mid/High 5.0%	Circa 5.0%	Circa 6.0%	12.78 years
155 Fanshawe Street, Auckland	May-18	$235.70 m	$14,821	5.85%	5.30%	6.39%	11.50 years

7.2 Leasehold Sales Transactions

204 Quay Street, Auckland

Sale Price	$20,000,000	Sale Date	February 2021
Initial Yield	7.79%	Equivalent Yield	7.79%
IRR	8.71%	WALT	5.94 years

The property comprises a multi-level commercial building, situated in a prime Auckland CBD location at 204 Quay Street, with frontage to the Viaduct Harbour. The property is situated on a 2,744 sqm City Centre zoned site, providing approximately 4,252 sqm of retail space, predominantly occupied by restaurants and bars, with circa 1,217 sqm of office accommodation.

At the sale date, the property was leased to eleven tenants, including seven restaurant/bar occupiers and three commercial units (two tenants), with additional supplementary income streams through signage, billboard income and a kiosk. Given the influence of the COVID-19 pandemic, the rental cashflow which is predominantly from hospitality tenants is considered relatively 'risky'.

The property is subject to a perpetually renewable ground lease with 5-yearly rent reviews calculated at 5.5% of current land value. The next rent review is due in September 2022.

The property sold for $20,000,000 in early 2021 reflecting an initial and equivalent yield of 7.79% or alternatively $3,657 per sqm of NLA.

Grant Thornton, 152 Fanshawe Street, Auckland

Sale Price	$36,250,000	Sale Date	November 2020
Initial Yield	7.07%	Equivalent Yield	6.90%
IRR	6.73%	WALT	3.48 years

The property comprises a high quality office building completed in 2007, situated on the high profile corner site of Fanshawe and Halsey Street in Auckland's CBD fringe. The property provides a total NLA of 6,673 sqm over five levels with 71 onsite parking spaces.

The property is of leasehold tenure with a 150 year term from 27 August 2004 and 134 years remaining. Rent reviews are 7 yearly to market from August 2019 and the annual rent payable under the ground lease shall be 6% of the underlying freehold market value of the land.

As at the date of sale the property is 100% leased to a variety of corporate tenants with a WALT of 3.48 years.

The property sold in November 2020 for $36.25 million. The sale of the lessee's interest reflects an initial yield of 7.07%, an equivalent yield of 6.90% and an IRR of 6.73%.

10 Viaduct Harbour Ave, Auckland

Sale Price	$8,600,000	Sale Date	July 2018
Initial Yield	11.53%	Equivalent Yield	9.88%
IRR	10.79%	WALT	4.05 years

The property comprises a six level, good quality office building situated in the Viaduct Harbour. At the date of sale the building is fully leased with a WALT of 4.05 years.

The building has a total net lettable area of approximately 3,022 sqm together with 31 car parking spaces, incorporating floorplates of around 503 sqm.

The property is leasehold in tenure, with a Viaduct Harbour ground lease incorporating market based rent reviews, next due in December 2020. Passing ground rent is $528,138 per annum, having been agreed based off $6,100 per sqm and 6.50% ground rental factor in December 2015. Ground rent is currently recoverable from all of the tenants.

The property has been purchased off-market in July 2018 for $8.6 million in conjunction with the adjoining property at 12 Viaduct Harbour Ave and 110 Customs Street West.

12 Viaduct Harbour Ave, Auckland

Sale Price	$9,700,000	Sale Date	July 2018
Initial Yield	9.62%	Equivalent Yield	7.63%
IRR	8.06%	WALT	2.00 years

The property comprises a six level, good quality office building situated in the Viaduct Harbour. At the date of sale the building is fully leased with a WALT of 2.00 years.

The building has a total net lettable area of approximately 2,602 sqm together with 30 car parking spaces, incorporating floorplates of around 435 sqm.

The property is leasehold in tenure, with a Viaduct Harbour ground lease incorporating market based rent reviews, next due in September 2018. Passing ground rent is $275,000 per annum. Ground rent is currently recoverable from all of the tenants.

The property has been purchased off-market in July 2018 for $9.7 million in conjunction with the adjoining property at 10 Viaduct Harbour Ave and 110 Customs Street West.

110 Customs Street West, Auckland

Sale Price	$9,700,000	Sale Date	July 2018
Initial Yield	9.43%	Equivalent Yield	7.99%
IRR	8.71%	WALT	3.48 years

The property comprises a four level, good quality office building situated in the Viaduct Harbour. At the date of sale the building is fully leased with a WALT of 3.48 years.

The building has a total net lettable area of approximately 2,307 sqm together with 21 car parking spaces, incorporating floorplates of around 633 sqm.

The property is leasehold in tenure, with a Viaduct Harbour ground lease incorporating market based rent reviews, next due in January 2019. Passing ground rent is $168,800 per annum. Ground rent is currently recoverable from all of the tenants.

The property has been purchased off-market in July 2018 for $9.7 million in conjunction with 10 and 12 Viaduct Harbour Ave.

4 Viaduct Harbour Ave, Auckland

Sale Price	$22,000,000	Sale Date	July 2018
Initial Yield	-	Equivalent Yield	8.16%
IRR	9.30%	WALT	0.05 years

The property comprises a good quality office building situated on the corner of Fanshawe, Customs and Viaduct Harbour Avenue, formerly occupied by Bayleys. At the sale date, the building was close to vacant, with one floor of six leased until mid-2019.

The building has a total net lettable area of approximately 7,308 sqm together with 70 car parking spaces, incorporating floorplates of around 1,140 sqm.

The property is leasehold in tenure, with a Viaduct Harbour ground lease incorporating market based rent reviews, next due in July 2020. Passing ground rent is $934,375 per annum, having been agreed based off $5,750 per sqm and 6.50% ground rental factor in July 2015.

The property was purchased by Dominion Constructors for $22.0 million. We understand the property is intended to be converted to a hotel.

VXV Office Precinct, Auckland

Sale Price	$635,000,000	Sale Date	May 2018
Initial Yield	6.60%	Equivalent Yield	Confidential
IRR	Confidential	WALT	Confidential

The VXV office precinct in the Wynyard Quarter is jointly owned by Goodman Property Trust (51 per cent) and Singaporean wealth fund GIC, who have sold their interests to Blackstone.

VXV comprises seven office buildings and covers approximately 88,000 square metres of space and includes numerous high profile tenants including Fonterra, Air New Zealand, Datacom, Bayleys, KPMG, Auckland Transport, HP and Microsoft. The properties are all of leasehold tenure with some having structured ground rental increases while others are subject to periodic market reviews.

The group of properties sold off market in May 2018 to Blackstone for circa $635,000,000 reflecting a reported initial yield of 6.6%. Due to confidentiality we are unable to disclose further details on this transaction however we retain full analysis on file.

NZI, 1 Fanshawe Street, Auckland – Subject Property

Sale Price	$63,000,000	Sale Date	August 2017
Initial Yield	8.05%	Equivalent Yield	6.85%
IRR	8.22%	WALT	6.83 years

The NZI building is an attractive low rise office building situation on the high profile corner of Fanshawe and Pakenham Streets. The building has a 5.5 star NabersNZ rating and is 100% of NBS.

The property is fully occupied by IAG New Zealand Limited, with just under 7 years remaining on the lease at the date of sale. IAG Group have an AA- Standard and Poor's rating.

The property is leasehold, with ground rental recently set on market terms prior to sale. Rental reviews are 5 yearly to market.

The property sold following formal marketing in August 2017 for $63,000,000, which shows an initial yield of 8.05%, equivalent yield of 6.85%, IRR of 8.22% and $6,765 / sqm of building area.

205 Queen Street, Auckland

Sale Price	$174,000,000	Sale Date	August 2017
Initial Yield	6.3%	Equivalent Yield	6.61%
IRR	7.93%	WALT	

205 Queen Street comprises a twin tower development constructed in 1990 occupying a prime 3,764 sqm city block bounded by Queen, Victoria, Elliot and Darby Streets.

The property provides two office towers of approximately 23,026 sqm, retail of 2,355 sqm plus circulation areas and 125 basement car parking spaces.

The property is of leasehold tenure, with a 91 year term commencing in June 1990 with a right of renewal of 98 years (161 years to expiry including renewal). Ground Rental is participatory, being 6% of net annual rental.

The property is 95% occupied as at the date of sale, with a vendor supplied underwrite over space soon to be vacated by Auckland Council in levels 15 & 16.

The property sold in August 2017 for $174,000,000 to Singapore based fund Roxy-Pacific. The sale shows an initial yield of 6.3%, equivalent yield of 6.61% and an IRR of 7.93%.

The sales transactions are summarised in the table below for comparison purposes:

Property Address	Sale Date	Sale Price	$ / sqm	Initial	Equivalent	IRR	WALT
204 Quay Street, Auckland	Feb-21	$20.00 m	$3,657	7.79%	7.79%	8.71%	5.94 years
152 Fanshawe Street, Auckland	Nov-20	$36.25 m	$5,432	7.07%	6.90%	6.63%	3.48 years
10 Viaduct Harbour Ave, Auckland	Jul-18	$8.60 m	$2,846	11.53%	9.88%	10.79%	4.05 years
12 Viaduct Harbour Ave, Auckland	Jul-18	$9.70 m	$3,727	9.62%	7.63%	8.06%	2.00 years

Property Address	Sale Date	Sale Price	$ / sqm	Initial	Equivalent	IRR	WALT
110 Customs Street West, Auckland	Jul-18	$9.70 m	$4,205	9.43%	7.99%	8.71%	3.48 years
4 Viaduct Harbour Ave, Auckland	Jul-18	$22.00 m	$3,010	-	8.16%	9.30%	0.05 years
VXV Office Precinct, Auckland	May-18	$635.00 m	$7,215	6.60%	Conf.	Conf.	Conf.
NZI, 1 Fanshawe Street, Auckland	Aug-17	$63.00 m	$6,765	8.05%	6.85%	8.22%	6.83 years
205 Queen Street, Auckland	Aug-17	$174.00 m	$6,875	6.30%	6.61%	7.93%	3.9 years

1 Fanshawe Street is a good quality, modern asset constructed in 2009 achieves a 5.5 star NABERS rating and provides high quality office accommodation. The building is 100% leased to IAG and Tonkin & Taylor with annual fixed 2.5% rental increases incorporated into the leases. The property presents with a good WALT of 5.10 years (by income) at the valuation date.

The property is of perpetually renewable leasehold tenure with 5 yearly reviews to market. The next market ground rent review is on 1 January 2022, and we expect a slight increase to the current passing ground rent.

Large high value prime CBD office investments in the Auckland market similar to the subject are tightly held in either institutional portfolios or listed vehicles and rarely come to market. We note that while there have been several transactions in the last 12-18 months, there are very few directly comparable to the subject property, noting its quantum, quality, location, and WALT.

The most recent leasehold sales that assist in determining an appropriate market capitalisation rate to apply to the subject include 152 Fanshawe Street, and sale of the subject property 1 Fanshawe Street and the VXV Office Portfolio. Older leasehold sales remain relevant but require significant time adjustment to reflect improving market conditions. Older leasehold sales remain relevant but require significant time adjustment to reflect improving market conditions.

152 Fanshawe Street sold in November 2020 for $35,250,000, reflecting an initial yield of 7.07%, an equivalent yield of 6.90% and an IRR of 6.73%. The property comprises a high quality office building completed circa 2007, located approximately 500 metres west of the subject in a comparable location. The property is of leasehold tenure with a 150 year term from 27 August 2004 and 134 years remaining. We consider the subject property to be superior due to its longer WALT and superior perpetually renewable ground lease as opposed to terminating.

The subject property sold in August 2017 for $63 million, reflecting an initial yield of 8.05%, an equivalent yield of 6.85% and an IRR of 8.22%. The property had a 6.83 year WALT at the time of sale. We note that since this transaction, IAG has surrendered and varied their lease with Tonkin & Taylor taking over the surrendered space. The property presents with a similar WALT, however has an impending ground rent review.

We are also aware of a sale of 32 Mahuhu Crescent in Quay Park that is currently under contract with our analysis reflecting an equivalent yield of 8.03%. The property is fully leased with a WALT of 3.82 years. The property is situated in an inferior CBD location and provides an overall inferior offering to the subject.

In addition to the above leasehold transactions we have also had regard to recent Auckland CBD freehold transactions. We have had particular regard to the sale of 46 Sale Street.

In summary, we have had regard to the following factors when assessing our adopted yield profile:

- The strong tenant covenants of the subject building.
- 5.5 star NABERS rated.
- Perpetual Leasehold tenure, subject to a 5 yearly market review on 1 January 2022. The ground rental is not recoverable from the tenant and accordingly increases in the ground rental erode net income.
- CBD location with frontage and access to Fanshawe Street, Lucy Lane, Pakenham Street East and Market Place.
- Annual fixed 2.5% rental increases in all of the leases.
- The weighted average lease term of the property is 5.10 years is considered to be good.
- 100% leased at the date of valuation.

Based on the sales evidence, we have adopted the following valuation inputs:

Valuation Input	
Capitalisation Rate	6.000%
Discount Rate	6.500%

8 Valuation Considerations

8.1 SWOT Analysis

The strengths and weaknesses of any investment property generally show the positive and negative characteristics of that property, whereas opportunities and threats represent future external factors or events that could enhance or diminish the value of the asset. We set out our SWOT analysis as inspected as follows:

Strengths	Weaknesses
▪ Modern improvements with 5.5 star NABERS rating. ▪ High site coverage. ▪ WALT of 5.10 years. ▪ Roof top deck providing tenant amenity. ▪ Attractive office accommodation. ▪ Basement car parking provided. ▪ Situated within the popular Auckland Central Locality, within close proximity to surrounding amenities and transport links. ▪ Multiple frontages onto Fanshawe Street, Pakenham Street East, Lucy Lane and Market Place. ▪ Annual 2.5% fixed rental increases contained in the leases. ▪ 100% leased at the date of valuation. ▪ Good 3 metre stud heights.	▪ Large floor plates may limit potential occupiers. ▪ Low car parking ratio of 1 car park per 145 sqm of lettable area. ▪ Lease hold tenure subject to 5 yearly market reviews from 1 January 2017. This form of tenure is less favoured relative to freehold alternatives ▪ Pending ground rent review due 1 January 2022.
Opportunities	**Threats**
▪ Manage the property in an efficient and professional manner. ▪ Improvement of investment market and greater activity in higher value assets.	▪ The economic and social impacts of COVID-19 have the potential to be persistent. ▪ Low interest rates have driven a significant asset price trend over the last few years, which has started to reverse as central bank rates and the cost of funding increase. ▪ Other office developments occurring within the surrounding area. ▪ Impact of unforeseen local or offshore events on investor confidence. ▪ Outcome of market ground rent review is higher than our adopted market ground rent.

8.2 Likely Selling Period

We are of the opinion that the likely selling period for the Property is up to 6 months, assuming that the property is presented to the market in accordance with the specific assumptions noted in this report, and with an appropriate level of marketing. The actual time to sell the property may vary depending on the number of potential buyers in the marketplace, availability of comparable properties, access to finance, and changes in market conditions subsequent to the valuation date.

8.3 Most Probable Purchaser

In consideration of the current market, we anticipate the most probable purchaser of the Property to be a local or offshore investor.

8.4 Sales History

The subject property last transacted on August 2017 for $63,000,000 plus GST (if any).

9 Valuation Rationale

9.1 Valuation Overview

In arriving at our opinion of market value we have had consideration to the capitalisation and discounted cashflow (DCF) approaches to valuation, along with a cross check via the market comparison approach.

9.2 Capitalisation Approach

The capitalisation approach involves the determination of a sustainable net income from the property, and the application of a capitalisation rate as a measure of expected return from the property. Adjustments are made to the core value for items such as under/over renting, required capital expenditure or current/upcoming vacancy.

We have adopted a core capitalisation rate of 6.000%, with our calculations summarised below:

Direct Capitalisation Approach		
Rental Income	Contract Income	Market Income
Lettable Area Rental	$5,616,540	$5,422,851
Car Parking Rental	$422,500	$419,900
Ideal Outgoings Recovery (Full Net Leases)	$1,003,282	$1,003,282
Total Rental Income	$7,042,322	$6,846,033
Less Outgoings Expenditure	($1,003,282)	($1,003,282)
Less Ground Rental	($1,250,000)	($1,250,000)
Net Rental Income	$4,789,040	$4,592,751
Core Income Capitalised at 6.00%	$79,817,333	$76,545,854
Value Adjustments		
Present Value of Existing Rental Reversions	($2,457,286)	$840,419
Present Value of All Outstanding Incentives	($2,426,844)	($2,426,844)
Present Value of Short Term Capital Expenditure: 24 months	($829,965)	($829,965)
Ground Rental Benefit Adjustment	$0	$0
Total Value Adjustments	($5,714,095)	($2,416,391)
Total Capitalised Value	$74,103,238	$74,129,463
Adopted Capitalised Value (say)	$74,100,000	$74,100,000

From our core value, present value adjustments (for rental reversions, letting up allowances, incentives, future lease agreements and short-term CAPEX) where appropriate have been made in order to derive the resultant capitalised value.

Our adopted adjustments are detailed as follows:

Rental Reversions

From the core value, we have added/deducted the present value of tenant rental reversions, which represents the present value of rental overage / underage for each existing tenancy relative to our adopted rental profile. Further, we have allowed for downtime associated with the leasing up of any current vacancies within the Property.

Unexpired and Forecast Incentives

We have deducted the present value of all outstanding / unexpired incentives of $2,426,844.

Capital Deductions

We have allowed for the present value of CAPEX allowances over the next 24 months from the valuation date, which total $829,965.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of $74,100,000. A sensitivity analysis based on adjustments to our adopted Core Capitalisation rate is as displayed below:

Sensitivity Analysis		Contract Approach	Market Approach
(0.25%)	5.750%	$77,400,000	$77,500,000
Adopted Capitalisation Rate	6.000%	$74,100,000	$74,100,000
0.25%	6.250%	$71,000,000	$71,100,000

9.3 Discounted Cash Flow Approach

We have undertaken a discounted cash flow analysis over a 10-year investment horizon to derive a net present value for the Property.

We note that a DCF analysis looks to forecast cashflow performance from the property over a future horizon based on an understanding and due diligence related to the property and the specific market in which it sits. The adopted forecasts incorporate what we consider reasonably foreseeable as at the valuation date in terms of key lease events, capital expenditure and likely growth in rental rates, costs and changes in property values over the cashflow term. We note that the actual cashflows associated with the property may vary significantly depending on management decisions, market conditions or unforeseeable events.

Discount Rate

In assessing an appropriate target discount rate for the property, we have considered primarily the analysis of recent comparable or benchmark property sales, the current level of risk free return, discussions with active property investors as well as consideration of the property's specific investment attributes.

We have applied a target discount rate of 6.500% to the cash flows to produce a present value of $71,800,000. Our DCF calculations are summarised overleaf:

Discounted Cashflow Summary		Year Ending	30-Dec-2022	30-Dec-2023	30-Dec-2024	30-Dec-2025	30-Dec-2026	30-Dec-2027	30-Dec-2028	30-Dec-2029	30-Dec-2030	30-Dec-2031	30-Dec-2032
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Rental Income													
Lettable Area and Car Park Income			$6,091,530	$6,243,818	$4,811,963	$4,428,522	$6,622,675	$6,785,612	$6,956,389	$7,131,464	$6,530,383	$1,288,748	$0
Outgoings Recovery			$1,003,282	$1,043,413	$811,776	$729,171	$1,151,262	$1,185,800	$1,221,374	$1,258,015	$1,164,865	$201,097	$0
Other Income			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gross Rental Income			$7,094,812	$7,287,231	$5,623,739	$5,157,694	$7,773,937	$7,971,413	$8,177,763	$8,389,479	$7,695,248	$1,489,845	$0
Rental Deductions													
Unexpired Incentives - Rent Free/Abatements			($2,492,180)	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Outgoings Expenditure			($1,003,282)	($1,043,413)	($1,079,933)	($1,117,730)	($1,151,262)	($1,185,800)	($1,221,374)	($1,258,015)	($1,295,756)	($1,334,629)	$0
Ground Rental			($1,250,000)	($1,250,000)	($1,250,000)	($1,250,000)	($1,250,000)	($1,480,040)	($1,480,040)	($1,480,040)	($1,480,040)	($1,480,040)	($286,540)
Net Rental Cashflow			$2,349,350	$4,993,818	$3,293,806	$2,789,963	$5,372,675	$5,305,572	$5,476,349	$5,651,424	$4,919,452	($1,324,824)	$0
Rental Adjustments													
Unexpired Incentives - Capital Contribution			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Letting Up Allowances - Leasing Fees			$0	$0	$0	($714,396)	$0	$0	$0	$0	$0	($1,433,133)	$0
Capital Expenditure			($832,000)	($21,528)	($557,037)	($1,877,783)	($23,638)	($24,348)	($25,078)	($25,830)	($665,131)	($3,810,268)	$0
Net Cashflow			$1,517,350	$4,972,290	$2,736,769	$197,784	$5,349,036	$5,281,225	$5,451,271	$5,625,593	$4,254,321	($6,568,224)	$0
Purchase Price	$73,200,000	After Costs	($73,200,000)										
Sale Price	$93,900,000	After Costs											$92,961,000
Annual Cashflow			($71,682,650)	$4,972,290	$2,736,769	$197,784	$5,349,036	$5,281,225	$5,451,271	$5,625,593	$4,254,321	($6,568,224)	$92,961,000
Present Value of Rental Cashflow		$22,278,821											
Present Value of Terminal Value		$49,522,745											
Allowance for Acquisition Costs		$0											
Total Net Present Value (say)		$71,800,000		Resulting IRR	6.25%								

The main valuation inputs used in our cash flow are summarised as follows:

Revenue Projections

Our revenue projections commence with the passing rents for each existing tenant and, where relevant, include structured annual and market rent reviews, together with ratchet clauses, as provided for under existing leases.

Growth Rates

A summary of the growth rates adopted for the cash flow period are as follows:

Growth	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Office							10 year average		2.65%	
	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
CPI							10 year average		2.20%	
	3.00%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capex							10 year average		3.20%	
	4.00%	3.50%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Outgoings							10 year average		3.20%	
	4.00%	3.50%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The market rents have been grown over the 10-year cash flow period by their respective growth rate as set out within the summary table above. In formulating our views as to the appropriate projected rental growth rates we have had regard to forecasts supplied by JLL Research and NZIER. These forecasts have been used as a base from which growth rates appropriate for the Property have been derived.

Letting Up Allowances

We have allowed for a letting up period at the end of each existing lease (being the estimated time to secure a new tenant) and associated probability. We have assumed a new lease term for tenants of 6.0 years and associated agents/leasing costs of 16.00%. Our allowances are outlined in the table below:

Office	Cash Flow Year	Letting Up	Probability	Incentive	Probability	Capex /sqm	Probability
	Vacant	6 months	100%	8.33%	100%	$300	100%
	Year 1	6 months	100%	8.33%	100%	$300	100%
	Year 2	6 months	100%	8.33%	100%	$300	100%
	Year 3	6 months	100%	8.33%	100%	$300	100%
	Year 4	6 months	100%	8.33%	100%	$300	100%
	Year 5	6 months	100%	8.33%	100%	$300	100%
	Year 6	6 months	100%	8.33%	100%	$300	100%
	Year 7	6 months	100%	8.33%	100%	$300	100%
	Year 8	6 months	100%	8.33%	100%	$300	100%
	Year 9	6 months	100%	8.33%	100%	$300	100%
	Year 10	6 months	100%	8.33%	100%	$300	100%

Capital Expenditure

Within our calculations we have made capital expenditure allowances for any known upcoming costs, together with our own allowances for capital and refurbishment works coinciding with major lease expiries that we feel would be necessary to achieve our rental growth forecast and which a prudent purchaser is likely to make allowances for. The allowances we have made are as summarised below, split between capex associated with a tenancy expiry or renewal, and general property expenditure:

Cash Flow Year	Tenancy Capex	Building Capex	Total Capex
Year 1	$0	$832,000	$832,000
Year 2	$0	$21,528	$21,528
Year 3	$1,854,833	$557,037	$2,411,870
Year 4	$0	$22,950	$22,950
Year 5	$0	$23,638	$23,638
Year 6	$0	$24,348	$24,348
Year 7	$0	$25,078	$25,078
Year 8	$0	$25,830	$25,830
Year 9	$1,501,654	$665,131	$2,166,785
Year 10	$2,281,211	$27,403	$2,308,614
10 Year Total	$5,637,697	$2,224,944	$7,862,641
Capex as a proportion of Value	10.7%	Per Sqm of Lettable Area	$844.31

The above allowances have been adjusted for forecast CPI movements throughout the cash flow.

Estimated Terminal Sale Price

We have applied a terminal yield of 6.250% (a 25.0 basis point premium to the going in capitalisation rate) to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes reversions to the forecast market rent as at the end of Year 10, deferred until the next review date.

In estimating the terminal value of the property, we have primarily had regard to the increased age of the property at the end of the cashflow and likely occupancy and net income profile for the property.

Transaction Costs

We have made allowances for the following transaction costs within our discounted cash flow:

Transaction Costs	
Acquisition Costs	Nil
Disposal Costs	1.00% of the forecast Terminal Value

Sensitivity Analysis

The table below highlights a sensitivity analysis of the net present value around variations to the discount rate and terminal yield:

Discount Rate	Terminal Yield		
	6.000%	6.250%	6.500%
6.250%	$75,300,000	$73,200,000	$71,200,000
6.500%	$73,900,000	$71,800,000	$69,900,000
6.750%	$72,500,000	$70,500,000	$68,600,000

10 Valuation

10.1 Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	$74,100,000
Capitalisation Approach - Contract Income	$74,100,000
Discounted Cash Flow Approach	$71,800,000
Adopted Value	$73,200,000

10.2 Valuation Conclusion

Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present market sentiment, we have adopted a rounded valuation figure of $73,200,000 plus GST (if any).

Our valuation is subject to the comments, qualifications and financial data contained within our report. On that basis, and assuming the Property is free of encumbrances, restrictions or other impediments of an onerous nature that would affect value, in our opinion its market value as at 31 December 2021, is:

$73,200,000 plus GST (if any)

Seventy Three Million Two Hundred Thousand Dollars plus GST (if any)

The assessed value reflects an initial passing yield of 3.14%, an equivalent yield of 6.07%, an internal rate of return of 6.25%, and a rate of $7,860 per square metre of Lettable Area.

We confirm that this report is confidential to the following parties and for the specific purposes noted below:

- Roxy-Pacific Holdings Limited – for inclusion within a Voluntary General Offer.

No responsibility is accepted to any third parties.

10.3 Involvement Statement

The following parties have been involved in the completion of this valuation:

Inspection of Property	Ben Johnson
Calculations	Ben Johnson, Hannah Robertson, Meghan Crowe
Information Review	Ben Johnson, Hannah Robertson, Meghan Crowe
Report Authoring	Ben Johnson, Hannah Robertson, Meghan Crowe
Quality Assurance	Dale Winfield
Principal Valuer	Ben Johnson

JLL require that all Valuation Reports are reviewed for Quality Assurance purposes before external release. The individual that has undertaken the Quality Assurance review offers no opinion on the subject property(s).

Yours faithfully,
Jones Lang LaSalle, Valuation Advisory

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Appendix 1 – Valuation Definitions

Net Passing Income	The annual sum of the current base rent, any supplementary income and recoverable outgoings, less total outgoings.
Net Income, Fully Leased	The annual net passing income as above, plus estimated income from vacant tenancies and any immediate reversions.
Capitalisation Rate	The capitalisation rate adopted within the valuation applied to either the net income, fully leased (excluding supplementary income) or net market income prior to adjustments for vacancy, rental reversion and capital expenditure.
Initial Yield	The net passing income from an investment divided by the sale price or value adopted for the investment.
Market Yield	The assessed net market income divided by the sale price or value adopted.
Equivalent Yield	A market yield which reflects additional adjustments for capital expenditure, letting up assumptions or the present value of rental reversions after the capitalisation of income.
Discount Rate	A rate of return used to convert a future monetary sum or cash flow into a present value.
Internal Rate of Return (IRR)	The discount rate at which the present value of the future cash flows of the investment equals the acquisition cost of the investment.
Terminal Yield	Alternatively referred to as a Reversionary Yield, being the anticipated yield from an investment property once a reversionary value is attained at the end of the cashflow with adjustments for vacancy allowances.
Ten Year IRR	The IRR (as above) for which the property would achieve based on the present value of all the net cashflows over a 10-year period given the assessed value.
Market Rent	The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Market Value	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 wherein the parties had each acted knowledgeably, prudently and without compulsion.
Highest and Best Use	The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.
Weighted Average Lease Term (WALT)	The weighted average lease term remaining to expire across the property or portfolio, it can be weighted by rental income or lettable area.
Fair Value	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Appendix 2 – Record of Title

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
LEASEHOLD

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier **805306**
Land Registration District **North Auckland**
Date Registered 21 September 2017 03:30 pm

Prior References
NA133D/480 NA133D/481

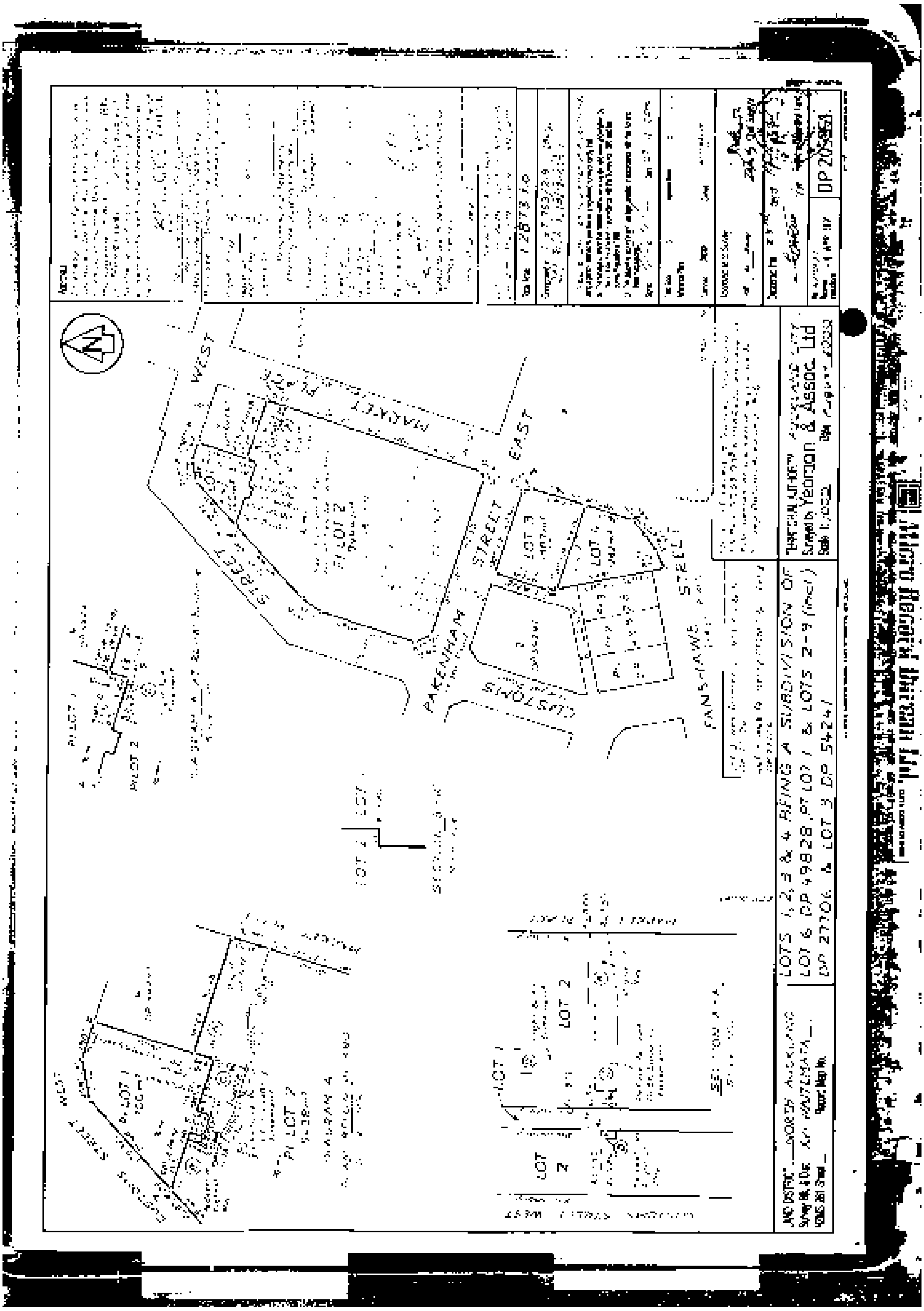
Estate	Leasehold	**Instrument**	L 10908017.1
Area	2604 square metres more or less	**Term**	Lease in renewal of Lease 7246938.5 commencing 1 January 2017 and expiring 31 December 2037 (Right of Renewal)
Legal Description	Lot 3 Deposited Plan 205351 and Part Lot 4 Deposited Plan 205351		

Registered Owners
Roxy-Pacific NZI Limited

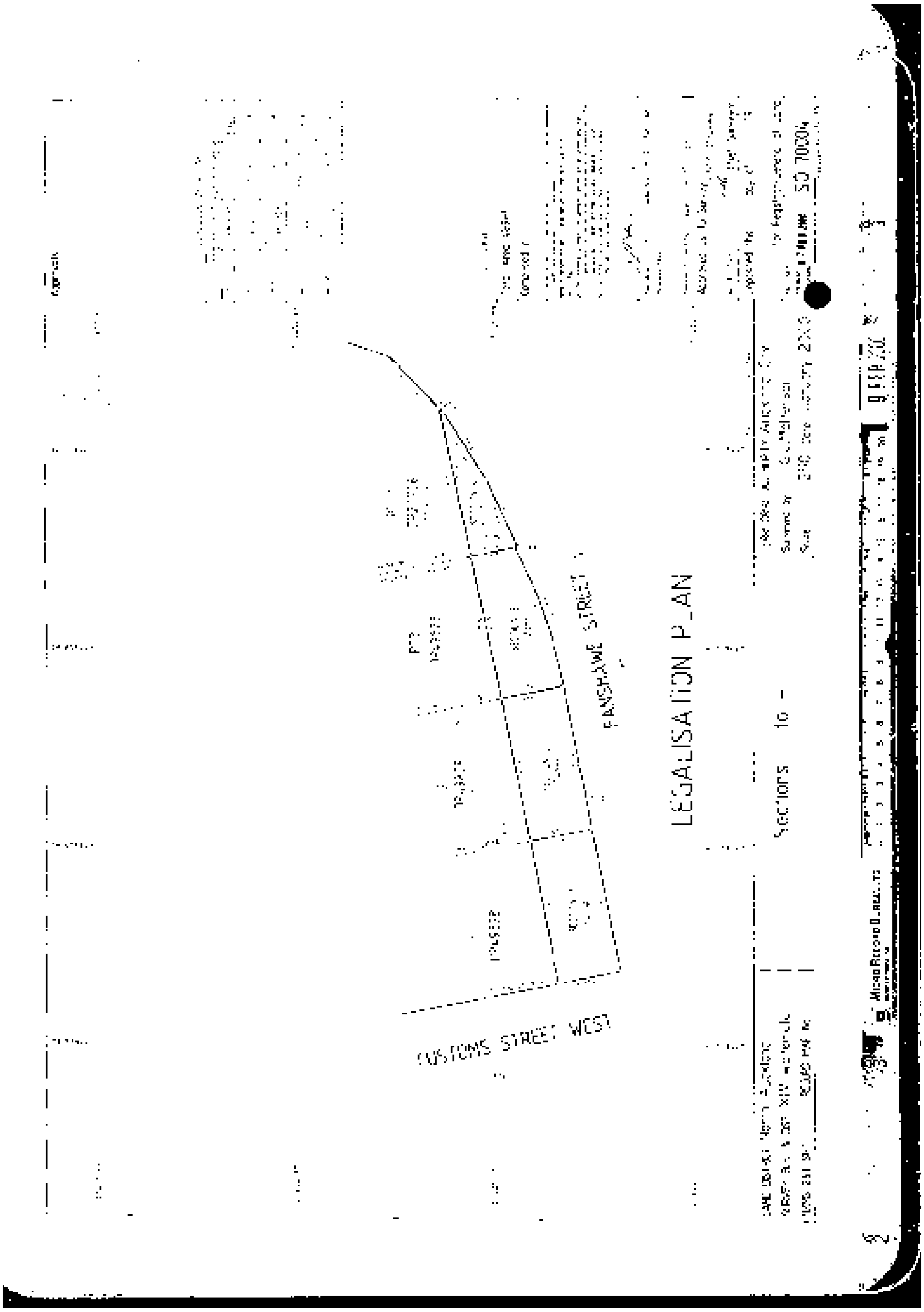
Interests

Subject to a right (in gross) to electricity supply over part marked A DP 415780 and cable rights over part marked B DP 415780 in favour of Vector Limited created by Easement Instrument 8246804.1 - 14.10.2009 at 9:04 am

10971404.3 Mortgage to DBS Bank Ltd. - 15.12.2017 at 3:40 pm



PAKENHAM
STREET
FANSHAWE STREET
CUSTOMS
LOT 3
LOT 4


FANSHAWE STREET
CUSTOMS STREET WEST

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD
Search Copy

R. W. Muir
Registrar-General
of Land

Identifier **NA133D/480**
Land Registration District **North Auckland**
Date Issued 23 April 2001

Prior References
NA753/219

Estate Fee Simple
Area 1387 square metres more or less
Legal Description Lot 3 Deposited Plan 205351
Registered Owners
Viaduct Harbour Holdings Limited

Interests

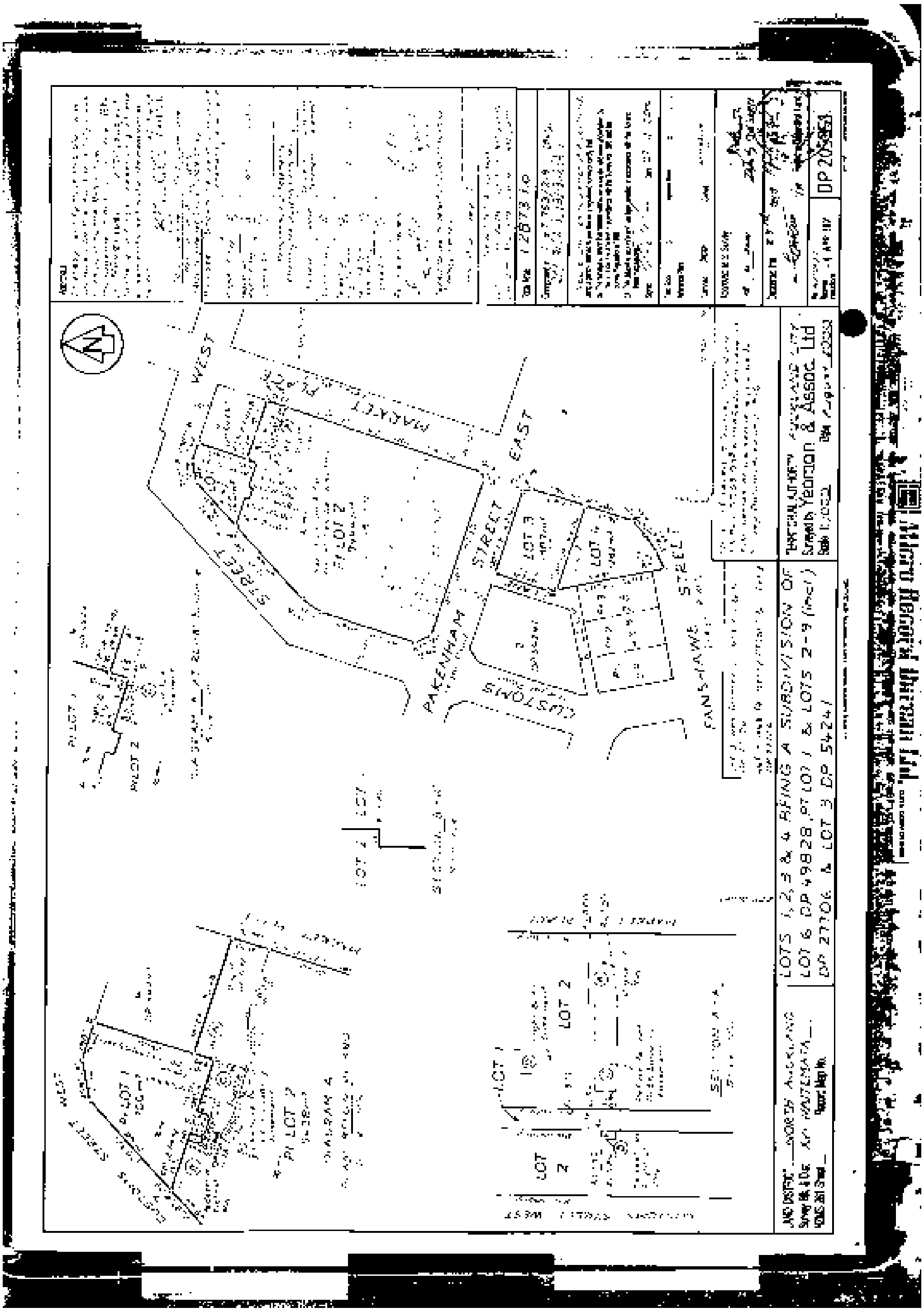
C054008.1 Encumbrance to Auckland City Council - 12.10.1989 at 2:38 pm

D146195.1 Compensation Certificate pursuant to Section 19 Public Works Act 1981 - 20.5.1997 at 3.53 pm

D594678.5 Consent Notice pursuant to Section 221 (1) Resource Management Act 1991 - produced 10.4.2001 at 9.25 am and entered 23.4.2001 at 9.00 am

10012950.7 Mortgage to ASB Bank Limited - 15.4.2015 at 3:52 pm

10908017.1 Lease in renewal of Lease 7246938.5 Term commencing 1 January 2017 and expiring 31 December 2037 (Right of Renewal) CT 805306 issued - 21.9.2017 at 3:30 pm


WEST
MARKET
STREET
EAST
PAKENHAM
CUSTOMS
FANSHAWE
LOTS 1, 2, 3 & 4 BEING A SUBDIVISION OF
Yeoman & Assoc. Ltd

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD

Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**NA133D/481**	**Part-Cancelled**
Land Registration District	**North Auckland**	
Date Issued	23 April 2001	

Prior References
NA753/219

Estate	Fee Simple
Area	1282 square metres more or less
Legal Description	Lot 4 Deposited Plan 205351

Registered Owners

Viaduct Harbour Holdings Limited

Interests

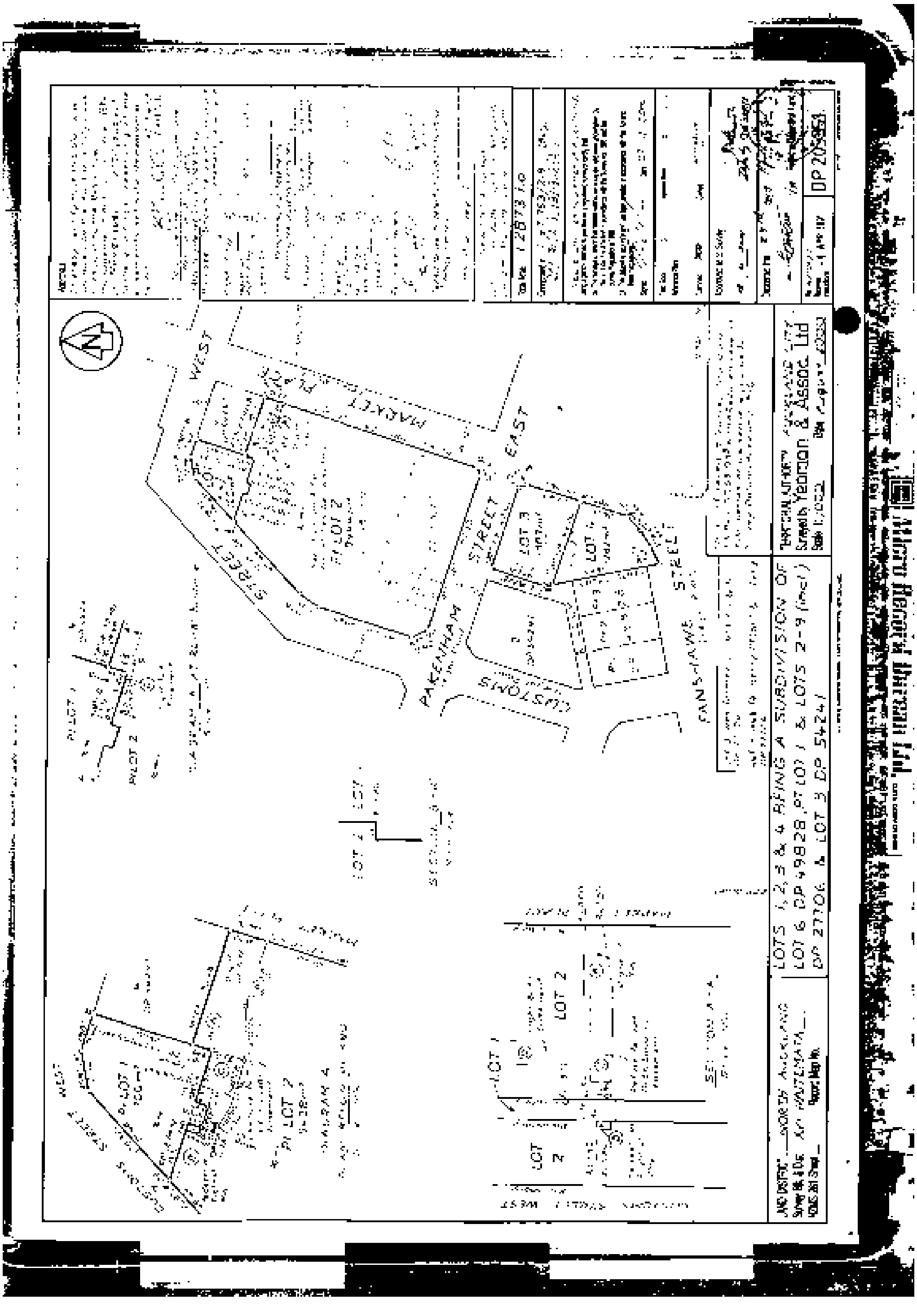
C054008.1 Encumbrance to Auckland City Council - 12.10.1989 at 2:38 pm

D594678.5 Consent Notice pursuant to Section 221 (1) Resource Management Act 1991 - produced 10.4.2001 at 9.25 am and entered 23.4.2001 at 9.00 am

8097710.1 Gazette Notice (NZ Gazette 5.3.2009 No 26 p 738) declaring part (65m2 being Section 4 SO 70004) is hereby acquired for road and shall vest in the Auckland City Council - 11.3.2009 at 9:00 am

10012950.7 Mortgage to ASB Bank Limited - 15.4.2015 at 3:52 pm

10908017.1 Lease in renewal of Lease 7246938.5 Term commencing 1 January 2017 and expiring 31 December 2037 (Right of Renewal) CT 805306 issued - 21.9.2017 at 3:30 pm


LOTS 1, 2, 3 & 4 BEING A SUBDIVISION OF
LOT 6 DP 49828, PT LOT 1 & LOTS 2-9 (incl)
DP 27706 & LOT 3 DP 54241
Yeoman & Assoc. Ltd
PAKENHAM
STREET
EAST
WEST
MARKET
CUSTOMS
FANSHAWE
LOT 3
LOT 4
PT LOT 2
DP 209853

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Valuation Advisory

Report prepared for Roxy-Pacific Holdings Limited for the purpose of the Voluntary General Offer

Commercial Office Building

205 Queen Street, Auckland CBD

31 December 2021

Executive Summary

Commercial Office Building - 205 Queen Street, Auckland CBD

205 Queen Street provides a twin tower commercial development that was originally constructed in 1990, occupying a 3,764 sqm block bound by Queen, Victoria, Elliot and Darby Streets within the Auckland CBD. This location provides a desirable commercial environment benefiting from its location along Queen Street, surrounding restaurants, bars, cafes, and exercise facilities, along with multiple transportation options.

The property comprises two commercial towers providing a combined net office area of approximately 23,203 sqm, retail of 2,118 sqm, along with 123 basement car parking spaces. The property provides circa 584 sqm office floor plates to both towers with good outlook and views over the surrounding commercial locality. In addition, there are various storage units with a total area of circa 287 sqm.

The property is of leasehold tenure, with a 91-year term commencing in June 1990 with a right of renewal of 98 years (157.5 years to expiry including renewal). Ground Rental is 'participatory', being 6% of net annual rental (defined further in Section 2.3 but gross received income less operating expenses), so is of reduced risk compared to traditional leasehold assets.

At the date of valuation, the property is circa 77% occupied (by income), with major occupiers including Bank of China, RBNZ and ANZ. The leases are returning a combined net rental of $8,506,745 per annum (after ground rent), with a remaining WALT of 2.08 years (by income).

New Zealand is currently in a cautious phase as part of efforts to constrain an outbreak of the 'Delta' variant of COVID-19 that has been persisting since August 2021, with the most recent step a move to a 'traffic light' system of controls. Associated restrictions and periods of lockdown have been disruptive, however the property market in general has proven to be resilient to the introduced challenges. Our assessment has been conducted in accordance with the definition of 'Market Value', with reference to the provisions of the assumption to a willing buyer, a willing seller, acting prudently and without compulsion..

Valuation

Prepared for	Roxy-Pacific Holdings Limited
Valuation Purpose	Market Valuation for inclusion within a Voluntary General Offer
Date of Valuation	31 December 2021
Date of Report	10 January 2022
Valuation Approaches	Capitalisation of Net Income and Discounted Cashflow Approaches
Zoning	City Centre (Queen Street Valley Precinct) – Auckland Unitary Plan (Operative in part, 15 November 2016)
Tenure	Leasehold – Record of Title 325979 Fee Simple – Record of Title NA100C/729
Site Area	3,764 sqm
Lettable Area	25,322 sqm
Adopted Value	**$187,000,000 plus GST, if any** One Hundred Eighty Seven Million Dollars plus GST, if any

Valuation Analysis

Initial Yield	4.83%
Initial Yield (Fully Leased)	6.91%
Equivalent Yield	6.26%
Internal Rate of Return (10 years)	6.81%

Rate / sqm of Lettable Area	$7,385
Weighted Average Lease Term	2.08 years by income
Current Occupancy	76.79%
Current Vacancy	23.21%

Tenancy Overview

DLA Piper	$1,266,813	2,924 sqm
Bank of China	$830,314	1,756 sqm
RBNZ	$454,842	1,150 sqm
Balance	$7,869,763	11,680 sqm
Vacancy	$2,843,967	7,813 sqm
Total – Before Adjustments	$13,265,700	25,322 sqm

Financial Summary

Gross Passing Income	$13,005,511
Gross Market Income	$15,766,733
Adopted Outgoings	$3,514,188
Net Passing Income	$9,023,888
Net Passing Income (Fully Leased)	$12,925,144
Net Market Income	$12,689,300

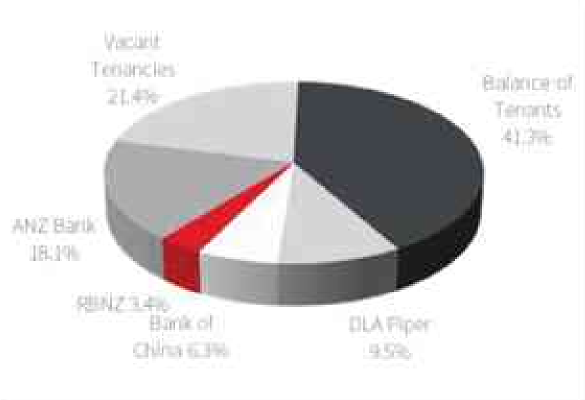
Cap Approach Assumptions

Adopted Cap Rate	5.875%
Allowance for Capex/Expiries	24 months
Market Income Capitalisation	$187,500,000
Passing Income Capitalisation	$187,500,000

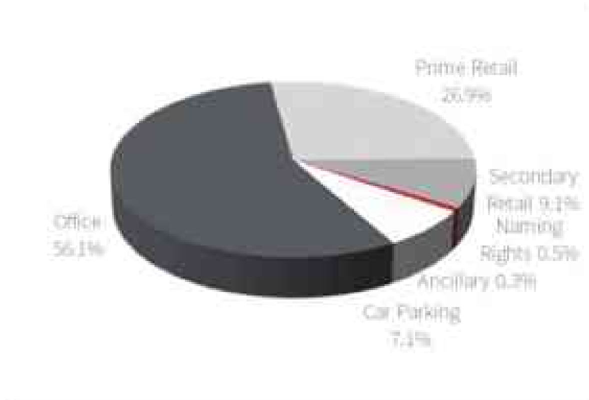
DCF Approach Assumptions

Discount Rate	6.875%
Terminal Yield	6.125%
Average Applied Rental Growth	2.61%
Value Based on DCF Approach	$186,100,000

Major Occupiers



Building Components



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Critical Assumptions, Conditions & Limitations

- The valuation is current as at the date of valuation only, being 31 December 2021. The value assessed herein may change significantly and unexpectedly over a relatively short period (including as a result of general market movements or factors specific to the particular property).
- We do not accept liability for losses arising from such subsequent changes in value. Without limiting this statement, we do not accept any liability where this valuation is relied upon more than 90 days after the date of valuation, or earlier if you become aware of any factors that may have any effect on the valuation.
- This report is relevant at the date of preparation and to the circumstances prevailing at that time. However, within a changing economic environment experiencing fluctuations in interest rates, inflation levels, rents and global economic circumstances, acceptable returns on investment may, as a consequence, be susceptible to future variation. We therefore recommend that before any action is taken involving an acquisition, disposal or other transaction more than 90 days after the date of this report, you consult the Valuer.
- This valuation has been completed for the specific purpose stated in this report. No responsibility is accepted in the event that this report is used for any other purpose.
- Our valuation assumes the information provided by the instructing party or its agents is correct, and we reserve the right to amend our calculations, if deemed necessary, if that information is incorrect.
- Our valuation assumes all other professional/consultancy advice provided and relied upon is true and correct.
- We have relied on building areas, income figures and expense figures as provided by the instructing party or its agents and made specified adjustments where necessary. Where possible these have been verified through lease documentation and physical measurements.
- Unless otherwise stated all property measurements are in conformity with the Guide for the Measurement of Rentable Areas issued by the Property Council of New Zealand. Where certified areas have not been provided, we have normally undertaken measurement in accordance with Property Council of New Zealand Standards.
- We have relied on the land dimensions and areas as provided in the Record of Title as searched. In certain cases, physical checking of land dimensions and areas is difficult or not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. Jones Lang LaSalle accepts no responsibility if any of the land dimensions or the area shown on title is found to be incorrect.
- Our valuation is made on the basis that the property is free of further caveats, mortgages, charges and other financial liens and that there are no memorials, encumbrances, restrictions or other impediments of an onerous nature which will affect the value other than those stated in the report or registered on the Record of Title.
- Enquiries as to the financial standing of actual or prospective tenants are not normally made unless specifically requested. Where properties are valued with the benefit of leases it is therefore assumed that the tenants are capable of meeting their obligations under the lease and that there are no arrears of rent or undisclosed breaches of covenant.
- In the case of buildings where works are in hand or have recently been completed Jones Lang LaSalle does not normally make allowance for any liability already incurred but not yet discharged in respect of completed works or obligations in favour of contractors, sub-contractors or any members of the professional or design team.
- No enquiries in respect of any property, or of any improvements erected thereon, has been made for any sign of timber infestation, asbestos or other defect, whether latent, patent, or structural.
- Substances such as asbestos or other potentially hazardous materials could, if present, adversely affect the value of the property. The stated value estimate is on the assumption that there is no material on or in the property that would cause loss in value. No responsibility is assumed for any such conditions and the recipient of this report is advised that the valuer is not qualified to detect such substances or estimate the remedial cost.
- While due care has been taken to note any contamination liability, our investigations have been undertaken for valuation purposes only, and this report does not constitute an environmental audit. Unless otherwise stated no account has been taken of the effect on value due to contamination or pollution.
- We have undertaken a visual inspection in respect of any building valued but must advise that we have not commissioned structural surveys or tested any of the services and are therefore unable to confirm that these are free from defect. We note further that we have not inspected unexposed or inaccessible portions of any building and are therefore unable to certify that these are free from defect.
- We note we are not experts in relation to assessing the condition of the building structure and cladding, or in assessing the impact or otherwise of water/weather penetration issues. Should the building prove to have structural or weather penetration issues we reserve the right to amend the valuation assessment and any recommendations contained within this report.

- Any elements of deterioration apparent during our consideration of the general state of repair of building/s has been noted or reflected in our valuation. We are, however, unable to give any warranty as to structural soundness of any building and have assumed in arriving at our valuation that there are no structural defects or the inclusion of unsatisfactory materials.
- In preparing the valuation it has been assumed that items such as lifts, hot and cold water systems, electrical systems, ventilating systems and other devices, fittings, installations or conveniences as are in the building are in proper working order and functioning for the purposes for which they were designed, and conform to the current building, fire and government regulations and codes.
- Information on town planning and resource management is often obtained verbally from the local planning authority and if assurance is required Jones Lang LaSalle recommends that verification is sought from the relevant authority that confirms the position is correctly stated within this report, that the property is not subject to other decisions or conditions prescribed by public authorities and that there are no outstanding statutory notices.
- Jones Lang LaSalle's valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations including the Building Act 2004 and the requirements of Territorial Authorities. Where we have obtained a Land Information Memorandum, we comment on this within our report. Where we have not obtained a Land Information Memorandum our valuation is therefore undertaken with the assumption that there are no outstanding requisitions.
- Unless otherwise stated all currencies within this report are in New Zealand Dollars.
- Non-residential valuations are (unless otherwise stated) carried out on the basis that the valuation is plus GST (if any). Residential property valuations are (unless otherwise stated) carried out on the basis that the valuation includes GST (if any).
- A reliant party can only rely on this valuation if received directly from JLL without any third-party intervention.

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Appendices

Appendix 1 – Valuation Definitions

Appendix 2 – Record of Title

Appendix 3 – Lease Summaries

1 Introduction

1.1 Instructions

We refer to instructions requesting that we undertake a market valuation of the leasehold interest of 205 Queen Street, Auckland CBD (the Subject/Property), as at 31 December 2021 for Roxy-Pacific Holdings Limited . We understand that the valuation is to be relied upon for inclusion within a Voluntary General Offer.

Our report has been prepared in accordance with the current Australia and New Zealand Property Institute's Valuation Standards, International Valuation Standards and the instructing parties valuation brief, and we confirm that the prime signatory:

- is independent of both the Instructing Party and Report Recipient;
- is authorised, under The Valuers Act 1948 to practise as a Valuer;
- is suitably registered and qualified to carry out valuations of such property;
- has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property;
- has satisfied professional education requirements and has experience in the location and category of property being valued or where applicable, has sought the advice of suitably qualified professionals who hold locational expertise; and
- has made a personal inspection of the property.

We confirm:

- the statements of fact presented in the report are correct to the best of the Valuers knowledge;
- the analyses and conclusions are limited only by the assumptions and conditions which follow within this report;
- the firm, Jones Lang LaSalle and the undersigned Valuers do not have a direct or indirect pecuniary interest in the subject property;
- the professional fee charged in relation to this assignment has not been contingent upon any aspect of this report;
- the valuation contained herein has been performed in accordance with PINZ / NZIV Codes of Ethics and Conduct;

Our report is confidential to the party or parties to which it is addressed, for the specific purpose to which it refers. No responsibility is accepted to any third parties. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear. Furthermore, this report can only be relied upon when the given party has received the report directly from JLL.

1.2 Valuation and Inspection Dates

The key dates that are relevant for our valuation are shown below:

Date of Valuation	31 December 2021
Date of Property Inspection	24 November 2021
Date of Preparation of Report	10 January 2022

We advise that we have been instructed to value the property as at 31 December 2021, which is our date of valuation. Our assessment assumes that there is no material change to the property or the market between the date of inspection and the date of valuation, and we reserve the right to review the valuation if there are material changes to either the property or the market over this period.

1.3 Basis of Valuation

Market Value

The value given herein is that of the market value of the Property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

"Market Value is 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 wherein the parties had each acted knowledgeably, prudently and without compulsion."

We confirm that this valuation has been undertaken on the basis of the price that might reasonably be expected if the Property was sold at the date of valuation assuming:

- a willing, but not anxious, buyer and seller;
- a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for property of the same kind;
- that the Property was reasonably exposed to that market;
- that no account is taken of the value or other advantages or benefit additional to market value, to the buyer incidental to ownership of the property being valued;
- that the current proprietor has sufficient resources to allow a reasonable period for the exposure of the Property for sale; and
- that the current proprietor has sufficient resources to negotiate an agreement for the sale of the Property.

Included within this valuation are lessor-owned items of building fixtures, fittings, plant and equipment. These items exclude all movable equipment, furniture, furnishings and tenant owned fit-out and improvements.

1.4 Relevant Valuation Standards & Disclosures

The valuations contained herein have been completed in accordance with current Australia and New Zealand Valuation and Property Standards, and in particular with:

- IVS (International Valuation Standards 2020) Framework and General Standards
- ANZVGP 111 – Valuation Procedures – Real Property
- ANZVGP 108 – Valuations for use in Offer Documents

1.5 Information Sources

The information reviewed or previously provided includes, but is not limited to, the following:

- Record of Title particulars memorialised by Land Information New Zealand;
- Resource Management classifications and controls as stated within the District Plan of the governing Territorial Local Authority;
- Sales and leasing data from various industry sources, including real estate agents;
- Market research and forecasts from JLL Research; and
- Lease documentation, building areas, tenancy schedule and budgets supplied by the instructing party.

Our valuation is based on a significant amount of information that has been sourced from the instructing party or managing agent and other third parties. We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. Jones Lang LaSalle accepts no liability for any inaccuracies contained in the information disclosed to us.

1.6 Specific Assumptions

Our assessment as to value has been based on the following specific assumptions:

- Flight Centre have vacated their premises at Shop 2 however we have been advised that their lease remains in place and they are continuing to pay rent. We have assumed this lease remains in place.
- AMI/IAG have a lease over Shop 4B until January 2022. AMI have publicly announced they are closing a number of their retail stores, however, are a substantial insurance company. We have assumed this lease remains in place.
- DLA Piper have relocated from the building to the recently completed Commercial Bay development, however, have a lease through to April 2022. We have assumed this lease remains in place.
- New Zealand is currently in a cautious phase as part of efforts to constrain an outbreak of the 'Delta' variant of COVID-19 that has been persisting since August 2021, with the most recent step a move to a 'traffic light' system of controls. Associated restrictions and periods of lockdown have been disruptive, however the property market in general has proven to be resilient to the introduced challenges.

  Our assessment has been conducted in accordance with the definition of 'Market Value', with reference to the provisions of the assumption to a willing buyer, a willing seller, acting prudently and without compulsion.

2 Property Particulars

2.1 Location

The subject property is located on the high-profile corner of Queen and Victoria Streets, within the CBD core to the west of Queen Street.

Surrounding development comprises a mixture of medium to high-rise commercial and residential buildings including the ibis Budget Hotel, The Colonial Building and the SAP Tower. Queen Street provides a prime retail shopping strip with many high end and international retailers. Also centred along Queen Street are multi-level high rise commercial office buildings together with low rise character properties.

Further afield to the north of the subject, more premium grade medium to high rise commercial buildings are located, including Commercial Bay, the AMP Centre, HSBC House, Zurich House, and the M Social hotel.

The Britomart Transport Centre is located approximately 750 metres north-east of the subject property. Access to the Southern and North-Western Motorways is provided via Hobson Street, approximately 1 kilometre south of the property, with access to the Northern Motorway provided via Fanshawe Street, approximately 1 kilometre to the west. A number of bus routes run along Queen Street and from the Britomart transport hub providing regular public transport amenities. The ferry terminal is located on Quay Street approximately 500 metres to the north. Aotea Square and Albert Park are also located within close proximity.

The following map identifies the approximate location of the Property:

Source: Google Maps

2.2 Title Particulars

The property is Leasehold in tenure, with the Lessee's interest being the basis of our valuation.

The Freehold interest is comprised within Record of Title NA100C/729 and is in the registered proprietorship of The Public Trustee. The Lessee's interest is held within Record of Title 325979, being subject to a 91 year lease term (with renewal clause).

We summarise these Records of Title as follows:

NA100C/729 (Freehold Record of Title)

Title Reference	NA100C/729
Tenure	Fee Simple
Legal Description	Lot 1 Deposited Plan 109984
Area	3,764 square metres more or less
Registered Owner	The Public Trustee
Registered Interests	▪ C175031.4 Lease Term 91 years commencing 18.6.1990 (renewal clause). CT 325979 ▪ C274930.1 Variation of Lease C175031.4 ▪ D331479.1 Certificate pursuant to Section 224(c) Resource Management Act 1991 (affects DP 192361)

Source: Land Information New Zealand

325979 (Leasehold Record of Title)

Title Reference	325979
Tenure	Leasehold
Legal Description	Lot 1 Deposited Plan 109984
Area	3,764 square metres more or less
Instrument	L C175031.4
Term	91 years commencing on 18.6.1990 (renewal clause)
Registered Owner	Roxy-CES (NZ) Limited
Registered Interests	▪ C274930.1 Variation of Lease C175031.4 ▪ 10966283.3 Mortgage to DBS Bank Limited ▪ 11047238.1 Variation of Mortgage 10966283.3

Source: Land Information New Zealand

Memorials of Note

- <u>C175031.4 Lease Term 91 years commencing 18.6.1990 (renewal clause) and C274930.1 Variation of Lease C175031.4 –</u> We summarise these documents below in Section 2.3 of this report.

We have considered these notifications in arriving at our opinion of value. For a detailed summary of the dealings noted above, we refer you to the Record of Title appended to this report.

2.3 Ground Lease Documentation

We summarise below the Ground Lease documentation that we have sighted pertaining to the subject Leasehold interest:

Lease Summary	Assigned to Auckland City Holdings Limited
Documents reviewed	Memorandum of Lease dated 10 May 1990, Memorandum of Variation of Lease dated 3 October 1990.
Lessee	Assigned to Auckland City Holdings Limited
Demised premises	3,764 sqm more or less being Lot 1, DP 109984 and being Allotments 1,2,3 and Part Allotment 4 of Section 15, City of Auckland and being all the land in Certificate of Title 62A/440 North Auckland Registry (now NA100C/729).
Commencement Date	18 June 1990
Expiry Date	17 June 2081
Lease Term	An initial ninety one (91) year term, with a further right of renewal of ninety eight (98) years remaining.
Payment of Rental	**4.1.3** Commencing from the second anniversary of the commencement date of the term the Lessee shall pay to the Lessor rent at the rate of six (6) percent of Net Annual Rental Income.
Calculation of Payments	**4.2.1** At the commencement of each Lease Year the Lessee shall estimate the gross income expected to be received in relation to the Land and Building during that Lease Year and shall as soon as practicable thereafter give notice in writing to the Lessor which notice shall set out the following details relating to that Lease Year: a) Estimated Gross Revenue b) Estimated Operating Expenses c) Estimated Net Annual Rental Income d) Estimated amount with the Lessor will be paid pursuant to Clause 4.1 based on estimated Net Annual Rental Income.
Operating Expenses	Operating expenses include: a) The reasonable cost of managing, controlling, administrating and maintaining the Land and Building and the collection of rents and other monies including but without limiting the generality of the foregoing the reasonable wages and other emoluments paid to any manager and other clerical staff employed by the Lessor for such purposes and fees and charges paid to any managing agent and for professional or specialist services; b) Any land tax of the Lessor to the extent payable by the Lessee pursuant to the provisions of this Lease; c) Any payment in the nature of goods and services tax in respect of payments to be made by the Lessee to the Lessor to the extent to which such tax cannot be offset against tax recoverable by the Lessee from the occupation and management of the Land and Building; d) All other reasonable expenses costs charges and outgoings not specifically referred to which may be properly and necessarily incurred paid or payable in relation to the Land and Building directly or indirectly. **Operating expenses do not include:** a) Any outgoings costs in respect of the lower ground floor and basement areas of the building as shown on the attached plans occupied by the National Bank of New Zealand Limited (or any subsidiary). b) Any expenses incurred by the Lessee for major repairs of a structural nature to the building; and any amortisation fund or sinking fund established or arising out of or in connection with the building or the contents thereof or the authorised use thereof.
Special Provisions	In the event that the Lessee has not undertaken and substantially completed a redevelopment prior to year 80 of the term of this lease, then the Lessor shall be entitled to give notice in writing to the Lessee requiring the Lessee to redevelop. If done before 65 years, then the Lessor may compel redevelopment between years 25 and 30 of any renewed term. If the Lessee is prevented from completing a redevelopment, then the right of renewal is denied.

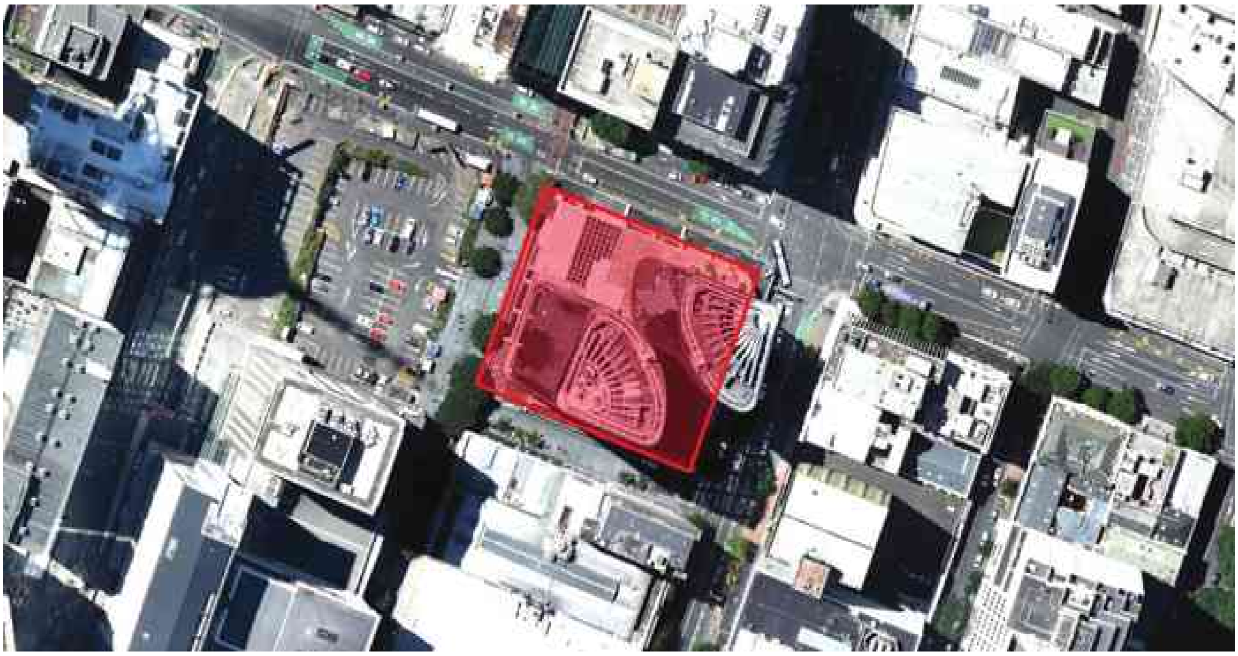
2.4 Site Details

The property is located along the western side of Queen Street providing a regular shaped commercial holding with an area of 3,764 sqm. The site is bound by Queen Street to the east, Victoria Street to the north, Darby Street to the south and Elliott Street to its western boundary.

The contour of the site is relatively level throughout. Frontage is approximately 57 metres to Queen Street, 66 metres to Victoria Street, 57 metres to Elliott Street and 66 metres to Darby Street, providing excellent levels of road front profile and exposure to both passing vehicular and pedestrian traffic.

Vehicular access is provided from Elliott Street, with pedestrian access into the office towers available from Queen Street and Victoria Street. Improvements occupy the majority of the site, with minimal/if any balance area remaining.

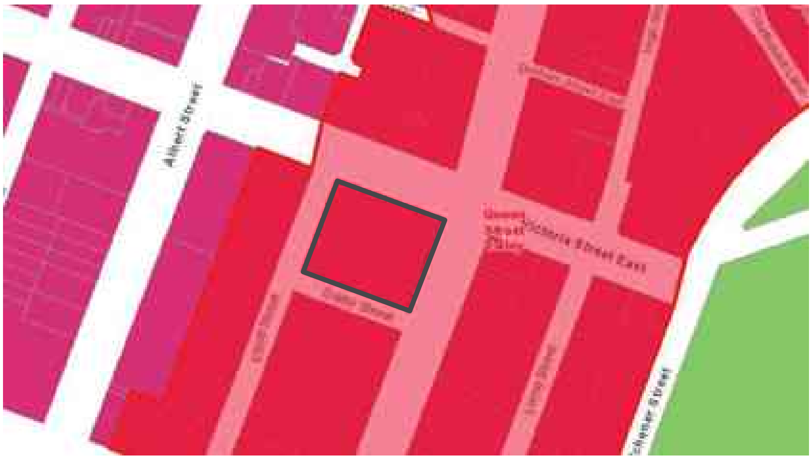
Site Area	3,764 square metres



Source: Emap

2.5 Resource Management

Under the Auckland Unitary Plan (Operative in part, 15 November 2016), the subject site is zoned City Centre, also being located within the Queen Street Valley Precinct. We illustrate this zoning as follows, with the subject site outlined in grey:



City Centre Zone

Local Authority	Auckland Council
Planning Instrument	Auckland Unitary Plan
Operative Date	2016 – Operative in Part
Zoning	**City Centre Zone** The City Centre zone is the top of the centres hierarchy and plays a pivotal role in Auckland's present and future success. This zone aims to ensure the city centre is an international centre for business and learning, innovation, entertainment, culture and urban living. To maintain and enhance the vibrancy of the city centre, the zone permits a wide range of activities to establish in most parts of the city centre. The zone also manages activities that have the potential to adversely affect the amenity of the city centre or that have the potential to generate reverse sensitivity effects on identified marine and port activity areas.
Objectives	▪ The city centre is an internationally significant centre for business. ▪ The city centre is an attractive place to live, learn, work and visit with a 24-hour vibrant and vital business, education, entertainment, and retail areas. ▪ Development in the city centre is managed to accommodate growth and the greatest intensity of development in Auckland and New Zealand while respecting its valley and ridgeline form and waterfront setting. ▪ The distinctive built form, scale, identified special character and functions of particular areas within and adjoining the city centre are maintained and enhanced. ▪ A hub of an integrated regional transport system is located within the city centre. ▪ The city centre is accessible by a range of transport modes with an increasing percentage of residents, visitors, students and workers choosing walking, cycling and public transport.
Development Controls	Building Height: ▪ Subject to Albert Park Height Controls Site Intensity: ▪ BFAR: 8:1 ▪ MFAR: 13:1 Permitted activities include, but are not limited to: residential activities, community activities, industry activities, commercial services, entertainment services, offices, retail, conference facilities and marae complexes. In terms of development controls, the City Centre zone permits minor cosmetic alterations to a building, internal alterations to buildings and retail less than 1000 sqm gross floor area. Restricted Discretionary activities include: new buildings, external alterations and additions to a special character building, alterations and additions to buildings not otherwise provided for, conversion of a building or part of a building to dwellings, retail between 1000 sqm–5000 sqm gross floor area, visitor accommodation or boarding houses, and the total or substantial demolition of the front façade of a special character building. Non complying activities include: drive-through facilities and service stations not otherwise provided for. In terms of development controls, the City Centre zone does not permit buildings that exceeds the basic floor area ratio specified for the site and buildings that do not comply with standards relating to the admission of sunlight to public places, the Aotea Square height control plane, and the railway station building and garden view protection plane.

Queen Street Valley Precinct

Zoning	**Queen Street Valley Precinct** The Queen Street Valley precinct is centred on Queen Street and includes the areas surrounding High, Lorne, O'Connell, and Fort streets. The precinct is located within the core central business district and therefore accommodates a wide range of retail and commercial activities that contribute to its vibrancy and amenity. The precinct has a strong pedestrian focus and provides important connections from the city centre to the harbour's edge. Pre-1940s buildings largely define the precinct. A key purpose of the precinct is to maintain the integrity and coherence of the built form and architecture as this is important to retaining the precinct's streetscape character.
Objectives	The built and streetscape character and the amenity of the Queen Street Valley Precinct is maintained and enhanced.

Policies	(1) Require building form and scale to maintain the character, sense of scale within the precinct and maintain sky views and sunlight access to streets. (2) Require building design to respect the form, scale and architecture of scheduled historic heritage places and pre-1940s buildings within the precinct. (3) Control demolition or removal of pre-1940s buildings, or parts of those buildings, to ensure it does not adversely affect the built form and streetscape character of the precinct. (4) Require proposals for new buildings or additions to existing buildings adjoining or adjacent to scheduled historic heritage places or pre-1940s buildings to be sympathetic and provide contemporary and high-quality design which enhances the precinct's built form and streetscape character. Permitted activities include: minor cosmetic alterations to a building that does not change its external design and appearance. Restricted Discretionary activities include: new buildings and alternations and additions to buildings not otherwise provided for, The total demolition or substantial demolition (more than 30% by volume), or any demolition of the front façade of a building constructed prior to 1 January 1940, excluding the buildings substantially located on Computer Freehold Register Identifiers NA386/116, NA988/291, NA37/143, NA2D/160 (North Auckland).
Controls	▪ Vehicle Access Restriction Control - General ▪ Macroinvertebrate Community Index - Urban

The existing improvements would appear to comply with the resource management requirements of the site. Further, we have assumed that the property benefits from existing use rights or has an applicable Resource Consent.

2.6 Rateable Value

We have been advised that the Property's Rateable Value, as at 1 July 2017, being Assessment Number 1234257093, is as follows:

Land Value	$115,000,000
Improvements Value	$75,000,000
Capital Value	$190,000,000

We note that rating valuations do not take account of a number of key issues affecting value, including land tenure and occupancy arrangements, and are often assessed on an indexed or kerb-side basis. Accordingly, market and rating values may vary significantly.

2.7 Environmental Issues

During the course of our inspection we did not notice any evidence of land or building contamination. Importantly, however, we are not experts in the detection or quantification of environmental problems, and we have not sighted an Environmental Audit.

Our valuation has been made assuming an audit would be available which would satisfy all relevant environmental, and occupational health & safety legislation. If the Property's status needs to be clarified, an Environmental Audit should be undertaken. Our valuation excludes the cost to rectify and make good the Property, which may have become contaminated because of past and present uses.

2.8 Heritage

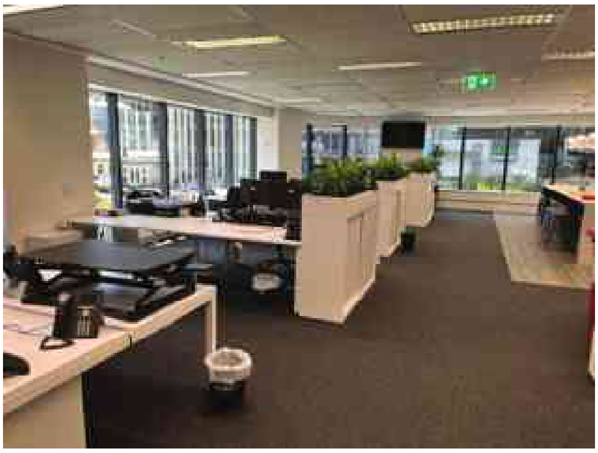
We have not undertaken any formal heritage searches; the property is not notified on the District Plan as being a heritage structure and our valuation is made on the assumption that there are no heritage issues relating to the Property.

2.9 Improvements

The property comprises two commercial towers providing a combined net office area of approximately 22,969 sqm, retail of 2,118 sqm, along with 123 basement car parking spaces.

The property benefits from circa 584 sqm office floor plates to both towers and good outlook and views over the surrounding commercial locality.

Lobby



Level 3- Medcas office accommodation

2.10 Construction

We briefly outline construction details to the building as follows:

Structure:	Reinforced concrete slabs and columns, with concrete beam construction.
External Walls:	A combination of masonry block, precast concrete panels and glass façade.
Internal Walls:	Predominantly plasterboard lining to lettable areas.
Roof:	Unsighted – Assumed reinforced concrete slab with a waterproof membrane.
Ceiling:	Predominantly acoustic tiles in a suspended grid system.
Lighting:	Predominantly recessed fluorescent lighting.
Windows and doors:	Aluminium framing and glazed windows.
Key Services:	Ducted air conditioning, passenger carrying lifts, central fire sprinkler system, emergency warning systems, automatic doors, egress controlled doors, emergency lighting system, service lifts, building maintenance unit, emergency power systems, fire and smoke separations.

2.11 Accommodation

Lobby/Retail	The main entrance into the building is from Queen Street and Victoria Street through automatic glass sliding doors into the ground floor retail and lobby areas. The ground floor level provides 14 retail tenancies which are located to both the interior and exterior of the building, with frontages to Queen, Victoria and Elliott Streets. The lobby area provides various seating areas, with internal linings including tile flooring and walls, with glazing to the ceiling and a feature waterfall.

Lobby Atrium Shared Space

New convenience store occupier – Lawson Convenience

Tank – Shop 7

The Body Shop – Shop 1

Office	There are two separate office towers, each of which are accessed from either side of the lobby. A typical office floor has a net lettable floor area of approximately 584 sqm. The offices are air conditioned, carpeted with suspended grid panel ceilings and recessed fluorescent lights. The offices incorporate glazing to all elevations providing very good natural light. Male and female toilet facilities are provided on each floor, with a central service and lift core. Each tower provides for five passenger lifts. Views improve with height with unobstructed harbour views to the north and city views to the remaining elevations.

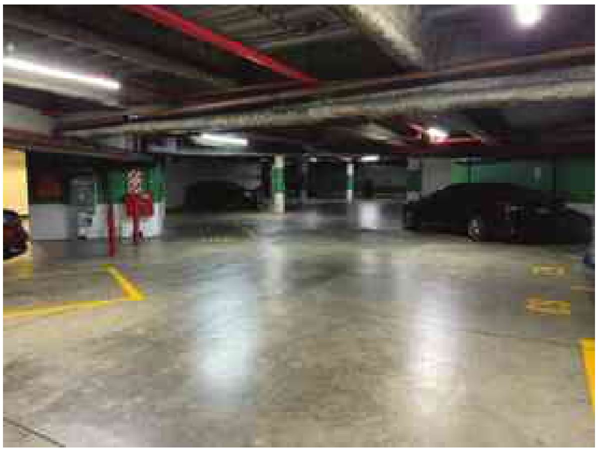
Level 3 - Medacs

Level 10 – Tourism Malaysia

Level 10 - Vacant

Kitchen Facilities

Car Parking / Storage	The property provides a total of 122 basement car parks with vehicular access available from Elliott Street. Multiple storage areas, including bike storage and end of trip facilities are located within the basement area.



Car Parking – Basement Level 2

Car Parking Entry/Exit, Elliot Street

2.12 Lettable Areas

The Property's total Lettable Area is approximately 25,322 square metres. A summary of this Lettable Area is detailed as follows:

Building Floor Area	
Accommodation/Level	Lettable Area
Retail	
Ground	2,118
Podium	656
Mezzanine	695
Tower 1	
Level 2	309
Level 3	583
Level 4	583
Level 5	587
Level 6	586
Level 7	583
Level 8	585
Level 9	585
Level 10	585
Level 11	586
Level 12	585
Level 13	586
Level 14	585
Level 15	585
Level 16	585
Level 17	586

Building Floor Area	
Tower 2	
Level 1	1,121
Level 3	571
Level 4	584
Level 5	585
Level 6	584
Level 7	585
Level 8	585
Level 9	585
Level 10	585
Level 11	585
Level 12	585
Level 13	575
Level 14	575
Level 15	574
Level 16	585
Level 17	585
Level 18	585
Level 19	585
Level 20	585
Level 21	585
Level 22	585
Total Lettable Area	25,322 square metres
Car Parking	Spaces
Covered spaces	123
Total Car Parking	123 spaces

The areas have been taken from a combination of tenancy Survey Plans prepared by Harrison Grierson along with areas noted within the Lease documents and Tenancy Schedule. We understand that these areas have been measured in accordance with the Guide for the Measurement of Rentable Areas as published by the Property Institute and Property Council of New Zealand.

2.13 Condition and Repair

We inspected the interior and exterior of the property. The building appears to have been well maintained with no significant deferred maintenance requirements evident.

Our valuation has had regard to the apparent state of repair and condition of the Property; however, we were not instructed to carry out a structural survey or to test any of the services available to the Property. We are therefore unable to report that the Property is free from further defect and we have assumed that no deleterious material was used in the construction.

A Building Warrant of Fitness is an annual certificate that confirms the Specified Systems in the building have been inspected and maintained, and that the requirements of the Compliance Schedule associated with the operation of the property in its current use have been complied with. We confirm that we have sighted a Warrant of Fitness for the property current through to 9 July 2022, and therefore assume that the property complies with the provisions of Compliance Schedule WOF24039739.

The Health and Safety at Work (Asbestos) Regulations 2016 place requirements on building owners and occupiers in terms of assessing the risks associated with asbestos within buildings. Worksafe New Zealand recommend that buildings constructed before January 2000 are assessed for materials likely to contain asbestos, and if found, formulate a management plan.

We have requested and not been provided with a copy of the Asbestos Management Plan, and therefore assume the property has no onerous obligations in terms of management that may impact on the use, saleability or value of the property.

2.14 Earthquake Strengthening Requirements

New Zealand is prone to seismic activity and there are requirements on building owners to ensure their buildings are safe for occupants and users as outlined in the Building Act 2004 and Amendment (Earthquake-prone Buildings) Act 2016. These regulations categorise New Zealand into three seismic risk areas and sets timeframes for identifying and taking action to strengthen or remove earthquake prone buildings.

As part of our valuation we have been made aware of the following information:

Year of Building Construction	1980s
National Risk Zone	Low
Compliance with New Building Standard	80% NBS
Assessment Type	DSA
Assessment Completed By	Aurecon New Zealand Limited
Assessment Date	11 June 2021

We note the building does not appear on the Earthquake Prone Building Register as published here: https://epbr.building.govt.nz/.

Aurecon issued a Detailed Seismic Assessment (DSA) of the structure in 2018 of the building which identified a range of structural elements in the building with a seismic performance score less than 67% NBS. The building was limited by the out-of-plane capacity of the masonry walls.

Aurecon have been subsequently engaged to undertake design of earthquake strengthening works to provide an earthquake rating for structural elements of 205 Queen St of not less than 67% NBS. We have been provided with and have included the costs to undertake these works within our valuation calculations. Our valuation takes account of these works and the expected NBS rating on completion of 80%.

We have sighted a letter from Aurecon dated 11 June 2021 which stated the installation of the strengthening work throughout 205 Queen St has been completed, providing a new seismic rating of 80% NBS.

We are not qualified to undertake a structural survey of the property and have proceeded based on the information available. We recommend interested parties confirm the insurability of the subject building.

3 Property Income and Expenditure

3.1 Tenancy Overview

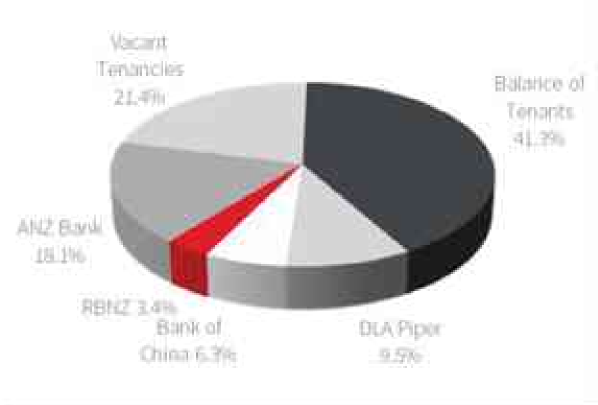
We have been provided with a tenancy schedule and with Lease documentation that was available at the time of valuation.

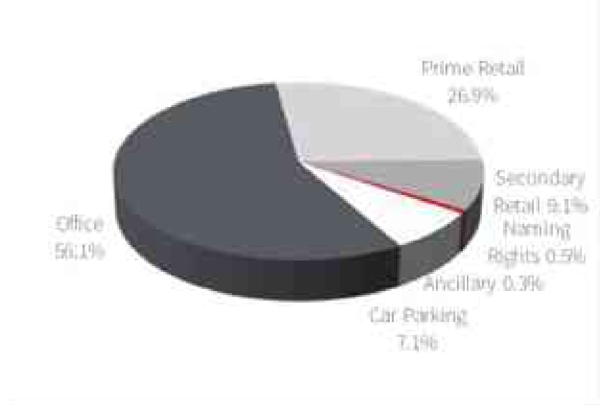
The net rental from the Property can be summarised as follows:

Tenant	Net Rental	Lettable Area	Proportion of Lettable Area
DLA Piper	$1,266,813	2,924	11.5%
Bank of China	$830,314	1,756	6.9%
RBNZ	$454,842	1,150	4.5%
ANZ Bank	$2,396,880	2,332	9.2%
Vacant Tenancies	$2,843,967	7,644	30.2%
Balance of Tenants	$5,472,883	9,516	37.6%
Total	$13,265,700	25,322 sqm	100%

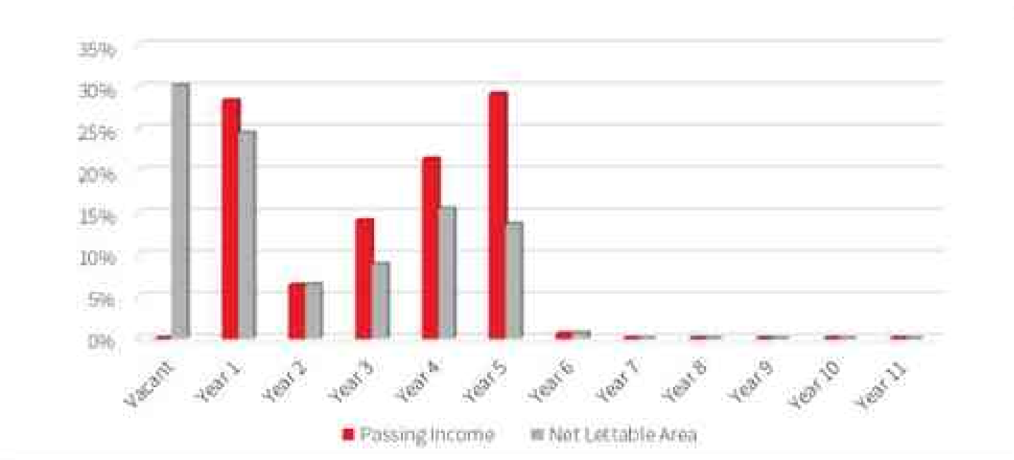
The events surrounding COVID-19 have led to greater consideration by market participants of the covenant strength of the occupiers within investment property. We are not qualified to advise you on the financial standing of the occupiers, however have formed a view on how we think the market would approach the tenancy profile of the property.

The net rental from the property can be analysed by occupier and component proportion as follows:





The graph below demonstrates the lease expiry profile (by income and area) over a ten-year horizon:



Our calculation of the property's Weighted Average Lease term is as noted below:

Weighted Average Lease Term Remaining	Years
By Area	1.69
By Income	2.08

3.2 Building Vacancy

As at the date of valuation, the Property has vacant accommodation of 7,813 square metres, which reflects 23.21% by income potential. Current vacant areas are summarised as follows:

Vacancy	Area	Proportion of Lettable Area	Market Income
Level 3 Tower 1	126	0.5%	$42,802
Level 3 Tower 1	106	0.4%	$35,798
Level 5 Tower 1	189	0.7%	$65,704
Level 5 Tower 1	174	0.7%	$60,211
Level 7 Tower 1	225	0.9%	$79,804
Level 7 Tower 1	358	1.4%	$127,026
Level 10 Tower 1	585	2.3%	$214,515
Level 13 Tower 1	462	1.8%	$181,993
Level 14 Tower 1	585	2.3%	$248,002
Level 1 Tower 2	261	1.0%	$79,489
Level 3 Tower 2	240	0.9%	$77,663
Level 4 Tower 2	584	2.3%	$191,414
Level 5 Tower 2	117	0.5%	$38,734
Level 5 Tower 2	174	0.7%	$57,745
Level 5 Tower 2	136	0.5%	$45,115
Level 6 Tower 2	299	1.2%	$100,414
Level 6 Tower 2	110	0.4%	$36,802
Level 8 Tower 2	171	0.7%	$58,903
Level 8 Tower 2	220	0.9%	$75,824
Level 8 Tower 2	193	0.8%	$66,382
Level 9 Tower 2	286	1.1%	$99,431
Level 10 Tower 2	190	0.7%	$69,653
Level 11 Tower 2	149	0.6%	$55,268
Level 11 Tower 2	137	0.5%	$50,734
Level 12 Tower 2	585	2.3%	$219,293
Level 15 Tower 2	141	0.6%	$54,528
Level 16 Tower 2	260	1.0%	$101,687
Level 19 Tower 2	585	2.3%	$241,609
Storage	168	-	$37,423
Naming Tower 1	-	-	$30,000
Total Vacancy	7,812 sqm	30.2%	$2,843,967

3.3 Building Outgoings and Recoveries

The majority of the leases within the Property are structured on a net basis, with the tenants being responsible for payment of rates and other property expenses in addition to premises rental.

We have adopted the following allowances for building outgoings within our calculations:

Adopted Property Outgoings	Per Annum	Per Sqm of Lettable Area
Statutory Charges	$1,344,494	$53.10
Operating Expenses	$2,169,694	$85.68
Total Outgoings	$3,514,188	$138.78
Ground Rent	$436,755	$17.25
Total Outgoings & Ground Rent	$3,950,943	$156.03

The above allowances are based on the provided budget for the year ending 31 December 2021. We have had regard to the budget provided and have sought confirmation from the relevant rating authorities in relation to statutory charges and have considered the figures against the Property Council of New Zealand's (PCNZ) benchmarks and other similar buildings.

We consider that the adopted outgoings rate of $138.78 per square metre of Lettable Area to be in line with market parameters for office buildings of this nature within Auckland.

Our forecast of Ground Rent currently amounts to $436,755 per annum, or $17.25 per sqm of Lettable Area. We note that none of the ground rent is recoverable from tenants.

3.4 Outstanding/Remaining Incentives

Current outstanding tenant incentives, as at the date of valuation, are summarised in the table below:

Lease Incentives and Income Support Arrangements		
Tenant	Lease Incentives	Remaining Incentive
Sitel - Level 3	Rent free/Abatement	$27,989
GL Futures - Level 9	Rent free	$22,605
Total Outstanding Incentives/Abatements		$50,594

The total amount of unexpired incentives is $50,594, the present value of which is $48,228.

3.5 Tenancy Schedule

Our understanding of the Property's occupancy situation is detailed in the Tenancy Schedule below:

Tenant Name	Premises	Lettable Area	Car Parks	Lease Start	Lease Expiry	Lease Term	Next Review	Review Frequency	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Outgoings Recovery	Recovery / sqm
The Body Shop	Ground Shop 1	105.4		May 2014	May 2025	11.0 years	May 2022	1 yearly	Fixed	$300,845	$2,855		$19,800	$188
Flight Centre	Ground Shop 2	136.3		May 2002	Nov 2025		May 2022	1 yearly	Fixed	$379,596	$2,785		$25,608	$188
Sushi Pac	Ground Shop 3A	84.7		Aug 2011	Aug 2023	12.0 years	Aug 2022	1 yearly	CPI	$78,201	$923		$15,920	$188
Yin Ku	Ground Shop 3B	36.8		Apr 2017	Mar 2025	8.0 years	Apr 2022	1 yearly	Fixed	$63,198	$1,716		$6,918	$188
Recycle Boutique	Ground Shop 4	160.5		Nov 2016	Dec 2026	10.1 years	Nov 2022	1 yearly	Fixed	$180,448	$1,124		$30,152	$188
IAG	Ground Shop 4B	154.0	1	Jan 2017	Jan 2022	5.0 years				$207,611	$1,298	$148	$28,940	$188
Issue Hair	Ground Shop 4D	44.7		Aug 2015	Jan 2022	6.4 years				$53,708	$1,202		$8,395	$188
Domino's Pizza	Ground Shop 5	65.6		Sep 2014	Aug 2024	10.0 years	Sep 2023	2 yearly	Market	$99,066	$1,510		$12,330	$188
Al Tawakai	Ground Shop 5B	72.1		Nov 2016	Nov 2024	8.0 years	Nov 2022	1 yearly	Fixed	$84,413	$1,172		$13,538	$188
Welcia Corporation	Ground Shop 6	88.6		Apr 2021	Mar 2026	5.0 years	Apr 2022	1 yearly	Fixed	$98,000	$1,106		$16,648	$188
Tank	Ground Shop 7	79.9		Dec 2012	Nov 2024	11.9 years	Nov 2022	2 yearly	Market	$130,000	$1,626		$15,018	$188
Sum D	Ground Shop 8	86.9		Nov 2019	Nov 2024	5.0 years	Nov 2022	1 yearly	Fixed	$117,634	$1,354		$16,319	$188
ANZ Bank	Ground	981.0		Apr 2014	Jun 2026	12.2 years	Jun 2023	1 yearly	Market	$1,944,994	$1,983		$184,333	$188
Samboni Coffee	Ground Kiosk 1	22.0		Mar 2020	Feb 2025	5.0 years	Mar 2022	1 yearly	Market	$25,750	$1,170		$0	$0
ANZ Bank	Podium	656.2		Jun 2011	Jun 2026	15.0 years	Jun 2023	3 yearly	Market	$198,160	$302		$88,130	$134
ANZ Bank	Mezzanine	695.1		Jun 2011	Jun 2026	15.0 years	Jun 2023	3 yearly	Market	$253,726	$365		$93,355	$134
NZ Green Building	Level 2 Tower 1	308.8		Aug 2014	Jul 2026	12.0 years	Aug 2022	1 yearly	Market	$108,063	$350		$41,464	$134
Pioneer Education	Level 3 Tower 1	173.2		May 2015	Apr 2027	12.0 years	May 2022	1 yearly	Fixed	$59,757	$345		$23,261	$134
Sitel	Level 3 Tower 1	178.0	2	Dec 2020	Nov 2023	3.0 years	Dec 2022	1 yearly	Fixed	$83,968	$390	$140	$23,901	$134
Vacant	Level 3 Tower 1	126.3											$0	$0
Vacant	Level 3 Tower 1	105.6											$0	$0
Conference House	Level 4 Tower 1	583.1		May 2017	Apr 2025	8.0 years	May 2022	1 yearly	Fixed	$186,595	$320		$78,309	$134
XM Developments	Level 5 Tower 1	223.7	1	Oct 2013	Oct 2022	9.0 years	Oct 2022	1 yearly	Market	$82,608	$335	$146	$30,047	$134
Vacant	Level 5 Tower 1	189.4											$0	$0
Vacant	Level 5 Tower 1	173.5											$0	$0
Champion Flour	Level 6 Tower 1	372.8		May 2014	Apr 2022	8.0 years				$124,248	$333		$50,062	$134
SSP NZ	Level 6 Tower 1	213.2		Dec 2014	Nov 2022	8.0 years			Market	$70,794	$332		$28,635	$134
Vacant	Level 7 Tower 1	224.8											$0	$0
Vacant	Level 7 Tower 1	357.8											$0	$0
Brookfields	Level 8 Tower 1	584.5	14	Oct 2013	Sep 2025	12.0 years	Oct 2022	3 yearly	Market	$303,720	$342	$143	$78,500	$134
Brookfields	Level 9 Tower 1	584.7		Oct 2013	Sep 2025	12.0 years	Oct 2022	3 yearly	Market	$200,053	$342		$78,527	$134
Vacant	Level 10 Tower 1	584.5											$0	$0
Allianz	Level 11 Tower 1	585.6	5	Dec 2015	Feb 2022	6.2 years				$254,316	$371	$143	$78,645	$134
Republic of Korea	Level 12 Tower 1	584.6	3	Sep 2014	Aug 2026	12.0 years	Sep 2022	1 yearly	Fixed	$250,872	$390	$149	$78,504	$134
Vacant	Level 13 Tower 1	461.9											$0	$0
Planning Focus	Level 13 Tower 1	124.1	1	Apr 2019	Apr 2022	3.0 years	Apr 2022	1 yearly	Fixed	$59,724	$419	$149	$16,665	$134

Tenant Name	Premises	Lettable Area	Car Parks	Lease Start	Lease Expiry	Lease Term	Next Review	Review Frequency	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Outgoings Recovery	Recovery / sqm
Vacant	Level 14 Tower 1	585.2	2										$0	$0
Bank of China	Level 15 Tower 1	584.8	3	Jul 2018	Sep 2024	6.3 years	Jul 2022	1 yearly	Fixed	$289,078	$453	$153	$78,542	$134
Bank of China	Level 16 Tower 1	585.1		Jul 2018	Sep 2024	6.3 years	Jul 2022	1 yearly	Fixed	$265,308	$453		$78,570	$134
Bank of China	Level 17 Tower 1	585.8	3	Oct 2014	Sep 2024	10.0 years	Oct 2022	2 yearly	Market	$275,928	$432	$145	$78,664	$134
Arup	Level 1 Tower 2	860.1		Oct 2017	Sep 2023	6.0 years	Oct 2022	1 yearly	Fixed	$309,790	$360		$115,513	$134
Vacant	Level 1 Tower 2	260.6											$0	$0
Medacs	Level 3 Tower 2	331.7	1	Jan 2020	Dec 2023	4.0 years	Jan 2022	1 yearly	Market	$124,342	$357	$113	$44,546	$134
Vacant	Level 3 Tower 2	239.7											$0	$0
Vacant	Level 4 Tower 2	583.6											$0	$0
Vacant	Level 5 Tower 2	116.7											$0	$0
Vacant	Level 5 Tower 2	173.9											$0	$0
Younity	Level 5 Tower 2	158.6		Aug 2019	Aug 2022	3.0 years			Market	$67,898	$428		$21,295	$134
Vacant	Level 5 Tower 2	135.9											$0	$0
Vacant	Level 6 Tower 2	298.9											$0	$0
Vacant	Level 6 Tower 2	109.5											$0	$0
Asia NZ	Level 6 Tower 2	175.8		Nov 2018	Nov 2023	5.0 years	Nov 2022	1 yearly	Fixed	$66,202	$377		$23,607	$134
Covermore	Level 7 Tower 2	585.1	2	Jul 2015	Jun 2022	7.0 years			Fixed	$230,213	$366	$157	$78,573	$134
Vacant	Level 8 Tower 2	171.2											$0	$0
Vacant	Level 8 Tower 2	220.4											$0	$0
Vacant	Level 8 Tower 2	193.0											$0	$0
Vacant	Level 9 Tower 2	285.7											$0	$0
GL Futures	Level 9 Tower 2	299.1		Apr 2019	Apr 2025	6.0 years	Apr 2022	1 yearly	Fixed	$116,254	$389		$40,163	$134
Skyline Tech	Level 10 Tower 2	182.8		Aug 2021	Jul 2024	3.0 years	Aug 2022	1 yearly	Fixed	$72,705	$398		$24,543	$134
Vacant	Level 10 Tower 2	189.8											$0	$0
MTPB	Level 10 Tower 2	212.4	1	Jul 2011	Jun 2022	11.0 years				$87,996	$380	$140	$28,526	$134
Flourishing Property	Level 11 Tower 2	299.1		Jul 2017	Jun 2022	5.0 years			Fixed	$120,941	$404		$40,172	$134
Vacant	Level 11 Tower 2	149.0											$0	$0
Vacant	Level 11 Tower 2	136.8											$0	$0
Vacant	Level 12 Tower 2	584.8											$0	$0
RBNZ	Level 13 Tower 2	574.7		Jun 2020	Dec 2025	5.6 years	Jan 2022	1 yearly	Market	$216,482	$377		$77,180	$134
RBNZ	Level 14 Tower 2	574.8	3	Nov 2019	Dec 2025	6.2 years	Jan 2022	1 yearly	Market	$238,360	$377	$140	$77,193	$134
Taipei	Level 15 Tower 2	433.3	2	Aug 2019	Aug 2025	6.0 years	Aug 2022	1 yearly	Fixed	$189,307	$409	$117	$58,190	$134
Vacant	Level 15 Tower 2	140.9											$0	$0
Fortuna Forest	Level 16 Tower 2	324.6	1	Oct 2016	Sep 2022	6.0 years			Fixed	$138,606	$402	$158	$43,590	$134
Vacant	Level 16 Tower 2	260.1											$0	$0
DLA Piper	Level 17 Tower 2	584.6	19	Apr 2014	Apr 2022	8.0 years				$377,044	$380	$157	$78,509	$134

Tenant Name	Premises	Lettable Area	Car Parks	Lease Start	Lease Expiry	Lease Term	Next Review	Review Frequency	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Outgoings Recovery	Recovery / sqm
DLA Piper	Level 18 Tower 2	584.7		Apr 2014	Apr 2022	8.0 years				$222,408	$380		$78,524	$134
Vacant	Level 19 Tower 2	585.0											$0	$0
DLA Piper	Level 20 Tower 2	584.9		Apr 2014	Apr 2022	8.0 years				$222,488	$380		$78,552	$134
DLA Piper	Level 21 Tower 2	584.9		Apr 2014	Apr 2022	8.0 years				$222,486	$380		$78,552	$134
DLA Piper	Level 22 Tower 2	584.7		Apr 2014	Apr 2022	8.0 years				$222,387	$380		$78,518	$134
NZ Green Building	Rooftop Garden	1.0		Aug 2014	Jul 2026	12.0 years	Aug 2023	1 yearly	Market	$6,334	$6,334		$0	$0
MTPB	Storage S.04	18.2		Jul 2011	Jun 2022	11.0 years				$3,833	$210		$0	$0
Allianz	Storage B.101	1.0		Dec 2015	Feb 2022	6.2 years				$1,800	$1,800		$0	$0
Sum D	Storage S.08	27.4		Nov 2019	Nov 2024	5.0 years	Nov 2022	1 yearly	Fixed	$6,840	$250		$0	$0
Domino's Pizza	Storage Ramp	1.0		Apr 2016	Mar 2022	6.0 years				$2,000	$2,000		$0	$0
Vacant	Storage B.102	7.1											$0	$0
Vacant	Storage S.01	3.0											$0	$0
Vacant	Storage S.02	12.5											$0	$0
Vacant	Storage S.03	22.2											$0	$0
Vacant	Storage S.05	14.6											$0	$0
Vacant	Storage B.103	27.2											$0	$0
Vacant	Storage B.104	12.7											$0	$0
Vacant	Storage B.105	45.4											$0	$0
Brookfields	Storage B.108	92.7		Oct 2013	Sep 2025	12.0 years	Oct 2022	1 yearly	Market	$15,201	$164		$0	$0
Vacant	Storage	11.4											$0	$0
Vacant	Storage	11.8											$0	$0
Pioneer Education	Car Parks	0.0	1	Jun 2018	Mar 2022	3.8 years				$7,280	$0	$140	$0	$0
Fortuna Forest	Car Parks	0.0	1	Mar 2019	Mar 2022	3.0 years				$7,280	$0	$140	$0	$0
Brookfields	Car Parks	0.0	1	Oct 2015	Mar 2022	6.5 years				$7,020	$0	$135	$0	$0
ANZ Bank	Car Parks	0.0	3	May 2014	Mar 2022	7.9 years				$19,968	$0	$128	$0	$0
Farmers	Car Parks	0.0	7	May 2019	Mar 2022	2.9 years				$36,400	$0	$100	$0	$0
ANZ Bank	Car Parks	0.0	1	Jun 2011	Mar 2022	10.8 years				$7,280	$0	$140	$0	$0
ANZ Bank	Car Parks	0.0	3	Jan 2011	Mar 2022	11.2 years				$21,840	$0	$140	$0	$0
Covermore	Car Parks	0.0	3	Jul 2020	Mar 2022	1.7 years				$22,495	$0	$144	$0	$0
Wilson Parking	Car Parks	0.0	39	Nov 2021	Nov 2024		Nov 2022	1 yearly		$131,820	$0	$65	$0	$0
Vacant	Naming Tower 1	1.0											$0	$0
DLA Piper	Naming Tower 2	1.0		Apr 2014	Apr 2022	8.0 years				$52,185	$52,185		$0	$0
Aggregate		25,633.2	123							$10,425,866			$2,483,445	

3.6 Income Analysis

We summarise the Property's total Passing Income and Income Fully Leased as follows:

Passing Rental Analysis		
Lettable Area Rental	$9,690,073	74.51%
Car Parking Rental	$735,793	5.66%
Other Income	$96,200	0.74%
Outgoings Recovery	$2,483,445	19.10%
Gross Passing Income	$13,005,511	100.00%
Unexpired Incentives in Year 1 (excludes capital contributions)	$30,680	
Outgoings	$3,514,188	
Contract Ground Rental	$436,755	
Net Passing Income	$9,023,888	
Market Income on Vacant Areas	$2,828,887	
Market Income on Vacant Car Park	$15,080	
Vacant Area Outgoings	$1,026,610	
Unexpired Incentives in Year 1	$30,680	
Potential Net Income Fully Leased	$12,925,144	

Other Income pertains to various fitout rents and embedded network profit.

4 Market Commentary

4.1 Economic Overview

As at 15 November 2021

- The September 2021 Consumer Price Index rose 2.2% up from the June 2021 quarter and rose 4.9% on an annual basis compared to September 2021. This quarterly rise is the largest movement since a 2.3% rise in December 2010 and the biggest annual movement since inflation reached 5.3% between the June 2010 and June 2011 quarters. The main drivers for the increase were noted as housing-related costs, such as construction of new houses and local authority rates.
- Gross Domestic Product (GDP) in June 2021 increased by 2.8% from the March 2021 quarter. On an annual basis, the average GDP rose 5.1% through the year to June 2021. Service industries, which make up about two-thirds of the economy, rose 2.8% and primary industries having the highest rise of 5%. GDP for the third quarter is likely to be impacted by the prolonged lockdown in Auckland.
- On 6 October 2021 The Monetary Policy Committee agreed to increase the Official Cash Rate (OCR) to 0.50%, being previously set at 0.25% over the past 18 months. This rise in OCR by the Reserve Bank is the first since 2014 and was noted as appropriate to continue reducing the level of monetary stimulus to maintain low inflation and support maximum sustainable employment. Banks have increased mortgage lending rates with further increases in the OCR forecast.
- The 90-day Bank Bill Benchmark Rate (BKBM) sits at 0.85 as at 12 November, which has crept up from the low point of 0.25% last achieved in November 2020. 10-year bonds currently sit at 2.64%, remaining well above the low of 0.44% in September 2020.
- The unemployment rate is 3.4% as at September 2021, a 0.6% decrease from the June 2021 quarter. This decline in unemployment brought the rate down to New Zealand's lowest rate on record, matching December 2007, when it was also 3.4 %. This also shows a sharp annual decline on an annual basis with the September 2020 quarter at a peak of 5.3% unemployment.
- The REINZ median house price across New Zealand for October 2021 is $895,000. This is a 23.4% annual increase from October 2020 at a median house price of $725,000 and a 12.6% monthly increase from September 2021. It is expected that sales activity across New Zealand will continue to rise in the coming months, as lockdown related restrictions ease further and travel limitations lift.
- Growth in both the residential and non-residential construction sector has mirrored the growth in the New Zealand economy in recent years, with 46,453 residential dwelling consents issued in the year to August 2021, the highest level since records began. Non-residential consents to August summed to $7.9 billion, up 15% since 2020. Capacity pressures are evident in both the supply of materials and labour, with commentators forecasting high construction cost inflation over the coming year.

Following a strong response to COVID-19 in 2020, the emergence of the Delta Variant of COVID-19 in August 2021 has severely restricted the flow of business in Auckland and surrounding areas. The primary response to the outbreak is now focused on vaccination, with approximately 81% of the eligible population having received two doses of the Pfizer vaccine as at 14 November.

Auckland remains the focus of lockdown restrictions, with limited re-opening of retail and education facilities, albeit with limits on the size of gatherings and a recommendation to work from home if you can.

4.2 Auckland CBD Office

Despite the recent Delta-related lockdown since 17th August 2021, the general sentiment in the Auckland office market remains positive with both SME and large occupiers taking a longer term view and progressing with their renewal and/or relocation plans. Vacancy remains unevenly spread across the CBD on a building-by-building basis with ongoing divergence between grade and location however.

While forecasting remains difficult, there are some likely outcomes as we note below:

- The restrictions around travel and people entering New Zealand will continue to have a significant impact on tourism, hospitality and education occupiers.
- Changing workplace strategies for a wide selection of businesses may result in longer leasing up periods for vacant space as individual company's shift focus from growth to consolidation and restructuring.
- Tenant churn and a more conservative leasing environment will drive demand for turnkey or low-investment space.
- Construction costs have escalated quickly, which may make relocation difficult for occupiers with specialist requirements or suppress further new build activity.

- Investment appetite remains strong from local institutions, syndicators and private investors supported by low interest rates. This low interest rate environment is changing with the RBNZ starting to firm the OCR in 4Q21.
- Overseas investors continue to have trouble personally inspecting New Zealand property, which may slow sales of mid quantum and larger institutional grade assets.
- Secondary rents are likely to face additional downward pressure in an increasingly more competitive market. Landlords with current or impending vacancy will continue to offer high incentives to maintain occupancy and secure income.

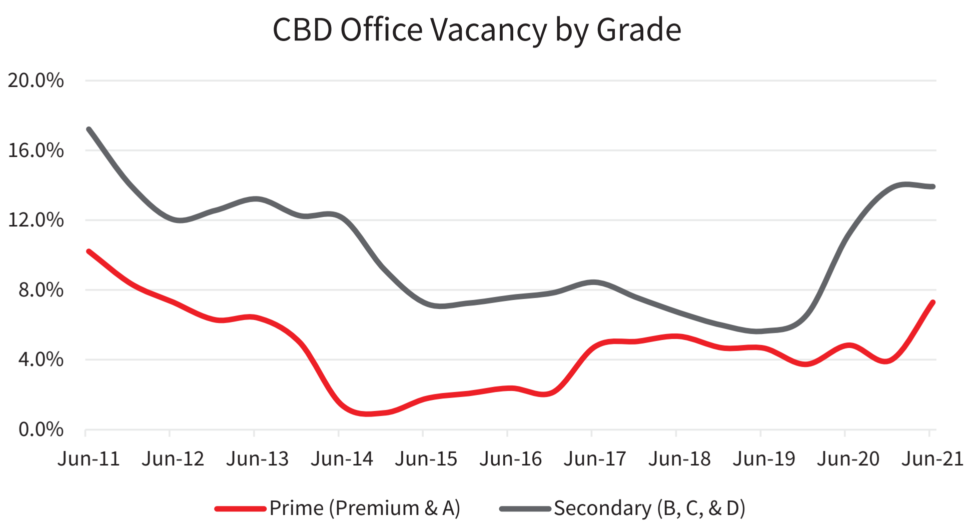
Demand

Our latest 2Q21 vacancy survey results show overall vacancy in the CBD office increased from 9.0% to 10.6% suggesting an additional 20,700 sqm of available space. However, we continue to note the uneven spread of occupancy across the city on a building-by-building basis with ongoing divergence between grade and location. In comparison by grade, Prime office vacancy (being Premium and A grade space) is currently sitting at 7.3% while Secondary office vacancy (being B, C and D grade space) is currently sitting at 13.9%.

Recent announcements of Deloitte committing to One Queen Street (7,500 sqm) and BNZ committing to the existing Deloitte premises at 80 Queen Street (21,000 sqm) further highlights the ongoing occupier demand for the highest quality buildings which occupy good locations and enjoy surrounding existing amenities. Lower quality offices in the up-town and university precincts however continue to show weak occupancy and slow leasing profiles due to the lack of demand from education and tourism related occupiers that have traditionally dominated this part of the market.

Sublease availabilities are showing signs of stabilising, reducing from ~100,000 sqm to ~60,000 sqm in recent months as many offices listed for sublease have either been absorbed, translated into direct leases, or withdrawn. With sublease space proving difficult to lease, we anticipate reduced options coming to market as occupiers and owners increasingly work collaboratively to resolve changing workplace strategies.

Looking forward, rising employment confidence and strong hiring demand in the labour market should support ongoing demand for office space. With ongoing occupier preference for quality and location however, we continue to expect a widening gap between prime and secondary occupancy levels.



Source: JLL Research and Consulting

Accommodation Grade	1H21	2H20	H-o-H Change
Premium	8.4%	4.6%	3.9%
A	6.9%	3.8%	3.1%
B	14.6%	14.4%	0.2%
C	14.0%	14.0%	0.0%
D	10.3%	10.4%	(0.1%)
Prime	7.3%	4.0%	3.3%
Secondary	13.9%	13.8%	0.1%

Source: JLL Research and Consulting

Supply

The completion of 136 Fanshawe (100% occupancy) during 3Q21 added 20,000 sqm of A-grade stock to the CBD office supply. Meanwhile, the development of One Mills lane (25,0000 sqm A-grade space, estimated completion 2025) and One Queen Street (14,300 sqm Premium space, estimated completion 2023) have commenced construction illustrating recovery of developer confidence supported by success of completed projects.

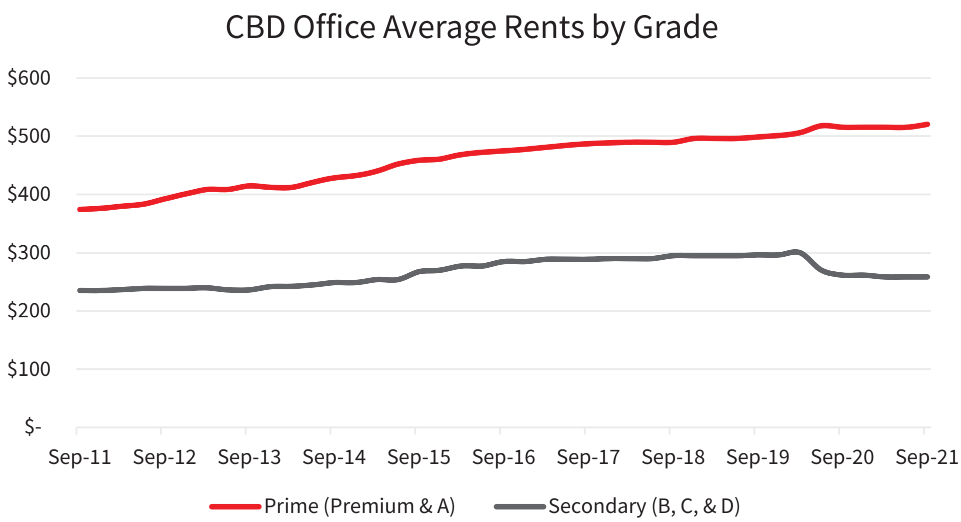
Other notable projects in the pipeline include 3-15 Albert (15,000 sqm new build), 35 Graham Street (24,000 sqm refurbishment), 87 Alberts (14,500 sqm refurbishment) and the final stage of Precinct Wynyard Quarter innovation precinct (~18,000 sqm across three buildings), all currently in planning stage.

Overall, there is substantial supply forecasted in the short-to-medium term with majority being prime (Premium and A-Grade). While the delivery of these projects will rely on various factors including pre-commitment and ability of the construction industry to keep up, this substantial pipeline is expected to create further challenges for landlords to attract and retain tenants within lower grade properties.

Rents

Rents at the upper end of Premium and A-grade space saw growth this quarter supported by the on-going 'flight to quality' trend, as the backfill opportunities have seen occupiers continue to move up the grade spectrum. Where available, the option to repurpose existing fit-outs is an additional drawcard to prospective tenants as the time and cost of relocating is reduced. In comparison by grade, average prime net face rent increased 1.0% from $516 psm to $521 psm during the quarter, while average secondary net face rents remained static at $259 psm.

Looking forward, with notable supply of prime stock in the pipeline including One Queen Street (14,300 sqm, 2023) and One Mills Lane (25,000 sqm, 2025), prime rental growth is expected to increase in-line with the delivery of these projects. On the other hand, secondary rents are likely to face additional downward pressure through to 2023 in an increasingly more competitive market. The gap between prime and secondary rents is therefore expected to widen.



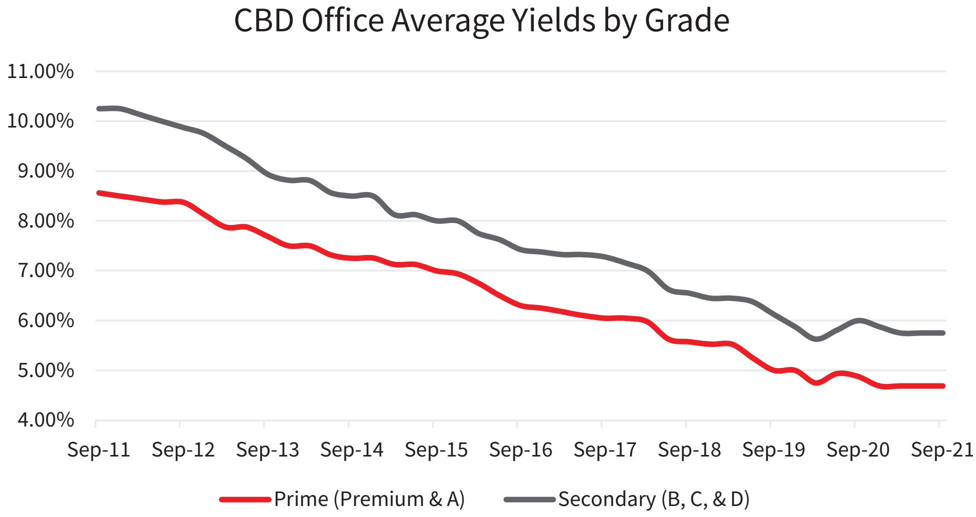
Source: JLL Research and Consulting

Asset Performance

While there continues to be strong investor demand, especially for core assets with strong tenant covenants with longer term WALTs, we have kept office yields static across the board due to the changing interest rate environment with the RBNZ starting to firm the OCR in 4Q21. The lack of assets available for sale is also a persistent constraint on investment activity. Overall, average prime yields remained at 4.69% (the lowest levels ever recorded by JLL) and average secondary yields remained at 5.75% as at 3Q21.

We recorded only a handful of CBD office transaction during 2021 so far, the most notable sale is the sale of ANZ half share to GIC for $177 million with an initial yield of 4.39%. This is followed by the sale of AA Insurance House to Stride Property for $152 million with an initial yield of 5.23%. The sale of these trophy assets illustrates the ongoing investor interest for quality assets as and when they become available on the market.

Looking forward, funding costs will be a consideration for investors as they review their investment strategies and medium to longer term returns. Yields are expected to hold steady for the remainder of 2021 with expansion from 2022 in line with rising interest rates.



Source: JLL Research and Consulting

Auckland Office Market Outlook

We expect the 'flight-to-quality' trend to continue, with strong occupier demand for well-located and well-presented space. There remains hesitation from occupiers in terms of up-town or basic-specification accommodation, which is likely to increase the gaps between prime and secondary occupancy and rent levels over the short term.

Investor demand for Auckland office is expected to remain strong with expectations of growth within prime stock and a number of 'value add' investors interested in buildings that can be redeveloped or repositioned. Investors are also attracted to NZ market due to its transparency, long term economic fundamentals, and stable returns. With RBNZ starting the OCR firming cycle in 4Q21, decompression of yields is expected from 2022 as cost of funding increases.

5 Leasing Evidence

In this version on the Valuation Report we provide a summary of the rental transactions involved in order to protect the privacy requirements of the lessees and lessors involved.

5.1 Subject Building Office Evidence

In assessing a market rental profile for the accommodation, we have had regard to the recent transactions within the subject property as detailed below:

Property	Tenant	Level	Area sqm	Basis	Date	Type	Parking pcpw	Opex $/sqm	Face Rent $/sqm	Net Effective $/sqm
205 Queen Street	Skyline Tech	Tower 2, Pt 10	183	Net	Aug-21	NL	-	$134	$398	$398
	Sitel	Tower 1, Pt 3	178	Net	Dec-20	NL	$140	$130	$390	$323
	Winner Group	Tower 2, Pt 11	149	Net	Aug-20	NL	$130	$130	$390	$331
	RBNZ	Tower 2, 13	575	Net	Jun-20	NL	-	$130	$368	$315
	Medacs Healthcare	Tower 2, Pt 3	332	Net	Jan-20	NL	$110	$130	$347	$321
	RBNZ	Tower 2, Pt 6	110	Net	Jan-20	NL	-	$130	$355	$355

* NL = New Lease, NLST = New Lease Sitting Tenant, LR = Lease Renewal, RR = Rent Review, Var = Lease Variation

Skyline teach has recently signed a new lease in tower 2 p level 10 of 183 sqm. This lease was set at a net rate of $398 per sqm, we are not aware of any incentives provided.

There have been several new lettings over 2020 within both Tower 1 and Tower 2 of the subject property. These transactions reflect a reasonably tight band of net effective rents of between $315 and $355 per sqm for tenancies of between 110 to 575 sqm.

5.2 Auckland CBD Office Evidence

We have also had regard to leasing evidence in the immediate and wider locality. We have had particular regard to the evidence detailed below:

Property	Area sqm	Basis	Date	Type	Net Effective $/sqm
45 Queen Street	946	Net	Aug-21	NL	High $400s
182-184 Queen Street	159	Net	Jun-21	NL	Mid $300s – low $400s
	42	Net	Mar-21	NL	
	69	Net	Feb-21	NL	
	187	Net	Mar-20	NL	
151 Queen Street	212	Net	Aug-21	NL	Mid $300s – low $500s.
	324	Net	Apr-21	NL	
	149	Net	Dec-20	NL	
	701	Net	Mar-20	RR	
	124	Net	Feb-20	NL	

Property	Area sqm	Basis	Date	Type	Net Effective $/sqm
	429	Net	Jan-20	NL	
191 Queen Street, Crombie Lockwood	277	Net	Aug-21	NL	Mid – High $300s
	149	Net	Apr-21	NL	
AON Tower, 29 Customs Street West	1,109	Net	Nov-21	NL	Low to Mid $400s
	2,207	Net	Jul-21	NL	
	549	Net	Apr-21	NL	
220 Queen Street	859	Net	Sep-20	NL	Mid $400s
203 Queen Street	633	Net	Apr-19	NL	Mid $300s
	195	Net	Mar-19	NL	
18 Shortland Street	385	Net	Mar-21	NL	Low $400s
	240	Net	Sep-21	NL	
51 Shortland Street	400	Net	Jun-21	NL	Mid $400s
	637	Net	Oct-20	NL	
2 Kitchener Street	162	Net	Sep-20	NL	Mid $300s
	174	Net	Jan-20	NL	

* NL = New Lease, NLST = New Lease Sitting Tenant, LR = Lease Renewal, RR = Rent Review, Var = Lease Variation

To establish the appropriate market rental to apply we have looked to the subject leases together with evidence from other comparable properties as detailed above. The recent deals within comparable CBD office towers generally reflect net effective rates of between $302 and $496 per sqm, providing a good indication of rents achievable in good quality, CBD office accommodation.

From the above evidence, we consider the office towers at 182-184 Queen Street, 191 Queen Street and 151 Queen Street to be the most comparable pieces of evidence providing a similar quality of accommodation to that of the subject, in a comparable location.

182-184 Queen Street was subject to three new leases in 2021 and one new lease on 2020, of between 42 sqm to 187 sqm reflecting a net effective range of $328 per sqm and $410 per sqm. The property is located on the eastern side of Queen Street in a comparable location. The building provides more character style office accommodation and is of a smaller quantum than the subject.

151 Queen Street comprises a 29 level A-grade office tower situated in a good CBD location. There are five levels of basement car parking together with a gym / health club on level 8 and retail accommodation including two Queen Street retail tenancies. The property presents to a good standard. There has been two new deals in 2021 of 212 sqm and 324 sqm which reflected net rates of between $525 per sqm and $700 per sqm respectively. There have also been three transactions in 2020 which reflect net effective rents of $300, $320 and $510 per sqm. The rates at the lower end are for tenancies on levels 9 and 10, with the $510 per sqm for a small tenancy located on level 21. We consider the subject property to be inferior.

We have also considered the two new leases in August 2021 and April 2021 at the Crombie Lockwood tower, located at 191 Queen Street. The property comprises a 23 level office tower, with ground floor retail space. The office accommodation is presented to a generally tidy, though somewhat dated standard throughout. The recent deals across 227 sqm on part level 21 and 149 sqm on part level 14 reflect net effective rates of circa $375 per sqm and $300 per sqm. We consider the subject property to be superior.

The subject property provides two adjoining office towers in a prime corner position in a central city location. The office space benefits from good levels of natural light and outlook, particularly from the upper levels, and is generally presented to a good standard throughout. We note that the subject is currently circa 28% vacant, which has increased over the past 12 months. In addition, we are aware that buildings situated further away from the waterfront, such as the subject, have been struggling to lease vacant space since the Covid-19 pandemic begin in New Zealand early 2020. We have been mindful of this in our assessment of market rent. Based on the available market evidence, together with the recent transactions from within the subject property, we have adopted a market face rent of $445 per sqm for the top floor of Tower 2, being level 22. Adjustments have been made on a floor by floor basis to reflect factors such as elevation, size, views and outlook. Our adopted market face rents reflect a range of $305 to $425 per sqm. We have adopted incentives equivalent to 10%, which we believe would required to attract potential tenants to the vacant space. Our adopted markets on a net effective basis reflect a range of $275 to $385 per sqm.

In regards to the car parking we have considered the current car parking rates in the immediate and wider locality as detailed in the table above. Car park rents are location and format specific with the highest rates generally achieved for secured and covered spaces. We are aware of car park rentals in CBD locations which generally achieve $135 - $155 pcpw depending on factors including the building grade and number of car parks available. Within the subject the car parks are currently achieving circa $130 to $150 pcpw. We have adopted market rents of $145 pcpw for the subject car parks.

5.3 Retail Leasing Evidence

In assessing a market rental profile for the lower level retail accommodation, we have had regard to recent rental evidence from within the subject and surrounding locality. We have had particular regard to the evidence detailed below:

Subject Building Retail Evidence

Property	Tenant	Component	Area sqm	Basis	Date	Type	Opex $/sqm	Net Effective $/sqm	Total Rental
205 Queen Street	Welcia Corporation	Retail	89	Net	Apr-21	NL	$188	$1,106	$98,000
	Samboni Coffee	Retail	22	Gross	Mar-20	NL	$188	$1,136	$25,000
	Hikoco	Retail	87	Net	Nov-19	NL	$188	$1,315	$114,208

* NL = New Lease, NLST = New Lease Sitting Tenant, LR = Lease Renewal, RR = Rent Review, Var = Lease Variation

Within the subject property there has been three recent transactions which reflect net effective rents of between $1,106 and $1,316 per sqm. Welcia Corporation is a convenience store which took over a new lease of approximately 89 sqm in April 2021 for $1,106 per sqm.

Samboni Coffee is a kiosk tenancy situated within the lobby area of the subject building, with Hikoco situated towards the Victoria Street frontage.

Auckland CBD Retail Evidence

Property	Tenant	Component	Area sqm	Basis	Date	Type	Opex $/sqm	Net Effective $/sqm	Total Rental
100 Halsey Street	Red Rabbit	Retail	31	Net	Pre-com	NL			
	Uncle Mans	Retail	91	Net	Pre-com	NL			
8 Commerce Street	The Coffee Club	Retail	104	Net	Apr-21	NL			
	Espressobar	Retail	14	Net	Feb-21	NL		Confidential	
	FoodTech	Retail	23	Net	Jan-21	NL			
1 Albert Street	Vivo	Retail	109	SG	May-21	NL			
	Ronnies	Retail	200	Net	Oct-20	NL			

Property	Tenant	Component	Area sqm	Basis	Date	Type	Opex $/sqm	Net Effective $/sqm	Total Rental
12 Queen Street	Starbucks	Retail	89	Net	Feb-21	NL			
246 Queen Street	Cosmetic Clinic	Retail	41	Net	May-20	NL			
155 Fanshawe Street	Kiwibank	Retail	135	Net	Oct-20	NL			
	Breaktime	Retail	59	Net	Oct-20	NL			
22 Fanshawe Street	Scratch Bakery	Retail	21	Net	Oct-19	NL			
Unit 1, Victoria Street West	Subway	Retail	48	Net	Oct-19	RR			
112-116 Queen Street	PJ Queen Street	Retail	56	Net	Sep-19	RR			
ASB NorthWharf, 10-26 Jellicoe Street	Thai Street	Retail	183	Net	Jun-19	LR			
	Smart Sushi	Retail	60	Net	Jun-19	LR			
35 High Street	Purley Pacific	Retail	32	Gross	Apr-19	NL			
2 Chancery Street	Mr Beef and Seafood	Retail	391	Net	Jul-19	NL			

* NL = New Lease, NLST = New Lease Sitting Tenant, LR = Lease Renewal, RR = Rent Review, Var = Lease Variation

When assessing the market rental profile of the retail accommodation within the subject development, we have been mindful of the market evidence detailed above together with the characteristics of the subject property. We have had regard to the different levels of exposure that the units experience, the size of the units and the location within the Auckland CBD.

The subject property provides retail units on the ground floor with frontage to Queen Street, Victoria Street and Elliott Street, together with several internal shops. The shops located along Queen Street and Victoria Street benefit from superior profile and higher pedestrian traffic flows, with those located within the interior of the building being somewhat concealed.

Overall retail demand for the area is reducing post COVID and following the completion of the Commercial Bay retail, with occupier and tenant demand gravitating towards the lower CBD. This is likely to reduce rentals in the area, which we have factored into our valuation from passing levels.

We have adopted net market rents of between $750 and $2,200 per sqm for the retail tenancies. The range in rates is generally reflective of the size and profile of each individual tenancy.

5.4 Naming Rights Evidence

We have had regard to Naming Rights and Signage rental set within the wider area that we hold details of on file.

The market rent of naming rights is subjective with naming rights being more important to some tenants than others and sometimes used as part of an inducement to a lease. Some buildings are more prominent than others and therefore can command higher rentals for naming and signage.

Given the building's good exposure and location on Queen Street we have adopted market rentals of $30,000 per annum for Tower 1 and $50,000 per annum for Tower 2.

5.5 Market Rental Profile

We have assessed the market rental profile for the property on a net basis. Our adopted market rental profile is as summarised below:

Tenant Name	Premises	Lettable Area	Car Parks	Next Review/Expiry	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Recovery / sqm	Ideal Recovery	Net Market / sqm	Gross Market / sqm	Car Park pcpw	Net Market Rental
The Body Shop	Ground Shop 1	105.4		May 2022	Fixed	$300,845	$2,855		$188	$188	$2,200	$2,388		$231,836
Flight Centre	Ground Shop 2	136.3		May 2022	Fixed	$379,596	$2,785		$188	$188	$2,000	$2,188		$272,580
Sushi Pac	Ground Shop 3A	84.7		Aug 2022	CPI	$78,201	$923		$188	$188	$800	$988		$67,784
Yin Ku	Ground Shop 3B	36.8		Apr 2022	Fixed	$63,198	$1,716		$188	$188	$1,600	$1,788		$58,912
Recycle Boutique	Ground Shop 4	160.5		Nov 2022	Fixed	$180,448	$1,124		$188	$188	$1,000	$1,188		$160,470
IAG	Ground Shop 4B	154.0	1	Jan 2022	0	$207,611	$1,298	$148	$188	$188	$1,000	$1,188	$145	$161,560
Issue Hair	Ground Shop 4D	44.7		Jan 2022	0	$53,708	$1,202		$188	$188	$1,100	$1,288		$49,148
Domino's Pizza	Ground Shop 5	65.6		Sep 2023	Market	$99,066	$1,510		$188	$188	$1,200	$1,388		$78,744
Al Tawakai	Ground Shop 5B	72.1		Nov 2022	Fixed	$84,413	$1,172		$188	$188	$1,150	$1,338		$82,858
Welcia Corporation	Ground Shop 6	88.6		Apr 2022	Fixed	$98,000	$1,106		$188	$188	$1,050	$1,238		$93,030
Tank	Ground Shop 7	79.9		Nov 2022	Market	$130,000	$1,626		$188	$188	$1,500	$1,688		$119,895
Sum D	Ground Shop 8	86.9		Nov 2022	Fixed	$117,634	$1,354		$188	$188	$1,250	$1,438		$108,563
ANZ Bank	Ground	981.0		Jun 2023	Market	$1,944,994	$1,983		$188	$188	$1,200	$1,388		$1,177,248
Samboni Coffee	Ground Kiosk 1	22.0		Mar 2022	Market	$25,750	$1,170		$0	$188	$1,000	$1,188		$22,000
ANZ Bank	Podium	656.2		Jun 2023	Market	$198,160	$302		$134	$134	$300	$434		$196,872
ANZ Bank	Mezzanine	695.1		Jun 2023	Market	$253,726	$365		$134	$134	$320	$454		$222,445
NZ Green Building	Level 2 Tower 1	308.8		Aug 2022	Market	$108,063	$350		$134	$134	$320	$454		$98,800
Pioneer Education	Level 3 Tower 1	173.2		May 2022	Fixed	$59,757	$345		$134	$134	$339	$473		$58,718
Sitel	Level 3 Tower 1	178.0	2	Dec 2022	Fixed	$83,968	$390	$140	$134	$134	$339	$473	$145	$75,412
Vacant	Level 3 Tower 1	126.3		Vacant					$0	$134	$339	$473		$42,802
Vacant	Level 3 Tower 1	105.6		Vacant					$0	$134	$339	$473		$35,798
Conference House	Level 4 Tower 1	583.1		May 2022	Fixed	$186,595	$320		$134	$134	$343	$477		$200,007
XM Developments	Level 5 Tower 1	223.7	1	Oct 2022	Market	$82,608	$335	$146	$134	$134	$347	$481	$145	$85,178
Vacant	Level 5 Tower 1	189.4		Vacant					$0	$134	$347	$481		$65,704
Vacant	Level 5 Tower 1	173.5		Vacant					$0	$134	$347	$481		$60,211
Champion Flour	Level 6 Tower 1	372.8		Apr 2022	0	$124,248	$333		$134	$134	$351	$485		$130,842
SSP NZ	Level 6 Tower 1	213.2		Nov 2022	Market	$70,794	$332		$134	$134	$351	$485		$74,840
Vacant	Level 7 Tower 1	224.8		Vacant					$0	$134	$355	$489		$79,804
Vacant	Level 7 Tower 1	357.8		Vacant					$0	$134	$355	$489		$127,026
Brookfields	Level 8 Tower 1	584.5	14	Oct 2022	Market	$303,720	$342	$143	$134	$134	$359	$493	$145	$315,406
Brookfields	Level 9 Tower 1	584.7		Oct 2022	Market	$200,053	$342		$134	$134	$363	$497		$212,257
Vacant	Level 10 Tower 1	584.5		Vacant					$0	$134	$367	$501		$214,515
Allianz	Level 11 Tower 1	585.6	5	Feb 2022	0	$254,316	$371	$143	$134	$134	$386	$520	$145	$263,745
Republic of Korea	Level 12 Tower 1	584.6	3	Sep 2022	Fixed	$250,872	$390	$149	$134	$134	$390	$524	$145	$250,598
Vacant	Level 13 Tower 1	461.9		Vacant					$0	$134	$394	$528		$181,993
Planning Focus	Level 13 Tower 1	124.1	1	Apr 2022	Fixed	$59,724	$419	$149	$134	$134	$394	$528	$145	$56,431

Tenant Name	Premises	Lettable Area	Car Parks	Next Review/Expiry	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Recovery / sqm	Ideal Recovery	Net Market / sqm	Gross Market / sqm	Car Park pcpw	Net Market Rental
Vacant	Level 14 Tower 1	585.2	2	Vacant					$0	$134	$398	$532	$145	$248,002
Bank of China	Level 15 Tower 1	584.8	3	Jul 2022	Fixed	$289,078	$453	$153	$134	$134	$402	$536	$145	$257,726
Bank of China	Level 16 Tower 1	585.1		Jul 2022	Fixed	$265,308	$453		$134	$134	$406	$540		$237,530
Bank of China	Level 17 Tower 1	585.8	3	Oct 2022	Market	$275,928	$432	$145	$134	$134	$410	$544	$145	$262,778
Arup	Level 1 Tower 2	860.1		Oct 2022	Fixed	$309,790	$360		$134	$134	$305	$439		$262,343
Vacant	Level 1 Tower 2	260.6		Vacant					$0	$134	$305	$439		$79,489
Medacs	Level 3 Tower 2	331.7	1	Jan 2022	Market	$124,342	$357	$113	$134	$134	$324	$458	$145	$115,011
Vacant	Level 3 Tower 2	239.7		Vacant					$0	$134	$324	$458		$77,663
Vacant	Level 4 Tower 2	583.6		Vacant					$0	$134	$328	$462		$191,414
Vacant	Level 5 Tower 2	116.7		Vacant					$0	$134	$332	$466		$38,734
Vacant	Level 5 Tower 2	173.9		Vacant					$0	$134	$332	$466		$57,745
Younity	Level 5 Tower 2	158.6		Aug 2022	Market	$67,898	$428		$134	$134	$332	$466		$52,645
Vacant	Level 5 Tower 2	135.9		Vacant					$0	$134	$332	$466		$45,115
Vacant	Level 6 Tower 2	298.9		Vacant					$0	$134	$336	$470		$100,414
Vacant	Level 6 Tower 2	109.5		Vacant					$0	$134	$336	$470		$36,802
Asia NZ	Level 6 Tower 2	175.8		Nov 2022	Fixed	$66,202	$377		$134	$134	$336	$470		$59,062
Covermore	Level 7 Tower 2	585.1	2	Jun 2022	Fixed	$230,213	$366	$157	$134	$134	$340	$474	$145	$214,004
Vacant	Level 8 Tower 2	171.2		Vacant					$0	$134	$344	$478		$58,903
Vacant	Level 8 Tower 2	220.4		Vacant					$0	$134	$344	$478		$75,824
Vacant	Level 8 Tower 2	193.0		Vacant					$0	$134	$344	$478		$66,382
Vacant	Level 9 Tower 2	285.7		Vacant					$0	$134	$348	$482		$99,431
GL Futures	Level 9 Tower 2	299.1		Apr 2022	Fixed	$116,254	$389		$134	$134	$348	$482		$104,073
Skyline Tech	Level 10 Tower 2	182.8		Aug 2022	Fixed	$72,705	$398		$134	$134	$367	$501		$67,069
Vacant	Level 10 Tower 2	189.8		Vacant					$0	$134	$367	$501		$69,653
MTPB	Level 10 Tower 2	212.4	1	Jun 2022	0	$87,996	$380	$140	$134	$134	$367	$501	$145	$85,494
Flourishing Property	Level 11 Tower 2	299.1		Jun 2022	Fixed	$120,941	$404		$134	$134	$371	$505		$110,977
Vacant	Level 11 Tower 2	149.0		Vacant					$0	$134	$371	$505		$55,268
Vacant	Level 11 Tower 2	136.8		Vacant					$0	$134	$371	$505		$50,734
Vacant	Level 12 Tower 2	584.8		Vacant					$0	$134	$375	$509		$219,293
RBNZ	Level 13 Tower 2	574.7		Jan 2022	Market	$216,482	$377		$134	$134	$379	$513		$217,811
RBNZ	Level 14 Tower 2	574.8	3	Jan 2022	Market	$238,360	$377	$140	$134	$134	$383	$517	$145	$242,768
Taipei	Level 15 Tower 2	433.3	2	Aug 2022	Fixed	$189,307	$409	$117	$134	$134	$387	$521	$145	$182,767
Vacant	Level 15 Tower 2	140.9		Vacant					$0	$134	$387	$521		$54,528
Fortuna Forest	Level 16 Tower 2	324.6	1	Sep 2022	Fixed	$138,606	$402	$158	$134	$134	$391	$525	$145	$134,451
Vacant	Level 16 Tower 2	260.1		Vacant					$0	$134	$391	$525		$101,687
DLA Piper	Level 17 Tower 2	584.6	19	Apr 2022	0	$377,044	$380	$157	$134	$134	$395	$529	$145	$374,177

Tenant Name	Premises	Lettable Area	Car Parks	Next Review/Expiry	Review Type	Contract Rental	Rental / sqm	Car Park pcpw	Recovery / sqm	Ideal Recovery	Net Market / sqm	Gross Market / sqm	Car Park pcpw	Net Market Rental
DLA Piper	Level 18 Tower 2	584.7		Apr 2022	0	$222,408	$380		$134	$134	$409	$543		$239,146
Vacant	Level 19 Tower 2	585.0		Vacant					$0	$134	$413	$547		$241,609
DLA Piper	Level 20 Tower 2	584.9		Apr 2022	0	$222,488	$380		$134	$134	$417	$551		$243,912
DLA Piper	Level 21 Tower 2	584.9		Apr 2022	0	$222,486	$380		$134	$134	$421	$555		$246,251
DLA Piper	Level 22 Tower 2	584.7		Apr 2022	0	$222,387	$380		$134	$134	$425	$559		$248,481
NZ Green Building	Rooftop Garden	1.0		Aug 2023	Market	$6,334	$6,334		$0	$0	$5,500	$5,500		$5,500
MTPB	Storage S.04	18.2		Jun 2022	0	$3,833	$210		$0	$0	$200	$200		$3,648
Allianz	Storage B.101	1.0		Feb 2022	0	$1,800	$1,800		$0	$0	$1,800	$1,800		$1,800
Sum D	Storage S.08	27.4		Nov 2022	Fixed	$6,840	$250		$0	$0	$250	$250		$6,840
Domino's Pizza	Storage Ramp	1.0		Mar 2022	0	$2,000	$2,000		$0	$0	$2,000	$2,000		$2,000
Vacant	Storage B.102	7.1		Vacant					$0	$0	$250	$250		$1,775
Vacant	Storage S.01	3.0		Vacant					$0	$0	$250	$250		$748
Vacant	Storage S.02	12.5		Vacant					$0	$0	$250	$250		$3,128
Vacant	Storage S.03	22.2		Vacant					$0	$0	$250	$250		$5,553
Vacant	Storage S.05	14.6		Vacant					$0	$0	$250	$250		$3,643
Vacant	Storage B.103	27.2		Vacant					$0	$0	$200	$200		$5,440
Vacant	Storage B.104	12.7		Vacant					$0	$0	$250	$250		$3,168
Vacant	Storage B.105	45.4		Vacant					$0	$0	$180	$180		$8,170
Brookfields	Storage B.108	92.7		Oct 2022	Market	$15,201	$164		$0	$0	$100	$100		$9,274
Vacant	Storage	11.4		Vacant					$0	$0	$250	$250		$2,850
Vacant	Storage	11.8		Vacant					$0	$0	$250	$250		$2,950
Pioneer Education	Car Parks	0.0	1	Mar 2022	0	$7,280	$0	$140	$0	$0	$0	$0	$145	$7,540
Fortuna Forest	Car Parks	0.0	1	Mar 2022	0	$7,280	$0	$140	$0	$0	$0	$0	$145	$7,540
Brookfields	Car Parks	0.0	1	Mar 2022	0	$7,020	$0	$135	$0	$0	$0	$0	$145	$7,540
ANZ Bank	Car Parks	0.0	3	Mar 2022	0	$19,968	$0	$128	$0	$0	$0	$0	$145	$22,620
Farmers	Car Parks	0.0	7	Mar 2022	0	$36,400	$0	$100	$0	$0	$0	$0	$145	$52,780
ANZ Bank	Car Parks	0.0	1	Mar 2022	0	$7,280	$0	$140	$0	$0	$0	$0	$145	$7,540
ANZ Bank	Car Parks	0.0	3	Mar 2022	0	$21,840	$0	$140	$0	$0	$0	$0	$145	$22,620
Covermore	Car Parks	0.0	3	Mar 2022	0	$22,495	$0	$144	$0	$0	$0	$0	$145	$22,620
Wilson Parking	Car Parks	0.0	39	Nov 2022	Fixed	$131,820	$0	$65	$0	$0	$0	$0	$145	$294,060
Vacant	Naming Tower 1	1.0		Vacant					$0	$0	$30,000	$30,000		$30,000
DLA Piper	Naming Tower 2	1.0		Apr 2022	0	$52,185	$52,185		$0	$0	$50,000	$50,000		$50,000
Aggregate		25,633.2	123			$10,425,866								$12,252,545

5.6 Net Income Assessment

The table below presents both the passing income and adopted market net income profile of the Property:

Passing Versus Market Comparison	Passing per annum	Market per annum
Rental Analysis		
Lettable Area Rental	$9,690,073	$11,325,125
Car Parking Rental	$735,793	$927,420
Other Income	$96,200	$0
Outgoings Recovery	$2,483,445	$3,514,188
Gross Income	$13,005,511	$15,766,733
Unexpired Incentives in Yr 1 (excludes contributions)	$30,680	$0
Outgoings	$3,514,188	$3,514,188
Contract Ground Rental	$436,755	$436,755
Net Income	$9,023,888	$11,815,790
Market Income on Vacant Areas	$2,828,887	
Market Income on Vacant Car Park	$15,080	
Vacant Area Outgoings	$1,026,610	
Unexpired Incentives in Year 1	$30,680	
Potential Net Income Fully Leased	$12,925,144	$11,815,790

Other Income pertains to various fitout rents and embedded network profit.

6 Sales Evidence

In assessing a suitable capitalisation rate and discount rate profile for the Property, we have had regard to a range of property transactions. The more relevant sales are summarised in the sales schedule and commentary below:

6.1 Freehold Sale Transactions

46 Sale Street, Auckland CBD

Sale Price	$152,000,000	Sale Date	May 2021
Initial Yield	5.23%	Equivalent Yield	4.64%
IRR	6.09%	WALT	7.35 years

The property was constructed in 2017 and provides a 5 star Green rated commercial office building. The property is situated on a 2,180 sqm freehold site on Sale Street, on the western fringe of the Auckland CBD. The building has been assessed to a 4.5 star NABERS NZ energy rating.

The building provides a total net lettable area of circa 11,352 sqm over seven levels, along with 100 onsite car parking spaces. The ground floor of the building comprises both retail and office tenancies, with the above six levels incorporating office tenancies with floor plates of circa 1,682 sqm each.

At the date of sale the property was fully occupied by five tenants including AA Insurance, Fujitsu and Ezibuy, returning a total net rental of $7,955,086 per annum plus GST with a remaining WALT of 7.35 years (based on income).

The property sold off market in May 2021 for $152 million which reflects an initial yield of 5.23%, equivalent yield of 4.64%, IRR of 6.09% and a land and buildings rate of $13,491 per sqm of NLA.

Carlaw Park, 12-16 Nichols Lane, Auckland

Sale Price	$110,000,000	Sale Date	February 2021
Initial Yield	6.25%	Equivalent Yield	6.20%
IRR	7.08%	WALT	5.56 years

The property comprises two modern CBD Fringe buildings providing for high quality 4 Star Green rated office accommodation over 10,973 sqm of office accommodation, a Quest-branded serviced apartment building, a childcare centre and parking for 706 vehicles.

Major Occupiers within the development in addition to Quest include Nestle, Jacobs, Department of Internal Affairs, Wilson parking and the Chartered Accountants of New Zealand. The property is essentially fully leased with a small vendor underwrite over an unleased office tenancy.

The sale shows an initial yield of 6.25%, equivalent yield of 6.20% and an IRR of 7.08% or $8,264 / sqm.

ANZ Centre, 23-29 Albert Street, Auckland – (50% Interest)

Sale Price	$177,000,000	Sale Date	November 2020
Initial Yield	4.39%	Equivalent Yield	5.06%
IRR	6.61%	WALT	5.44 years

The ANZ Centre is a premium Auckland CBD office building, providing for 39 levels of office with 33,572 square metres of lettable area plus storage space of 380 sqm. The building provides for an extensive lobby area incorporating a café, basement car parking for 442 cars and end of trip facilities for building occupiers.

A 50% share in the building was sold by Precinct Properties in late 2020 to GIC Real Estate following an on-market sales campaign for an announced amount of $177.0 million plus GST. The sale is subject to OIO approval, but we understand is otherwise unconditional.

The sale follows an initial sale of 50% by Precinct in May 2018 for $181 million, with that share purchased by Australian fund Invesco.

The sale of the 50% share shows an initial yield of 4.39%, equivalent yield of 5.06% and an IRR of 6.61% or alternatively $10,544 / sqm.

220 Queen Street, Auckland CBD

Sale Price	$48,000,000	Sale Date	December 2020
Initial Yield	5.08%	Equivalent Yield	4.73%
IRR	6.08%	WALT	5.70 years

The property comprises a corner property providing for a 11-level building, incorporating ground floor retail, 10 levels of office, a 11th level apartment and a basement data storage use. The property was sold via an off-market campaign in December 2020.

The achieved sale price was $48,000,000 plus GST (if any), reflecting an initial yield of 5.08%, equivalent yield of 4.73% and an IRR of 6.08%. The sale price can be shown as $8,170 per sqm of lettable area.

34 Shortland Street, Auckland

Sale Price	$67,500,000	Sale Date	August 2020
Initial Yield	6.02%	Equivalent Yield	5.53%
IRR	6.55%	WALT	2.65 years

34 Shortland Street, formerly known as the Auckland Club tower, sold in August 2020 following an off-market sales campaign and extended negotiation period disrupted by the Covid-19 restrictions. The property provides a strata interest in Levels 8 to 17 plus lobby and car parking levels within the building, with the lower office levels owned and occupied separately by Barfoot and Thompson.

The building is occupied by a range of tenants including Barfoot and Thompson, Fusion 5, Public Trust and Haigh Lyon, with a weighted lease term of 2.65 years. There is one vacant floor (Level 8) and several part floor vacancies, however we understand these have been underwritten by the vendor.

Our review of the transaction suggests an initial yield of 6.02%, equivalent yield of 5.53% and an IRR of 6.55%, or alternatively $8,304 / sqm of lettable area.

280 Queen Street, Auckland

Sale Price	$70,000,000	Sale Date	February 2020
Initial Yield	4.67%	Equivalent Yield	6.47%
IRR	7.35%	WALT	2.09 years

The subject property comprises a large CBD investment asset currently providing a mix of office and retail tenancies. The initial building was provides for an ‘L’ shaped office floorplate with a retail podium over three levels, incorporating a retail arcade/through link from Queen Street to Lorne Street.

Retailers within the property include JB Hifi and Unichem Pharmacy, with office occupiers primarily Government (such as MBIE, Ministry of Justice). Overall the property was producing net income of $3,268,589 per annum with a weighted lease term of 2.09 years, and occupancy of 74.8%.

The property has been available in the market for some time and sold in February 2020, with settlement occurring in November 2020.

166 – 174 Queen Street, Auckland

Sale Price	$52,000,000	Sale Date	October 2019
Initial Yield	4.91%	Equivalent Yield	5.25%
IRR	7.17%	WALT	1.68 years

The property comprises a 9 storey commercial building with a net lettable area of 5,890 sqm upon a 1,151 sqm site situated at 166-174 Queen Street in Central Auckland. The property was built between 1906 and 1914 and were refurbished in 1996 and 2011. The property is a character building and is understood to have NBS ratings between 40% and 54%.

The property sold in October 2019 for $52,000,000, reflecting an initial yield of 4.91%, an equivalent yield of 5.25% and an IRR of 7.17%. The land and building rate reflected of $7,671 psm.

AUT Tower, 2-16 Wakefield Street, Auckland

Sale Price	$62,600,000	Sale Date	August 2019
Initial Yield	5.79%	Equivalent Yield	5.63%
IRR	6.73%	WALT	4.83 years

AUT Tower comprises an 18 level building completed circa 1967 situated at the southern end of the Auckland CBD, within the education precinct. Office and classroom accommodation is provided over 17 levels, with one level of secure basement car parking.

The property sold in August 2019 for $62.6 million. We understand that the transaction incorporates a delayed settlement. The sale price reflects an initial yield of 5.79% and an equivalent yield of 5.63%. The property is fully occupied by AUT, with a WALT of 4.83 years at the date of sale.

As part of the existing lease the building was being progressively upgraded with LED Lighting, new lifts, carpets etc, with the sale inclusive of a vendor undertaking to complete the lease obligations.

136 Fanshawe Street, Auckland CBD

Sale Price	$300 m+	Sale Date	April 2019
Initial Yield	Mid/High 5.0%	Equivalent Yield	Circa 5.0%
IRR	Circa 6.0%	WALT	12.78 years

136 Fanshawe Street comprises a new build office property, due for completion in 2021 and expected to provide for a lettable area of approximately 20,753 sqm.

The building at the date of sale had confirmed leasings to Two Degrees and Meredith Connell, however has since progressed through to 60% occupancy on forecast income, and an expectation it will be close to fully leased on completion. Agreed rentals reflect a high face rental of $795 per sqm, reflective of the high intended specification within the building, which is expected to achieve a 6-star green rating (Design and Built rating from the New Zealand Green Building Council) and 100% NBS to Importance Level 2 (a grade higher than required for an office building).

The building has been sold subject to completion, and we understand is unconditional in all other aspects. The sale price is dependent on the final leasing situation, however on our numbers will equate to $300m+.

155 Fanshawe Street, Auckland CBD

Sale Price	$235,700,000	Sale Date	May 2018
Initial Yield	5.85%	Equivalent Yield	5.30%
IRR	6.39%	WALT	11.50 years

One55 comprises a newly completed commercial building providing for seven levels of high quality office and retail accommodation. The property completed and settled in October 2020 and provides approximately 15,903 sqm of 6-Star Green Office accommodation with good outlook over the adjacent Victoria Park and high profile to passing traffic on Fanshawe Street.

The property was sold fully leased with occupiers included Kiwibank, Southern Cross, TradeMe and Genesis on long term leases with high face rentals and fixed annual growth provisions. At the date of sale, the property was producing net income of $13,793,792 per annum plus GST with a weighted lease term of 11.5 years.

The property was sold in an off-market transaction to PAG Real Estate prior to construction completion, incorporating occupancy, net rental and lease term targets for the vendor. We note the Sale and Purchase Agreement included a mechanism for the sale price based on a fixed initial yield proportion. Alternatively, the sale can show $14,821 per sqm.

The sales transactions are summarised in the table below for comparison purposes:

Property Address	Sale Date	Sale Price	$ / sqm	Initial	Equivalent	IRR	WALT
46 Sale Street, Auckland CBD	May-21	$152.00 m	$13,491	5.23%	4.64%	6.09%	7.35 years
Carlaw Park, 12-16 Nichols Lane, Auckland	Feb-21	$110.00 m	$8,264	6.25%	6.20%	7.08%	5.56 years
ANZ Centre, 23-29 Albert St, Auckland (50% Share)	Nov-20	$177.00 m	$10,544	4.39%	5.06%	6.61%	5.44 years

Property Address	Sale Date	Sale Price	$ / sqm	Initial	Equivalent	IRR	WALT
220 Queen Street, Auckland CBD	Dec-20	$48.00 m	$8,170	5.08%	4.73%	6.08%	5.70 years
34 Shortland Street, Auckland	Aug-20	$67.50 m	$8,304	6.02%	5.53%	6.55%	2.65 years
280 Queen Street, Auckland	Feb-20	$70.00 m	$4,772	4.67%	6.47%	7.35%	2.09 years
166-174 Queen Street, Auckland	Oct-19	$52.00 m	$7,671	4.91%	5.25%	7.17%	1.68 years
AUT Tower, 2-16 Wakefield Street, Auckland	Aug-19	$62.60 m	$4,639	5.79%	5.63%	6.73%	4.83 years
136 Fanshawe Street, Auckland	Apr-19	$300 m+	Conf.	Mid/high 5%	Circa 5%	Circa 6%	12.78 years
155 Fanshawe Street, Auckland	May-18	$235.70 m	$14,821	5.85%	5.30%	6.39%	11.50 years

6.2 Leasehold Sale Transactions

204 Quay Street, Auckland

Sale Price	$20,000,000	Sale Date	February 2021
Initial Yield	7.79%	Equivalent Yield	7.79%
IRR	8.71%	WALT	5.94 years

The property comprises a multi-level commercial building, situated in a prime Auckland CBD location at 204 Quay Street, with frontage to the Viaduct Harbour. The property is situated on a 2,744 sqm City Centre zoned site, providing approximately 4,252 sqm of retail space, predominantly occupied by restaurants and bars, with circa 1,217 sqm of office accommodation.

At the sale date, the property was leased to eleven tenants, including seven restaurant/bar occupiers and three commercial units (two tenants), with additional supplementary income streams through signage, billboard income and a kiosk. Given the influence of the COVID-19 pandemic, the rental cashflow which is predominantly from hospitality tenants is considered relatively 'risky'.

The property is subject to a perpetually renewable ground lease with 5-yearly rent reviews. The next rent review is due in September 2022.

The property sold for $20,000,000 in early 2021 reflecting an initial and equivalent yield of 7.79% and a rate of $3,657 per sqm of NLA.

Grant Thornton, 152 Fanshawe Street, Auckland

Sale Price	$36,250,000	Sale Date	November 2020
Initial Yield	7.07%	Equivalent Yield	6.90%
IRR	6.73%	WALT	3.48 years

The property comprises a high quality office building completed in 2007, situated on the high profile corner site of Fanshawe and Halsey Street in Auckland's CBD fringe. The property provides a total NLA of 6,673 sqm over five levels with 71 onsite parking spaces.

The property is of leasehold tenure with a 150 year term from 27 August 2004 and 134 years remaining. Rent reviews are 7 yearly to market from August 2019 and the annual rent payable under the ground lease shall be 6% of the underlying freehold market value of the land.

As at the date of sale the property is 100% leased to a variety of corporate tenants with a WALT of 3.48 years.

The property sold in November 2020 for $36.25 million. The sale of the lessee's interest reflects an initial yield of 7.07%, an equivalent yield of 6.90% and an IRR of 6.73%.

VXV Office Precinct, Auckland

Sale Price	$635,000,000	Sale Date	May 2018
Initial Yield	6.60%	Equivalent Yield	Confidential
IRR	Confidential	WALT	Confidential

The VXV office precinct in the Wynyard quarter is jointly owned by Goodman Property Trust (51 per cent) and Singaporean wealth fund GIC, who have sold their interests to Blackstone.

VXV comprises seven office buildings and covers approximately 88,000 square metres of space and includes numerous high profile tenants including Fonterra, Air New Zealand, Datacom, Bayleys, KPMG, Auckland Transport, HP and Microsoft. The properties are all of leasehold tenure with some having structured ground rental increases while others are subject to periodic market reviews.

The group of properties sold off market in May 2018 to Blackstone for circa $635,000,000 reflecting a reported initial yield of 6.6%. The transaction is subject to Overseas Investment Office approval. Due to confidentiality we are unable to disclose further details on this transaction however we retain full analysis on file.

NZI, 1 Fanshawe Street, Auckland

Sale Price	$63,000,000	Sale Date	August 2017
Initial Yield	8.05%	Equivalent Yield	6.85%
IRR	8.22%	WALT	6.83 years

The NZI building is an attractive low rise office building situation on the high profile corner of Fanshawe and Pakenham Streets. The building has a 5.5 star NabersNZ rating and is 100% of NBS.

The property is fully occupied by IAG New Zealand Limited, with just under 7 years remaining on the lease at the date of sale. IAG Group have an AA- Standard and Poor's rating. The property is leasehold, with ground rental recently set on market terms prior to sale. Rental reviews are 5 yearly to market.

The property sold following formal marketing in August 2017 for $63,000,000, which shows an initial yield of 8.05%, equivalent yield of 6.85%, IRR of 8.22% and $6,765 / sqm of building area.

205 Queen Street, Auckland – subject property

Sale Price	$174,000,000	Sale Date	August 2017
Initial Yield	6.3%	Equivalent Yield	6.61%
IRR	7.93%	WALT	3.9 years

205 Queen Street comprises a twin tower development constructed in 1990 occupying a prime 3,764 sqm city block bounded by Queen, Victoria, Elliot and Darby Streets. The property provides two office towers of approximately 23,026 sqm, retail of 2,355 sqm and 125 basement car parks.

The property is of leasehold tenure, with a 91 year term commencing in June 1990 with a right of renewal of 98 years (161 years to expiry including renewal). Ground Rental is participatory, being 6% of net annual rental.

The property is 95% occupied as at the date of sale, with a vendor supplied underwrite over space soon to be vacated by Auckland Council in levels 15 & 16.

The property sold in August 2017 for $174,000,000 to Singapore based fund Roxy-Pacific. The sale shows an initial yield of 6.3%, equivalent yield of 6.61% and an IRR of 7.93%.

The sales transactions are summarised in the table below for comparison purposes:

Property Address	Sale Date	Sale Price	$ / sqm	Initial	Equivalent	IRR	WALT
204 Quay Street, Auckland	Feb-21	$20.00 m	$3,657	7.79%	7.79%	8.71%	5.94 years
152 Fanshawe Street, Auckland	Nov-20	$36.25 m	$5,432	7.07%	6.90%	6.73%	3.48 years
VXV Office Precinct, Auckland	May-18	$635.00 m	$7,215	6.60%	Conf.	Conf.	Conf.
NZI, 1 Fanshawe Street, Auckland	Aug-17	$63.00 m	$6,765	8.05%	6.85%	8.22%	6.83 years

Property Address	Sale Date	Sale Price	$ / sqm	Initial	Equivalent	IRR	WALT
205 Queen Street, Auckland	Aug-17	$174.00 m	$6,875	6.30%	6.61%	7.93%	3.9 years

6.3 Market Capitalisation Rate Conclusion

Large high value CBD office investments in the Auckland market similar to the subject are tightly held in either institutional portfolios or listed vehicles and rarely come to market. Hence there are limited recent directly comparable sales, however there is a body of evidence of sales of second tier office buildings that have some similar characteristics to the subject property and can be appropriately adjusted to derive a yield for the subject property.

The most recent sale of 46 Sale Street in May 2021 for $152 million reflects an initial yield of 5.23% and an equivalent yield of 4.64%. The property provides a high quality 5 star Green rated office building situated within Victoria Quarter. At the date of sale the property was fully leased with a good WALT of 7.35 years. The property is considered overall superior to the subject.

The sale of the 50% share in the ANZ Centre for $177 million is of particular note to the subject property. The sale reflects an initial yield of 4.39% and an equivalent yield of 5.06% with the property benefitting from a medium term WALT of 5.44 years. The property provides one of Auckland's prime CBD office towers, though is situated in an inferior location on Albert Street. We consider this property superior to the subject.

We have also been mindful of the higher quantum sales of 136 and 155 Fanshawe Street. Both properties provide high quality, CBD office buildings with long WALT's and fixed rental increases.

136 Fanshawe Street sold in April 2019 for a confidential amount in excess of $300 million reflecting an initial yield in the mid/high 5% range, equivalent yield of circa 5% and an IRR of circa 6%. This property comprises a new build development providing approximately 20,753 sqm of office and retail accommodation.

155 Fanshawe Street sold in May 2018 for $237,100,000, reflecting an initial yield of 5.84%, equivalent yield of 4.94% and an IRR of 5.94%. This property comprises a new build development providing approximately 15,641 sqm of office accommodation along with 304 sqm of ground floor retail space. Both 136 and 155 Fanshawe Street are considered overall superior to the subject, and illustrate the demand for well leased, good quality assets.

In regards to leasehold transactions, there have been very few that provide good comparables to the subject, noting the subject's quality, location and quantum. We have been mindful of the sale of VXV Office Portfolio in mid-2018 for $635 million. This was one of the largest sales of commercial property and comprises a portfolio of seven ex-Goodman office buildings of leasehold tenure. While leasehold, the properties had a combined weighted lease expiry of over 10 years, fixed rental growth, in some cases fixed ground lease growth and very strong covenants such as Apple, Microsoft, Air NZ, Fonterra and Datacom. The achieved sale price reflects an initial yield of 6.60% with our internal analysis showing an IRR over 8%. The properties are considered overall superior to the subject. We do however consider the subject's leasehold structure superior to these properties due to this being linked to net income instead of land value.

In summary, we have had regard to the following factors when assessing our adopted yield profile:

- Leasehold tenure, notwithstanding participatory ground lease structure.
- Prime corner position in a CBD location, located along Queen Street, with good access to the future Aotea Train Station.
- The tenant covenants within the subject building are generally of a high standard.
- Large number of occupiers, requiring a high level of management input.
- Good quality office accommodation with views of the surrounding locality.
- Circa 28% vacant as at the date of valuation.
- Large number of ground floor retail tenants.
- The weighted average lease term of the property of 1.96 years is considered low for an asset of this scale.
- Fixed rental growth incorporated into the majority of leases.
- The value quantum of the subject within the New Zealand market is large however the desirable characteristics that the property provides would be appealing to a number of overseas investment funds.

In consideration of the investment aspects of the property together with our understanding of the market, along with current trends for institutional grade investments, it is our opinion that the market capitalisation rate to apply to our assessed market income is in the order of 5.875%.

Additionally, we have adjusted numerically for the remaining ground lease term certain, through to June 2179, which increases the adopted capitalisation rate marginally from the adopted capitalisation rate.

Based on the sales evidence, we have adopted the following valuation inputs:

Valuation Input	
Capitalisation Rate	5.876%
Discount Rate	6.875%

7 Valuation Considerations

7.1 SWOT Analysis

The strengths and weaknesses of any investment property generally show the positive and negative characteristics of that property, whereas opportunities and threats represent future external factors or events that could enhance or diminish the value of the asset. We set out our SWOT analysis as inspected as follows:

Strengths	Weaknesses
▪ Good CBD location. ▪ High profile corner position along Queen Street. ▪ Queen Street retail presence. ▪ Multiple tenants spread the covenant risk. ▪ Strong tenant mix and fixed rental growth within the leases. ▪ Good access to public transport and motorway systems. ▪ On-site car parking provided. ▪ Office accommodation presents to a good standard. ▪ Good light and outlook achieved from the majority of the office tenancies. ▪ Leasehold structure is linked to net income instead of land value, therefore if net income decreases so does the ground rent, reducing some of the risks around vacancy.	▪ Leasehold tenure generally considered inferior to freehold with more restrictions on redevelopment (landlord consent required) and little underlying land value compared to freehold property. ▪ Remaining WALT of 2.08 years is considered low for an asset of this scale, and is impacted by the vacancy level. ▪ Current vacancy of circa 30% of NLA. ▪ DLA leaving. ▪ Retail in this part of Queen Street has weakened.
Opportunities	**Threats**
▪ Lease vacant space. ▪ Redevelop the ground floor retail. ▪ Incorporate annual fixed rental increases into tenant leases. ▪ Renew / restructure leases to extend WALT. ▪ Construction of the City Rail Link.	▪ The economic and social impacts of COVID-19 have the potential to be persistent. ▪ Low interest rates have driven a significant asset price trend over the last few years, which has started to reverse as central bank rates and the cost of funding increase. ▪ Other office developments occurring within the surrounding area. ▪ Impact of unforeseen local or offshore events on investor confidence and / or banking system. ▪ Serviced office market and impacts on traditional occupiers. ▪ Future leasing risks.

7.2 Likely Selling Period

We are of the opinion that the likely selling period for the Property is up to nine months, assuming that the property is presented to the market in accordance with the specific assumptions noted in this report, and with an appropriate level of marketing. The actual time to sell the property may vary depending on the number of potential buyers in the marketplace, availability of comparable properties, access to finance, and changes in market conditions subsequent to the valuation date.

7.3 Most Probable Purchaser

In consideration of the current market, we anticipate the most probable purchaser of the Property to be a local or offshore institutional investor or a syndicate.

7.4 Sales History

The subject property last transacted in August 2017 for $174,000,000 plus GST.

8 Valuation Rationale

8.1 Valuation Overview

In arriving at our opinion of market value we have had consideration to the capitalisation and discounted cashflow (DCF) approaches to valuation, along with a cross check via the market comparison approach.

8.2 Capitalisation Approach

The capitalisation approach involves the determination of a sustainable net income from the property, and the application of a capitalisation rate as a measure of expected return from the property. Adjustments are made to the core value for items such as under/over renting, required capital expenditure or current/upcoming vacancy.

We have adopted a core capitalisation rate of 5.875%, with our calculations summarised below:

Direct Capitalisation Approach			
Rental Income		Contract Income	Market Income
Lettable Area Rental		$9,690,073	$11,325,125
Car Parking Rental		$735,793	$927,420
Ideal Outgoings Recovery (Full Net Leases)		$2,483,445	$3,514,188
Total Rental Income		$12,909,311	$15,766,733
Less Outgoings Expenditure		($3,514,188)	($3,514,188)
Less Ground Rental		($436,755)	($436,755)
Net Rental Income		$8,958,368	$11,815,790
Core Income Capitalised at 5.88% (Leasehold for 157.5 Years @ 5.88%		$152,463,829	$201,094,733
Value Adjustments			
Present Value of Existing Rental Reversions		$52,498,671	$3,900,569
Present Value of All Outstanding Incentives		($48,228)	($48,228)
Vacancies - Letting Up Allowances:			
Present Value of Downtime	*($2,832,124)*		
Present Value of Incentives	*($2,149,943)*		
Present Value of Leasing Fees	*($608,764)*	($5,590,831)	($5,590,831)
Expiries within the next 24 months - Letting Up Allowances:			
Present Value of Downtime	*($2,259,450)*		
Present Value of Incentives	*($2,520,714)*		
Present Value of Leasing Fees	*($747,576)*	($5,527,740)	($5,527,740)
Present Value of Short Term Capital Expenditure: 24 months		($7,012,195)	($7,012,195)
Value of Other Income		$713,387	$713,387
Total Value Adjustments		$35,033,065	($13,565,036)
Total Capitalised Value		$187,496,894	$187,529,697
Adopted Capitalised Value (say)		$187,500,000	$187,500,000

From our core value, present value adjustments (for rental reversions, letting up allowances, incentives, future lease agreements and short-term CAPEX) where appropriate have been made in order to derive the resultant capitalised value.

Our adopted adjustments are detailed as follows:

Rental Reversions

From the core value, we have added/deducted the present value of tenant rental reversions, which represents the present value of rental overage / underage for each existing tenancy relative to our adopted rental profile. Further, we have allowed for downtime associated with the leasing up of any current vacancies within the Property.

Letting Up Allowances

Within our capitalisation calculations we have made present value letting up allowances for those tenancies that are expiring over the next 24 months. This letting up allowance includes rental and outgoings void (downtime) as well as leasing / agents' fees.

Unexpired and Forecast Incentives

We have deducted the present value of all outstanding / unexpired incentives of $48,228. Further, we have deducted the present value of all forecasted incentives that will arise over the next 24 months of ($2,520,714). The total of both current outstanding incentives and forecast tenant incentives is ($2,472,486).

Capital Deductions

We have allowed for the present value of CAPEX allowances over the next 24 months from the valuation date, which total $7,012,195.

Other Income – Fitout Rent & Embedded Network

We have allowed for the present value of any other income attributable to the Property. We have calculated the present value of the remaining income stream for other income resulting in a value addition of $713,387. This pertains to fitout rent and embedded network profit.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of $187,500,000. A sensitivity analysis based on adjustments to our adopted Core Capitalisation rate is as displayed below:

Sensitivity Analysis		Contract Approach	Market Approach
(0.25%)	5.625%	$196,500,000	$196,500,000
Adopted Capitalisation Rate	5.876%	$187,500,000	$187,600,000
0.25%	6.125%	$179,300,000	$179,300,000

8.3 Discounted Cash Flow Approach

We have undertaken a discounted cash flow analysis over a 10-year investment horizon to derive a net present value for the Property.

We note that a DCF analysis looks to forecast cashflow performance from the property over a future horizon based on an understanding and due diligence related to the property and the specific market in which it sits. The adopted forecasts incorporate what we consider reasonably foreseeable as at the valuation date in terms of key lease events, capital expenditure and likely growth in rental rates, costs and changes in property values over the cashflow term. We note that the actual cashflows associated with the property may vary significantly depending on management decisions, market conditions or unforeseeable events.

Discount Rate

In assessing an appropriate target discount rate for the property, we have considered primarily the analysis of recent comparable or benchmark property sales, the current level of risk free return, discussions with active property investors as well as consideration of the property's specific investment attributes.

We have applied a target discount rate of 6.875% to the cash flows to produce a present value of $186,100,000. Our DCF calculations are summarised overleaf:

Discounted Cashflow Summary		Year Ending	30-Dec-2022	30-Dec-2023	30-Dec-2024	30-Dec-2025	30-Dec-2026	30-Dec-2027	30-Dec-2028	30-Dec-2029	30-Dec-2030	30-Dec-2031	30-Dec-2032
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
Rental Income													
Lettable Area and Car Park Income			$8,755,183	$11,369,386	$12,976,203	$12,458,546	$11,410,831	$12,910,820	$12,893,996	$9,165,542	$14,484,329	$13,885,390	$0
Outgoings Recovery			$1,972,736	$2,839,119	$3,484,130	$3,448,053	$3,305,712	$3,806,493	$3,799,287	$2,417,262	$4,270,800	$4,202,745	$0
Other Income			$96,200	$91,031	$93,306	$76,282	$40,028	$40,828	$41,645	$42,478	$43,327	$44,194	$0
Gross Rental Income			$10,824,120	$14,299,535	$16,553,639	$15,982,880	$14,756,570	$16,758,141	$16,734,927	$11,625,281	$18,798,456	$18,132,328	$0
Rental Deductions													
Unexpired Incentives - Rent Free/Abatements			($30,680)	($16,685)	($3,229)	$0	$0	$0	$0	$0	$0	$0	$0
Outgoings Expenditure			($3,514,188)	($3,654,756)	($3,782,672)	($3,915,065)	($4,032,517)	($4,153,493)	($4,278,098)	($4,406,441)	($4,538,634)	($4,674,793)	$0
Ground Rental			($436,755)	($637,686)	($766,064)	($724,069)	($643,443)	($756,279)	($747,410)	($433,130)	($855,589)	($807,452)	($127,718)
Net Rental Cashflow			$6,842,497	$9,990,409	$12,001,673	$11,343,746	$10,080,610	$11,848,369	$11,709,419	$6,785,710	$13,404,233	$12,650,083	$0
Rental Adjustments													
Unexpired Incentives - Capital Contribution			$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Letting Up Allowances - Leasing Fees			($1,097,710)	($172,763)	($139,413)	($461,644)	($358,610)	($501,995)	($44,100)	($1,481,994)	($132,987)	($417,451)	$0
Capital Expenditure			($6,002,944)	($650,745)	($539,624)	($1,080,009)	($1,023,254)	($1,153,355)	($25,078)	($5,976,383)	($1,305,138)	($1,039,985)	$0
Net Cashflow			($258,158)	$9,166,901	$11,322,636	$9,802,093	$8,698,745	$10,193,019	$11,640,242	($672,666)	$11,966,107	$11,192,647	$0
Purchase Price	$187,000,000	After Costs	($187,000,000)										
Sale Price	$249,100,000	After Costs											$247,107,200
Annual Cashflow			($187,258,158)	$9,166,901	$11,322,636	$9,802,093	$8,698,745	$10,193,019	$11,640,242	($672,666)	$11,966,107	$11,192,647	$247,107,200
Present Value of Rental Cashflow		$58,998,036											
Present Value of Terminal Value		$127,093,729											
Allowance for Acquisition Costs		$0											
Total Net Present Value (say)			$186,100,000	Resulting IRR	6.81%								

The main valuation inputs used in our cash flow are summarised as follows:

Revenue Projections

Our revenue projections commence with the passing rents for each existing tenant and, where relevant, include structured annual and market rent reviews, together with ratchet clauses, as provided for under existing leases.

Growth Rates

A summary of the growth rates adopted for the cash flow period are as follows:

Growth	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Office							10 year average		2.65%	
	2.50%	3.00%	3.00%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Prime Retail							10 year average		2.50%	
	1.50%	2.50%	2.75%	2.75%	2.75%	2.75%	2.50%	2.50%	2.50%	2.50%
CPI							10 year average		2.20%	
	3.00%	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Capex							10 year average		3.20%	
	4.00%	3.50%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Outgoings							10 year average		3.20%	
	4.00%	3.50%	3.50%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

The market rents have been grown over the 10-year cash flow period by their respective growth rate as set out within the summary table above. In formulating our views as to the appropriate projected rental growth rates we have had regard to forecasts supplied by JLL Research and NZIER. These forecasts have been used as a base from which growth rates appropriate for the Property have been derived.

Letting Up Allowances

We have allowed for a letting up period at the end of each existing lease (being the estimated time to secure a new tenant) and associated probability. We have assumed a new lease term for tenants of 6.0 years and associated agents/leasing costs of 16.00%. Our allowances are outlined in the table below:

Office	Cash Flow Year	Letting Up	Probability	Incentive	Probability	Capex /sqm	Probability
	Vacant	9 months	100%	9.72%	100%	$300	100%
	Year 1	6 months	100%	9.72%	100%	$300	100%
	Year 2	6 months	100%	9.72%	100%	$300	100%
	Year 3	6 months	100%	9.72%	100%	$300	100%
	Year 4	6 months	100%	9.72%	100%	$300	100%
	Year 5	6 months	100%	9.72%	100%	$300	100%
	Year 6	6 months	100%	9.72%	100%	$300	100%
	Year 7	6 months	100%	9.72%	100%	$300	100%
	Year 8	6 months	100%	9.72%	100%	$300	100%
	Year 9	6 months	100%	9.72%	100%	$300	100%
	Year 10	6 months	100%	9.72%	100%	$300	100%

Capital Expenditure

Within our calculations we have made capital expenditure allowances for any known upcoming costs, together with our own allowances for capital and refurbishment works coinciding with major lease expiries that we feel would be necessary to achieve our rental growth forecast and which a prudent purchaser is likely to make allowances for. The allowances we have made are as summarised below, split between capex associated with a tenancy expiry or renewal, and general property expenditure:

Cash Flow Year	Tenancy Capex	Building Capex	Total Capex
Year 1	$4,212,230	$2,419,931	$6,632,161
Year 2	$410,230	$21,528	$431,758
Year 3	$822,802	$22,281	$845,083
Year 4	$924,328	$22,950	$947,278
Year 5	$1,444,474	$23,638	$1,468,112
Year 6	$101,191	$24,348	$125,539
Year 7	$4,432,459	$25,078	$4,457,537
Year 8	$769,013	$774,910	$1,543,923
Year 9	$639,355	$798,158	$1,437,512
Year 10	$1,287,821	$27,403	$1,315,224
10 Year Total	$15,043,902	$4,160,226	$19,204,128
Capex as a proportion of Value	10.3%	Per Sqm of Lettable Area	$758.40

The above allowances have been adjusted for forecast CPI movements throughout the cash flow.

Estimated Terminal Sale Price

We have applied a terminal yield of 6.125% (a 25.0 basis point premium to the going in capitalisation rate) to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes reversions to the forecast market rent as at the end of Year 10, deferred until the next review date.

In estimating the terminal value of the property, we have primarily had regard to the increased age of the property at the end of the cashflow and likely occupancy and net income profile for the property.

Transaction Costs

We have made allowances for the following transaction costs within our discounted cash flow:

Transaction Costs	
Acquisition Costs	Nil
Disposal Costs	0.80% of the forecast Terminal Value

Sensitivity Analysis

The table below highlights a sensitivity analysis of the net present value around variations to the discount rate and terminal yield:

Discount Rate	Terminal Yield		
	5.875%	6.125%	6.375%
6.625%	$195,600,000	$189,800,000	$184,500,000
6.875%	$191,700,000	$186,100,000	$180,900,000
7.125%	$188,000,000	$182,500,000	$177,400,000

9 Valuation

9.1 Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach - Market Income	$187,500,000
Capitalisation Approach - Contract Income	$187,500,000
Discounted Cash Flow Approach	$186,100,000
Adopted Value	$187,000,000

9.2 Valuation Conclusion

Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present market sentiment, we have adopted a rounded valuation figure of $187,000,000 plus GST (if any).

Our valuation is subject to the comments, qualifications and financial data contained within our report. On that basis, and assuming the Property is free of encumbrances, restrictions or other impediments of an onerous nature that would affect value, in our opinion its market value as at 31 December 2021, is:

$187,000,000 plus GST (if any)

One Hundred Eighty Seven Million Dollars plus GST (if any)

The assessed value reflects an initial passing yield of 4.83%, an equivalent yield of 6.26%, an internal rate of return of 6.81%, and a rate of $7,385 per square metre of Lettable Area.

We confirm that this report is confidential to the following parties and for the specific purposes noted below:

- Roxy-Pacific Holdings Limited – for inclusion within a Voluntary General Offer.

No responsibility is accepted to any third parties. .

9.3 Involvement Statement

The following parties have been involved in the completion of this valuation:

Inspection of Property	Ben Johnson
Calculations	Ben Johnson, Hannah Robertson, Meghan Crowe
Information Review	Ben Johnson, Hannah Robertson, Meghan Crowe
Report Authoring	Ben Johnson, Hannah Robertson, Meghan Crowe
Quality Assurance	Dale Winfield
Principal Valuer	Ben Johnson

JLL require that all Valuation Reports are reviewed for Quality Assurance purposes before external release. The individual that has undertaken the Quality Assurance review offers no opinion on the subject property(s).

Yours faithfully,
Jones Lang LaSalle, Valuation Advisory

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Appendix 1 – Valuation Definitions

Net Passing Income	The annual sum of the current base rent, any supplementary income and recoverable outgoings, less total outgoings.
Net Income, Fully Leased	The annual net passing income as above, plus estimated income from vacant tenancies and any immediate reversions.
Capitalisation Rate	The capitalisation rate adopted within the valuation applied to either the net income, fully leased (excluding supplementary income) or net market income prior to adjustments for vacancy, rental reversion and capital expenditure.
Initial Yield	The net passing income from an investment divided by the sale price or value adopted for the investment.
Market Yield	The assessed net market income divided by the sale price or value adopted.
Equivalent Yield	A market yield which reflects additional adjustments for capital expenditure, letting up assumptions or the present value of rental reversions after the capitalisation of income.
Discount Rate	A rate of return used to convert a future monetary sum or cash flow into a present value.
Internal Rate of Return (IRR)	The discount rate at which the present value of the future cash flows of the investment equals the acquisition cost of the investment.
Terminal Yield	Alternatively referred to as a Reversionary Yield, being the anticipated yield from an investment property once a reversionary value is attained at the end of the cashflow with adjustments for vacancy allowances.
Ten Year IRR	The IRR (as above) for which the property would achieve based on the present value of all the net cashflows over a 10-year period given the assessed value.
Market Rent	The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.
Market Value	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 wherein the parties had each acted knowledgeably, prudently and without compulsion.
Highest and Best Use	The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible.
Weighted Average Lease Term (WALT)	The weighted average lease term remaining to expire across the property or portfolio, it can be weighted by rental income or lettable area.
Fair Value	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Appendix 2 – Record of Title

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
LEASEHOLD
Search Copy

R.W. Muir
Registrar-General
of Land

Identifier	**325979**
Land Registration District	**North Auckland**
Date Registered	14 August 1990 02:08 pm

Prior References
NA100C/729

Estate	Leasehold	**Instrument**	L C175031.4
Area	3764 square metres more or less	**Term**	91 years commencing on 18.6.1990 (renewal clause)
Legal Description	Lot 1 Deposited Plan 109984		

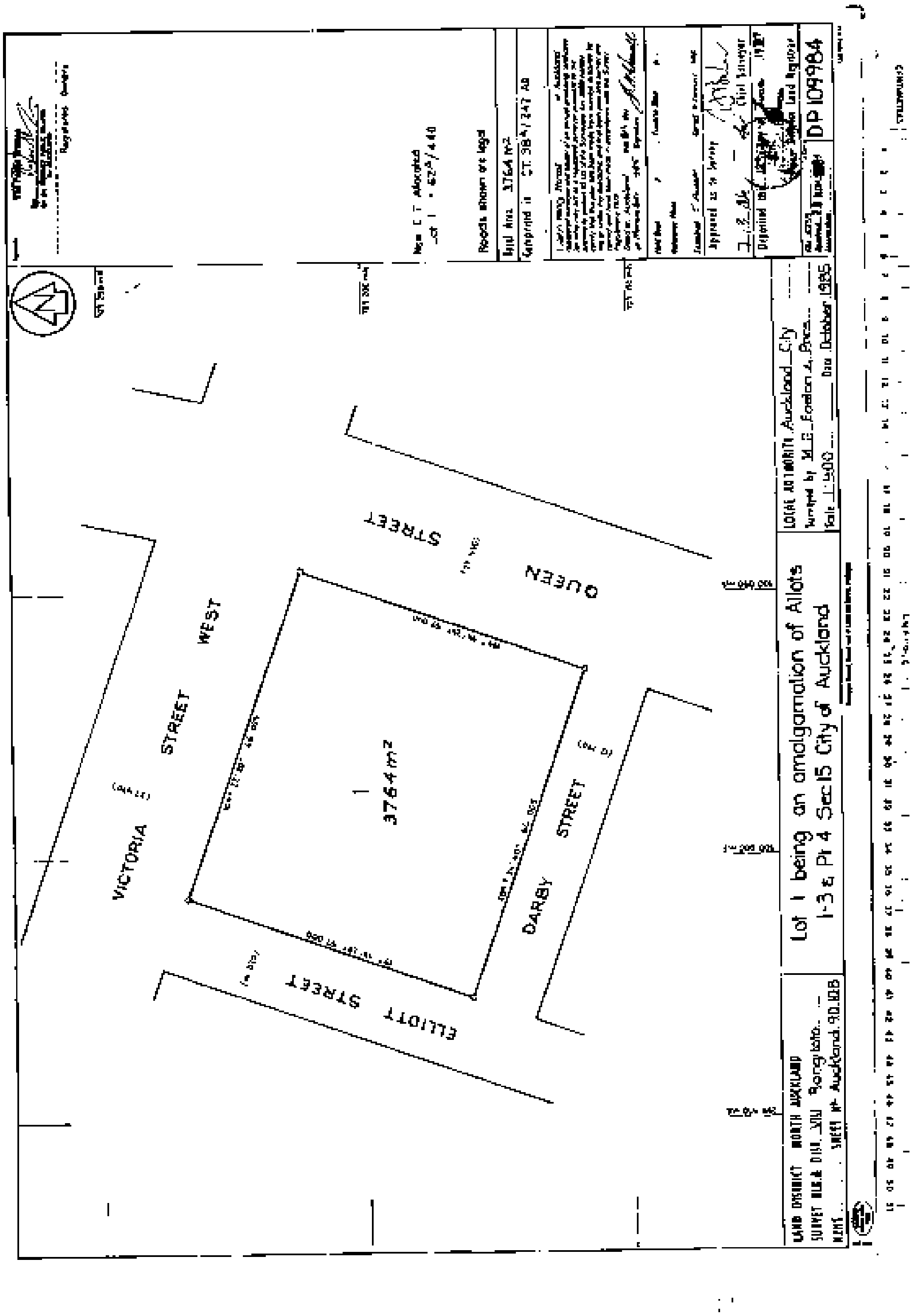
Registered Owners
Roxy-CES (NZ) Limited

Interests

C274930.1 Variation of Lease C175031.4 - 14.6.1991 at 2.55 pm

10966283.3 Mortgage to DBS Bank Limited. - 20.12.2017 at 3:33 pm

11047238.1 Variation of Mortgage 10966283.3 - 7.3.2018 at 6:51 pm


Lot 1 being an amalgamation of Allots
1-3 & Pt 4 Sec 15 City of Auckland
DP 109984
QUEEN STREET
VICTORIA STREET WEST
DARBY STREET
ELLIOTT STREET
1
3764 m²

RECORD OF TITLE
UNDER LAND TRANSFER ACT 2017
FREEHOLD

Search Copy

R. W. Muir
Registrar-General
of Land

Identifier **NA100C/729**
Land Registration District **North Auckland**
Date Issued 15 March 1996

Prior References
NA62A/440

Estate	Fee Simple
Area	3764 square metres more or less
Legal Description	Lot 1 Deposited Plan 109984
Purpose	Reserve for education

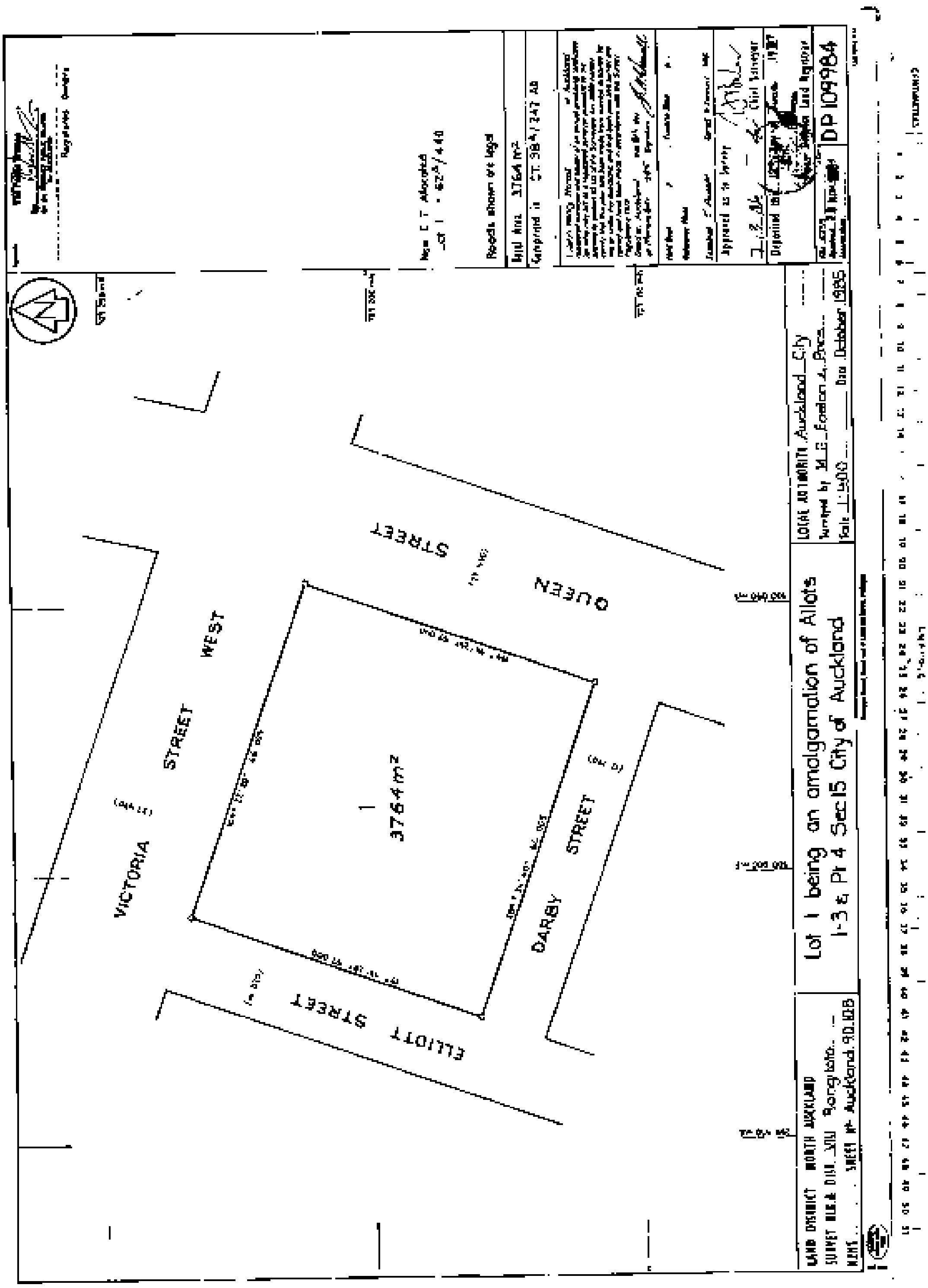
Registered Owners
The Public Trustee

Interests

C175031.4 Lease Term 91 years commencing 18.6.1990 (renewal clause). CT 325979 issued - 14.8.1990 at 2:08 pm

C274930.1 Variation of Lease C175031.4 - 14.6.1991 at 2.55 pm

D331479.1 Certificate pursuant to Section 224(c) Resource Management Act 1991 (affects DP 192361) - 18.11.1998 at 2.46 pm


Lot 1 being an amalgamation of Allots
1-3 & Pt 4 Sec 15 City of Auckland
DP 109984
3764 m²
QUEEN STREET
VICTORIA STREET WEST
DARBY STREET
ELLIOTT STREET
Roads shown are legal
Total Area 3764 m²
Comprised in CT 98A/247 AD
LOCAL AUTHORITY Auckland City
Scale 1:400
Date October 1985
LAND DISTRICT NORTH AUCKLAND

Appendix 3 – Lease Summaries

Lease Summary	The Body Shop
Documents reviewed	Signed Deed of Lease dated 5 March 1997. Signed Deed of Variation Extending and Replace Guarantor dated 18 April 2006. Signed Deed of Variation and Renewal of Lease dated 1 May 2015.
Lessee	The Body Shop
Demised premises	Shop 1, 205 Queen Street, Auckland CBD
Lettable Area	105.38 sqm
Commencement Date	22 May 1996
Expiry Date	21 May 2025
Lease Term	A renewed six (6) year term from 22 May 2014, with no further rights of renewal remaining.
Commencement Rent	$172,823.20 per annum plus GST
Current Rent	$300,845 per annum plus GST
Rental Review Provisions	Annual fixed 3% increases.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Cosmetics Shop.

Lease Summary	ANZ Bank
Documents reviewed	Signed Deed of Lease dated 30 November 2010.
Lessee	Arawata Assets Limited
Demised premises	Part Level 1, 205 Queen Street, Auckland CBD
Lettable Area	656. 24 sqm 3 car parking spaces
Commencement Date	18 June 2011
Expiry Date	17 June 2026
Lease Term	A renewed six (6) year term from 18 June 2020.
Commencement Rent	Premises: $150,000 pa Car Parks: $20,280 pa Signage: $28,000 pa **Total: $198,280 per annum plus GST**
Current Rent	$198,160 per annum plus GST
Rental Review Provisions	Rental Reviews in line with the following provisions: **Fixed Reviews** Annual fixed 3% rental increases. **Market Reviews** Three yearly market reviews.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Commercial Offices.

Lease Summary	ANZ Bank
Documents reviewed	Signed Deed of Lease dated 30 November 2010.
Lessee	Arawata Assets Limited
Demised premises	Retail and Podium, 205 Queen Street, Auckland CBD
Lettable Area	Retail: 981.04 sqm Mezzanine: 695.14 sqm 1 car parking spaces
Commencement Date	18 June 2011

Expiry Date	17 June 2026
Lease Term	A renewed six (6) year term from 18 June 2020.
Commencement Rent	Retail: $1,566,211 pa Mezzanine: $182,252 pa Car Parking: $6,750 pa **Total: $1,755,213 per annum plus GST**
Current Rent	Retail: $1,944,994 per annum plus GST Mezzanine $253,726 per annum plus GST Car park: $7,280 per annum plus GST
Rental Review Provisions	Three yearly market reviews.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Retail, banking, financial services, automated teller machines and commercial offices together with low level signage.

Lease Summary	DLA Piper
Documents reviewed	Signed Deed of Lease dated 25 March 2013.
Lessee	DLA Phillips Fox New Zealand Limited
Demised premises	Levels 17, 18, 20, 21 and 22, Tower 1, 205 Queen Street, Auckland CBD
Lettable Area	Level 17: 584.60 sqm Level 18: 584.71 sqm Level 20: 584.92 sqm Level 21: 584.92 sqm Level 22: 584.66 sqm 19 car parking spaces
Commencement Date	18 April 2014
Expiry Date	17 April 2022
Lease Term	An initial eight (8) year term, with one (1) further right of renewal of four (4) years remaining.
Commencement Rent	Premises: $959,012 pa Car Parks: $133,380 pa Naming Rights: $45,000 pa **Total: $1,137,392 per annum plus GST**
Current Rent	$1,318,998 per annum plus GST
Rental Review Provisions	Market reviews on renewal dates.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Commercial Offices.

Lease Summary	Brookfields
Documents reviewed	Signed Deed of Lease dated 22 October 2014.
Lessee	Brookfields Lawyers Limited
Demised premises	Level 8 and 9, Tower 1, 205 Queen Street, Auckland CBD.
Lettable Area	Level 8 584.53 sqm Level 9 584.73 sqm 14 car parking spaces storage
Commencement Date	1 October 2013
Expiry Date	30 September 2025

Lease Term	An initial twelve (12) year term, with one (1) further right of renewal of four (4) years remaining.
Commencement Rent	Premises: $342,800 pa Car Parks: $94,640 pa Total: $437,440 per annum plus GST
Current Rent	$525,994 per annum plus GST
Rental Review Provisions	With effect from 1 October 2016 and 1 October 2022, the base rent will be increased so as to be an amount equal to 109.273% of the base rent payable immediately prior to the relevant base rent fixed increase date.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Commercial Office.
Special Provisions	**Fitout Rent** In consideration of the Lessor's funding of certain works prior to the Commencement Date, the Lessee pay to the Lessor an additional rent of $40,452.99 per annum plus GST. This shall be paid on the same dates and in the same manner as the Base Rent.

Lease Summary	Bank of China
Documents reviewed	Signed Deed of Lease dated 21 July 2017. Car Park Licence dated 16 May 2019. Signed Deed of Lease dated 16 May 2019.
Lessee	Bank of China
Demised premises	Level 15, 16, 17, Tower 1, 205 Queen Street, Auckland CBD
Lettable Area	Level 15 584.84 sqm Level 16 585.05 sqm Level 17 585.75 sqm 6 car parking spaces
Commencement Date	Level 15 & 16: 1 July 2018 Level 17: 1 October 2014
Expiry Date	30 September 2024
Lease Term	Level 15 & 16: An initial six (6) year and three (3) month term. Level 17: An initial ten (10) year term.
Current Rent	$830,314 annum plus GST
Rental Review Provisions	Level 15 & 16: Annual 3% fixed rental increases. Level 17: Two yearly market reviews
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Commercial Office.
Car Park Licence	Car Parks: 3 spaces Commencement Date: 1 July 2018 Expiry: 30 September 2024 Reviews: Annual fixed 3% reviews

Lease Summary	IAG
Documents reviewed	Signed Deed of Lease dated 16 August 2018.
Lessee	IAG New Zealand Limited
Demised premises	Shop 4B, 205 Queen Street, Auckland CBD
Lettable Area	154.02 sqm 1 car parking space
Commencement Date	5 January 2017
Expiry Date	4 January 2022

Lease Term	An initial five (5) year term, with no further rights of renewal remaining.
Commencement Rent	$184,800 per annum plus GST
Current Rent	$207,611 per annum plus GST
Rental Review Provisions	Rental reviews in line with the below provisions: **Fixed Reviews** Fixed 2% reviews on 5 January 2018 and 5 January 2020. **Market Reviews** Market reviews **on 5 January 2019 and 5 January 2021**
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Retail insurance sales and commercial offices.

Lease Summary	Malaysia Tourism Promotion Board
Documents reviewed	Signed Deed of Variation and Extension of Lease and Licence dated 2021
Lessee	Malaysia Tourism Promotion Board
Lettable Area	Tower 2, level 10: 212.41 sqm Storage S04: 18.24 sqm
Commencement Date	1 July 2011
Expiry Date	30 June 2022
Lease Term	Originally 10 years Varied to 11 years in 2021
Current Rent	Office: $80,716 per annum plus GST Car Park: $7,280 per annum plus GST Storage: $3,833 per annum plus GST
	At deed of variation the lessee and lessor agreed to extend the lease term by one year
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant

Lease Summary	Sitel New Zealand
Documents reviewed	Unsigned Deed of Lease dated 2021
Lessee	Sitel New Zealand
Demised premises	Tower 1, Suite C, level 3, 205 Queen Street
Lettable Area	177.97 sqm 2 car parks
Commencement Date	1 December 2020
Expiry Date	30 November 2023
Lease Term	3 years plus one right of renewal of 3 years
Commencement Rent	Premises: $69,408.30 per annum plus GST Car Parks: $14,560 per annum plus GST Total: $83,968 per annum plus GST
Current Rent	Premises: $69,408.30 per annum plus GST Car Parks: $14,560 per annum plus GST Total: $83,968 per annum plus GST
Rental Review Provisions	Fixed 2.5% rent reviews annually Expect to market on renewal the annual market rent shall not be below the Base Rent payable immediately prior to the particular review date.

Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Commercial office
Special Provisions	Break clause: at or after 31 March 2022 First right of refusal

Lease Summary	Champion Flour Milling
Documents reviewed	Signed Deed of Variation and Extension of lease dated 24 May 2021
Lessee	Champion Flour Milling
Demised premises	Tower 1, level 6, 205 Queen Street
Lettable Area	372.77 sqm
Commencement Date	1 May 2014
Expiry Date	30 April 2022
Lease Term	Originally 7 years Varied to 8 years in 2021
Current Rent	$124,248 per annum plus GST
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Commercial office
Special Provisions	At deed of variation the lessee and lessor agreed to extend the lease term by one year

Lease Summary	Welcia Corporation
Documents reviewed	Signed Deed of Lease dated 13 May 2021
Lessee	Welcia Corporation
Demised premises	Shop 6, 205 Queen Street
Lettable Area	88.6 sqm
Commencement Date	1 April 2021
Expiry Date	31 March 2026
Lease Term	5 years (no rights of renewal available)
Commencement Rent	$98,000 per annum plus GST
Current Rent	$98,000 per annum plus GST
Rental Review Provisions	Annual 3% increases A market rent review on the 3rd anniversary of the commencement date. Any market rent review will not exceed an increase of more than 8% of the Base Rent immediately preceding the relevant rent review date
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	Convenience store
Special Provisions	Redecoration date: within 6 months prior to termination date. 5 months rent free incentive from the commencement date till 31 August 2021

Lease Summary	Al Tawakai
Documents reviewed	Signed Deed of Assignment of Lease dated 2 April 2021
Lessee	Assignee: Al Tawakai Assignor: Brothers Corporation
Demised premises	Shop 5B, ground floor, 205 Queen Street, Auckland
Lettable Area	72.05 sqm
Commencement Date	Original lease: 21 November 2016 Assignment date: 22 April 2021
Expiry Date	17 November 2024
Lease Term	8 years plus one right of renewal of 6 years
Current Rent	Total: $84,413.17 per annum plus GST
Rental Review Provisions	Annual fixed 3% increases.
Outgoings Recovery	Net lease – standard building operating expenses are recoverable from the tenant.
Permitted Use	High quality Indian takeaway outlet

Lease Summary	Skyline Tech
Documents reviewed	Part Signed Deed of Lease dated 7 October 2021
Lessee	Skyline Tech Limited
Demised premises	Tower 2, Part level 10, 250 Queen Street, Auckland
Lettable Area	182.75 sqm
Commencement Date	1 August 2021
Expiry Date	31 July 2024
Lease Term	3 years
Commencement Rent	$72,704.81 per annum plus GST
Current Rent	$72,704.81 per annum plus GST
Rental Review Provisions	Annual fixed 3% rent reviews on the anniversary of the commencement date.
Outgoings Recovery	Net lease
Permitted Use	Commercial office
Special Provisions	**Redevelopment:** Should the Lessor require the Land, the Complex, the Building or the Premises (or any part of them) for Redevelopment Purposes and vacant possession Of the premises is necessary for those Redevelopment Purposes, then the Lessor may give written notice to the Lessee at any time after 31 December 2024 specifying a date for vacant possession, such date to be not less than six (6) months after the date of service of such notice on the Lessee, The term Of this Lease shall expire upon the exploration Of that notice without prejudice to the rights of either party in relation to any prior breach of this Lease and the rent will cease to accrue from the date of expiry. The Lessee will not be entitled to any compensation Or damages arising from that termination nor will the Lessee be entitled to require the Lessor to grant any further lease or right Of occupation in substitution for this Lease. **Assignment:** lessee will not assign this lease or premises for a period of 2 years from the commencement date.
Lessors Fixtures and Fittings	Fitout of premises, carpet, tile flooring, lighting, ceiling tiles, partition walls, doors, kitchen unit accessories, roller blinds, fixed storage units.

Lease Summary	Wilson Parking
Documents reviewed	Offer to lease- Car parks
Lessee	Wilson Parking New Zealand Limited
Demised premises	39 Bays (34 single and 5 tandem) car parks at 205 Queen Street, Auckland
Commencement Date	1 November 2021
Expiry Date	31 October 2024
Lease Term	3 years
Commencement Rent	The initial Annual Rent shall be $131,820.00 per annum, plus GST, and shall be payable in monthly instalments of $10,985.00 plus GST, with the first payment due on the Commencement Date and subsequently monthly in advance, without deduction or set-off, by direct debit or automatic payment as the Lessor from time to time directs. The Annual Rent is calculated at $65.00 per car park per week, plus GST and is based on 39 bays (34 single car parks and 5 tandem car parks) and is inclusive of all outgoings or other charges.
Rental Review Provisions	The Annual Rent will increase by 3% on each anniversary of the Commencement Date. The Lessor shall provide the Lessee with reasonable notice each year of the new Annual Rent.
Outgoings Recovery	N/A
Permitted Use	Car Parks
Special Provisions	**Additional bays:** From 1 May 2022, the Lessee will take on an additional 19 car parking bays (Additional Car Park Bays) at a rate of $65 plus GST per week per Additional Car Park Bay, to be leased on the same terms and conditions of this Lease. **Early termination**: In the event of the Lessor undertaking a substantial redevelopment of the Premises requiring vacant possession of the Car Park Bays, this Lease can be terminated by the Lessor on the provision of no less than TWELVE (12) months' written notice to the Lessee of the date of commencement of any redevelopment works. The Lessee shall then vacate the Car Park Bays ONE (1) week prior to the commencement of the redevelopment works specified in the Lessor's notice.

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Valuation Advisory

Report prepared for Roxy-Pacific Holdings Limited for the purposes of the Voluntary General Offer

33 Argyle Street, Parramatta, NSW, 2150

31 December 2021

Job Number: 29294

Executive Summary

33 Argyle Street, Parramatta

Aerial Image of Subject

Executive Summary

Instructions

Prepared For	This valuation has been prepared for Roxy-Pacific Holdings Limited for the purposes of the Voluntary General Offer. *(Refer Section 1.1)*
Reliant Parties	Roxy-Pacific Holdings Limited for the purposes of the Voluntary General Offer.
Valuation Purpose	Voluntary General Offer.
Interest Valued	100% Freehold Interest.

Property Details

Address	33 Argyle Street, Parramatta, NSW, 2150.			
Site Area	2,048m².			
Zoning	B4 Mixed Use.			
Description	The property comprises an older style ten (10) storey 'B' grade commercial office building completed in 1987. The building provides two ground floor office suites, café, three levels of above ground parking providing 137 (income producing) car spaces and 6 upper levels of office accommodation. The property comprises a regular shaped allotment of 2,048sqm and is located on the southern side of Argyle Street within the western precinct of the Parramatta Central Business District (CBD). The subject property has recently undergone major refurbishment works including upgrades to the main lobby, lifts, levels 4 & 8, retail and new end of trip facilities. Part of the works were still ongoing as at the date of valuation and are scheduled to be completed early 2022. The remaining cost associated with these cap-ex works have been included in our valuation calculations.			
NABERS Rating	**Energy**	4.5 star/s.	**Water**	4.5 star/s.
Net Lettable Area	5,304m².			
Car Spaces	137spaces 1:39sqm.			
Vacancy	886m² (16.71%).			
Lease Expiry	**By Income**	2.34 years.	**By Area**	2.45 years.

Valuation

Valuation Approaches	Capitalisation of Net Income and Discounted Cash Flow (DCF).
Basis of Valuation	Market Value 'As Is' subject to existing leases.
Date of Valuation	31 December 2021.
Date of Inspection	10 November 2021.
Adopted Value	**AUD $50,000,000 (FIFTY MILLION DOLLARS) Plus GST (if any).**
Significant Valuation Uncertainty	**The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. Our valuation is therefore reported on the basis of 'significant valuation uncertainty'. Please refer to Property Performance/Market Risk for further details.**

This is a summary only. It must not be relied on for any purpose. This executive summary is an abstract of the contents of the following valuation report. The valuation assessment and report are contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

Executive Summary

Valuers

Jones Lang LaSalle Advisory Services Pty Ltd

John Callaghan AAPI MRICS
(Primary Valuer)
Senior Director
Valuation Advisory – NSW
Certified Practising Valuer

Richard Lawrie FAPI MRICS
(Supervising Member)
Head of Valuation Advisory - NSW
Valuation Advisory – NSW

Date of Issuance: 14/01/2022
Job Number: 29294

The opinion of value expressed in this report is that of the Primary Valuer who undertook the valuation and who is the primary signatory on the report. That Valuer is John Callaghan.

Whilst not having inspected the subject property, Richard Lawrie the countersignatory, acting in the capacity as a Supervising Member, has reviewed the draft Valuation Report and working papers, and based upon that review and questioning of the Primary Valuer (as appropriate), is satisfied there is a reasonable basis for the valuation process undertaken and the methodology adopted by the Primary Valuer.

This executive summary is an abstract of the contents of the following valuation report. The valuation assessment and report is contingent upon a number of conditions, qualifications and critical assumptions which are fully described and set out in the body of the report.

It is essential that before the addressee relies on this valuation, they read the report in its entirety, including any Annexures. Should the addressee be or become aware of any issue or issues that cast doubt on or are in conflict with the conditions, qualifications or assumptions contained within this report, they must notify JLL in writing so that any conflicts may be considered and if appropriate, an amended report issued.

Liability limited by a scheme approved under Professional Standards Legislation.

Key Outputs

Area & Occupancy Details		NLA	Car Bays
Total		5,303.90	137
Occupied	*83.3%*	4,417.50	84
Vacant	*16.7%*	886.40	53
Weighted Average Lease Expiry By Area			2.45 years
Weighted Average Lease Expiry By Net Income			2.34 years

Valuation Reconciliation	
Market Capitalisation Approach	**50,000,000**
DCF Approach	**50,000,000**
Adopted Market Value	**50,000,000**
Initial Passing Yield	**4.39%**
Initial Passing Yield (After Abatements)	3.36%
Initial Passing Yield (Fully Leased)	5.79%
Equivalent Initial Yield	**5.19%**
Reversionary Yield	6.03%
Equivalent Market Yield	**5.40%**
Capital Value $/m² - NLA	**9,427**
10 Year IRR	**6.17%**

Capital Expenditure	$	$/m²	% of Value
Capital Expenditure adopted In Cap Val (36 months)	678,938	128	*1.4%*
Capital Expenditure (10 years, inflated)	2,383,171	449	*4.8%*
Capital Expenditure (10 years, PV)	1,807,967	341	*3.6%*

Capitalisation Approach			
Expiry Allowances for Tenancies expiring before	31-Dec-24	*36 months capturing 65% of NLA*	
Market Capitalisation rate	5.625%	**5.375%**	5.125%
Market Capitalisation Value	47,791,387	**50,264,906**	52,981,574
Rounded Market Capitalisation Value	48,000,000	**50,000,000**	53,000,000

Discounted Cash Flow Approach		
Cash Flow period	10 years	
Discount Rate	**6.25%**	
Terminal Capitalisation Rate	**5.750%**	*+ 37.5 bp spread*
Terminal Allowance for Tenancies expiring before	1-Jan-34	*24 months capturing 52% of NLA*
Assumed WALE By Area (as at 1-Jan-32)	2.10 years	
Assumed WALE By Net Passing Income (as at 1-Jan-32)	2.13 years	

Sum of Discounted Cash Flows	14,581,855	*27.8%*
Present Value of Terminal Value	37,905,306	*72.2%*
NPV (before acquisition costs)	52,487,162	
Acquisition Costs	(2,783,410)	
NPV (after acquisition costs)	49,703,752	
Rounded NPV	**50,000,000**	

Key Inputs

Capital Expenditure Summary	10 Year Total	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Total Budgeted Capex	90,000	90,000	-	-	-	-	-	-	-	-	-
Total Sinking Fund	730,409	66,299	67,426	68,774	70,287	71,904	73,558	75,250	77,131	78,982	80,799
Total Refurbishment Allowances	1,562,762	43,777	340,487	67,562	143,601	59,167	373,014	56,696	355,892	97,741	24,825
Total Capital Expenditure	**2,383,171**	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**105,624**
Terminal Capital Expenditure Allowance	608,962										608,962
Total Capital Expenditure (Incl. Allowances)	**2,992,133**	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**714,586**

Leasing Allowances	10 Year Total	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Downtime	4,012,134	777,398	535,544	332,056	148,827	73,979	395,102	614,721	858,101	149,764	126,643
Incentives	7,198,962	622,727	842,377	1,105,783	609,953	455,042	442,897	1,126,269	959,673	457,599	576,644
Secured Incentives	1,526,674	552,428	336,871	244,880	189,772	142,300	60,424	-	-	-	-
Renewal Incentives	5,672,289	70,299	505,506	860,903	420,181	312,743	382,473	1,126,269	959,673	457,599	576,644
Leasing Costs	811,158	13,827	93,161	157,075	44,879	11,685	27,825	212,209	170,158	25,084	55,256
Total Leasing Allowances	**12,022,255**	**1,413,952**	**1,471,082**	**1,594,914**	**803,659**	**540,705**	**865,824**	**1,953,199**	**1,987,932**	**632,446**	**758,543**

Expense Growth	10 Year CAGR	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
CPI	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Statutory Expenses	3.23%	2.70%	3.00%	3.20%	3.30%	3.30%	3.30%	3.50%	3.40%	3.30%	3.30%
Operating Expenses	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Building Capex	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Adopted Outgoings	2.63%	2.09%	2.39%	2.59%	2.70%	2.70%	2.70%	2.90%	2.81%	2.71%	2.71%

Income Growth	10 Year CAGR	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Office Market Rent Growth - Net	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Office Market Rent Growth - Gross	3.41%	0.24%	2.55%	3.71%	3.95%	3.95%	3.95%	4.20%	4.19%	3.72%	3.72%
Retail Market Rent Growth - Net	2.96%	-	3.00%	3.20%	3.30%	3.30%	3.30%	3.50%	3.40%	3.30%	3.30%
Retail Market Rent Growth - Gross	2.92%	0.24%	2.93%	3.13%	3.23%	3.23%	3.23%	3.43%	3.33%	3.23%	3.23%
Car Parking Market Rent Growth - Net	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Car Parking Market Rent Growth - Gross	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Storage Market Rent Growth - Net	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Storage Market Rent Growth - Gross	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%

Office		Vacancies	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Expiry Profile	m²	886	290	1,992	258	537	262	2,120	330	2,030	537	133
Renewal Probability	%		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	12.0	12.0	12.0	9.0	9.0	9.0	12.0	9.0	12.0	9.0	9.0
Applied Downtime	months	12.0	6.0	6.0	4.5	4.5	4.5	6.0	4.5	6.0	4.5	4.5
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Net Incentives - New Leases	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Net Incentives - Renewals	%		30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Net Incentives	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Net Incentives	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Applied Incentives	months	17.4	18.0	16.8	16.2	15.6	14.4	14.4	14.4	14.4	13.8	13.8
Leasing Costs - New Leases	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Leasing Costs - Renewals	%		12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Applied Leasing Costs	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Refurbishment on Expiry - New Leases	$/m²	150.00	150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Refurbishment on Expiry - Renewals	$/m²		150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Applied Refurbishment Expiry Allowance	$/m²		150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Net Market Rent (start of period)	$/m²		475	473	485	505	527	550	574	600	628	653
Gross Market Rent (start of period)	$/m²		626	627	644	667	694	721	750	781	814	844
Occupancy Rate (Weighted by Area)	%		80.9%	86.2%	92.3%	96.2%	98.3%	90.0%	87.4%	82.8%	96.7%	97.4%

Key Inputs

Retail		Vacancies	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Expiry Profile	m²	-	-	-	-	-	25	-	-	-	-	-
Renewal Probability	%		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	9.0	9.0	9.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Applied Downtime	months	9.0	4.5	4.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Net Incentives - New Leases	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Incentives - Renewals	%		12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Incentives	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Net Incentives	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Applied Incentives	months	7.5	7.5	7.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Leasing Costs - New Leases	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Leasing Costs - Renewals	%		12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Applied Leasing Costs	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Refurbishment on Expiry - New Leases	$/m²	50.00	50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Refurbishment on Expiry - Renewals	$/m²		50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Applied Refurbishment Expiry Allowance	$/m²		50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Net Market Rent (start of period)	$/m²		1,148	1,148	1,182	1,220	1,260	1,302	1,345	1,392	1,439	1,487
Gross Market Rent (start of period)	$/m²		1,299	1,302	1,341	1,382	1,427	1,473	1,521	1,573	1,625	1,678
Occupancy Rate (Weighted by Area)	%		100.0%	100.0%	100.0%	100.0%	87.1%	87.7%	100.0%	100.0%	100.0%	100.0%

Property Performance

Market Performance

Significant Valuation Uncertainty

- The API on 29 March 2020 releases a Significant Valuation Uncertainty Protocol which we have adopted as follows:
  The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. We have seen global financial markets impacted and travel restrictions and recommendations being implemented by many countries, including Australia.
  The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a significant market uncertainty.
  This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.
  Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.
  For the avoidance of doubt, the inclusion of the 'market uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.

Market Performance – Parramatta Office Market Update 3Q21

We provide Q3 2021 update research complied by the JLL research team for Parramatta Office Market. Some of the more salient points are as follows. These comments are general market in nature and relate to a basket of properties in this particular market.

- The Parramatta office market recorded robust positive net absorption of 45,762 sqm in 3Q21.
- As a result, headline vacancy contracted to 12.9% over the quarter.
- 6 Hassall Street completed in 3Q21, adding 27,440 sqm of office space to the market.
- The next completion will be 6 Parramatta Square (70,000 sqm), which is due to complete in 4Q21.
- Prime gross effective rents increased marginally by 0.4% Q-o-Q, while secondary gross effective rents increase by 1.4% Q-o-Q.
- 9 Wentworth Street transacted for AUD 64.0 million over the quarter.
- The prime yield range compressed by 13 bps at the lower end and stands at 4.75% - 5.75%, and the secondary yield compressed by 12 bps at both ends to 5.38% - 6.88%.

Market Performance Risk Rating: High

Asset Performance

- The property comprises an older style ten (10) storey 'B' grade commercial office building completed in 1987. The building provides two ground floor office suites, café, three levels of above ground parking providing 137 car spaces and 6 upper levels of office accommodation.
- The subject property has recently undergone major refurbishment works including upgrades to the main lobby, lifts, levels 4 & 8, retail and new end of trip facilities. Part of the works were still ongoing as at the date of valuation and are scheduled to be completed early 2022. The remaining cost associated with these cap-ex works have been included in our valuation calculations.
- The property comprises a regular shaped allotment of 2,048sqm and is located on the southern side of Argyle Street within the 'western' precinct of the Parramatta Central Business District (CBD).
- The building provides a total net lettable area (NLA) of approximately 5,304 square metres.
- The subject is zoned B4 – Mixed Use under the Parramatta Local Environmental Plan 2011.
- Public Transport facilities are located nearby with Parramatta Railway Station located approximately 450 metres east of the subject property. Additionally, the Parramatta Square redevelopment (main tower 6-8 PSQ due for completion in 2022) is located approximately 400 metres to the east and Westfield Shopping Centre located approximately 200 metres to the south.
- The property has a current NABERS Energy rating of 4.5 stars and Water rating of 4.5 stars.

Asset Performance Risk Rating: Moderate/High

Cash Flow Performance

- The property is 83.29% leased, primarily to Aboriginal Land Council (28.2% of NLA).
- We have extended our expiry horizon to 36 months (now capturing 65% of expiry by NLA including vacancy) in our Capitalisation approach in order to capture the major tenant expires in the building. By capturing these expiries, we have essentially de-risked the asset and our adopted capitalisation rate is reflective of this.
- The income for the Property is summarised as follows:

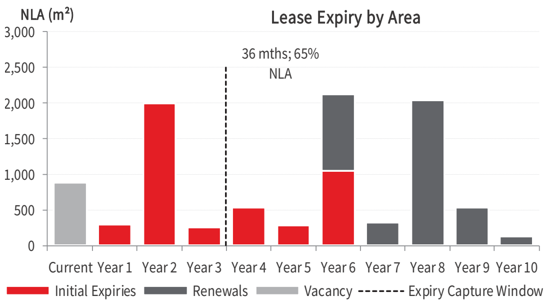
Property Performance

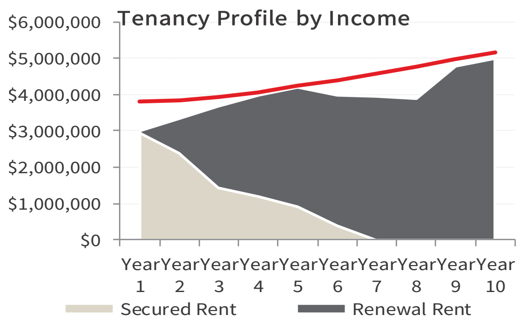
Income Analysis

	NLA (m²)	Passing $ pa.	Passing $/m² pa.	% Passing	Market $ pa.	Market $/m² pa.	% Market	Variance %
Aboriginal Land Council	1,494	1,107,432	741	36.9%	1,118,335	749	29.3%	(1.0%)
Health Career International	873	484,289	555	16.1%	553,336	634	14.5%	(12.5%)
Aboriginal Legal Services	537	358,662	668	12.0%	364,029	678	9.5%	(1.5%)
SY Solutions	324	223,267	689	7.4%	231,367	714	6.1%	(3.5%)
Ability Options	220	183,688	835	6.1%	185,689	844	4.9%	(1.1%)
Holdover tenants	-	-	-	-	-	-	-	-
Other tenants	970	642,164	662	21.4%	666,405	687	17.4%	(3.6%)
Sundry Income		-		-	-		-	-
Vacant	886				700,081	790	18.3%	
Gross Income		**2,999,502**	**566**	**100.0%**	**3,819,243**	**720**	**100.0%**	**(21.5%)**
Less Outgoings		(802,583)	(151)		(802,583)	(151)		-
Statutory Expenses		(312,302)	(59)		(312,302)	(59)		-
Operating Expenses		(490,281)	(92)		(490,281)	(92)		-
Ground Rent		-			-			-
Non-recoverable Expenses		-			-			-
Net Income		**2,196,920**	**414**		**3,016,661**	**569**		**(27.2%)**

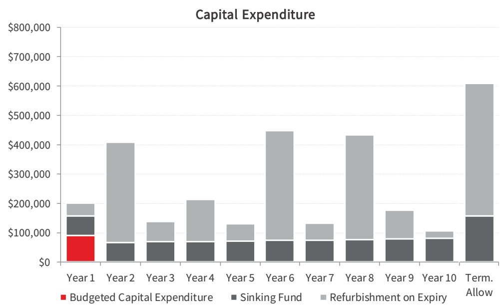
* % Market Rent based on all Areas including Vacancies

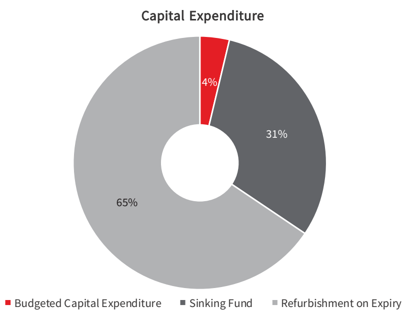
- The weighted average lease term (by income) is 2.34 years. The Lease Expiry and Tenancy Profiles are summarised as follows:





- The adopted capital expenditure throughout the cashflow over 10 years equates to $2,383,171, reflecting a rate of $449/m². We note our terminal value indicates a further $608,962 which equates to a total capital expenditure including terminal allowances of $2,992,133 reflecting $564/m².





Property Performance

Tenant Covenant Strength Caveat

- **Although we reflect our general understanding of the status of the tenant(s) based on publicly available information which may not be up to date, we are not qualified to advise you on the financial standing of the tenant(s). Based on the information currently available, we have formed the following view with regard to the covenant status of the tenants.**
- **This view is, with the ongoing outbreak of Covid-19 virus, uncertain trading and credit market conditions may lead to rapid changes in covenant strength and/or sentiment.**

Cash Flow Performance Risk Rating: High

Property Management Performance

- The building is multi tenanted and therefore requires a moderate degree of property management.

Property Management Performance Risk Rating: Moderate

Risk Rating Summary

Category	Low	Low/Moderate	Moderate	Moderate/High	High
Market Risk					
Asset Risk					
Cash Flow Risk					
Management Risk					

Property Performance

SWOT Analysis

Strengths	Weaknesses
▪ Flexible B4-Mixed Use zoning that lends itself to a wide range of potential uses ▪ Broader sentiment around the enhancement of amenity and profile of Parramatta CBD with infrastructure upgrades including new light rail (due 2023) on the northern side of Parramatta CBD, M4 East motorway, Western Sydney Stadium, and also expansion of the Western Sydney University campus ▪ Recent refurbishment of the ground floor foyer, façade, Level 4 & 8 and the construction of end of trip facilities will attract more prospective tenants. ▪ On-site parking available. ▪ NABERS Energy Rating of 4.5 Stars and NABERS Water Rating of 4.5 Stars	▪ Fringe secondary commercial location within Parramatta CBD ▪ Older style building being constructed in 1987 ▪ Large number of vacant car spaces (53) ▪ Lease expiry of approx. 65% by NLA in Years 1-3 of the cashflow (including vacancy). We note we are explicitly capturing this expiry in our valuation calculations.
Opportunities	**Threats**
▪ Underlying future redevelopment potential of the site including potential amalgamation with adjoining properties. ▪ Lease vacant office accommodation within the building.	▪ Work from Home (WFH) movement and potential impact on requirements for office accommodation. ▪ Material valuation uncertainty due to Novel Coronavirus (COVID – 19) (see expanded clause under Critical Assumption, Limitations and Conditions in this report). ▪ Tenant Covenant Strength Caveat - We are not qualified to advise you on the financial standing of the tenant(s). With the ongoing outbreak of Covid-19 virus, uncertain trading and credit market conditions may lead to rapid changes in covenant strength and/or sentiment. ▪ The investment market was experiencing very strong demand pre Covid 19 which resulted in investment yields firming to record lows in many markets. This is certainly the case in the subject property's market. Whilst the market has shown consistent growth and a sustained period of incremental yield decline, investment property markets are not immune to fluctuations. Accordingly, the value of the subject property may change as a result of general market movement or unexpected changes in economic and investment conditions. We recommend regular valuation updates are undertaken. ▪ FIRB approval is delayed given the current COVID-19 market conditions.

Property Performance

Valuation Considerations and Property Management

Consideration		
Likely Selling Period	6 to 12 months.	This is an estimate of the time it might take for the Property to sell if it were marketed at the ascribed market value. Naturally, this is not a guarantee, and the actual time it may take to sell the Property will be impacted upon by numerous factors including the marketing undertaken, eagerness of buyers both generally and also in relation to assets similar to the Property, availability of finance, and changes in market conditions subsequent to the valuation date.
Most Probably Purchaser		In consideration of the current market, we anticipate the most probable purchaser of the Property to be an institutional investor or a property trust, high net worth individual or group of individuals, syndicate or an offshore investment vehicle or alternatively a developer taking a long term view.
Sale History	$40,800,000	The property reportedly transacted in November 2018. We note the market has firmed considerably since this time (refer Sales Evidence Section in body of report for further details in this regard).
Insurance Replacement Cost	$40,000,000 (GST exclusive) $44,000,000 (GST inclusive)	Details related to our Insurance Replacement Costs are outlined in Insurance Replacement Costs Section of this report. No allowance is made for the loss of income, letting-up incentives, or cost of leasing alternative accommodation.

Critical Assumptions, Conditions & Limitations

In addition to any other assumptions, conditions and limitations contained within this report, our valuation is based on the following:

Verifiable Assumptions	
Significant Valuation Uncertainty	▪ **The outbreak of the Novel Coronavirus (COVID-19) was declared as a 'Global Pandemic' by the World Health Organisation on 11 March 2020. We have seen global financial markets impacted and travel restrictions and recommendations being implemented by many countries, including Australia.** **The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing daily at present. As at the date of valuation we consider that there is a significant market uncertainty.** **This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation). We do not accept responsibility or liability for any losses arising from such subsequent changes in value.** **Given the valuation uncertainty noted, we recommend that the user(s) of this report review this valuation periodically.** ▪ **For the avoidance of doubt, the inclusion of the 'market uncertainty' declaration above does not mean that the valuation cannot be relied upon. Rather, the phrase is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case.**
COVID-19 Impact on Value Considerations	▪ JLL's valuation assumptions in respect of investment parameters, market growth outlook, and reletting assumptions have sought to consider the impact of COVID-19 on economic conditions, albeit in an environment where significant market uncertainty exists.
Market Movement	▪ This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). We do not accept liability for the losses arising from such subsequent changes in value. ▪ Without limiting the generality of the above and the following statement, we do not assume any responsibility or accept any liability for losses arising from such subsequent changes in value in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. However, it should be recognised that the 90 day reliance period does not guarantee the value for that period; it always remains a valuation at the date of valuation only. ▪ This report is relevant at date of valuation and to the circumstances prevailing at that time. However, within a changing economic environment experiencing fluctuations in interest rates, inflation levels, rents and global economic circumstances, acceptable returns on investment may, as a consequence, be susceptible to future variation. We therefore strongly recommend that before any action is taken involving an acquisition, disposal, shareholding restructure or other transaction more than 90 days after the date of this report, you consult the Valuer.
Information	▪ We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. JLL accepts no liability for any inaccuracies contained in the information provided by either the TECapital and/or Property Manager or other parties, or for conclusions which are drawn either wholly or partially from that information. Should inaccuracies be subsequently discovered, we reserve the right to amend our valuation assessment. ▪ We have relied on building areas, income figures and expense figures as provided by the instructing party or its agents and made specified adjustments where necessary. ▪ If any pre-purchase building audit/report indicates any adverse issues relating to the building, the report should be returned to the valuer for comment.
Certificate of Title or Current Title Search	▪ We have considered any dealings on the Current Title Search/es in arriving at our opinion of value and assume good and marketable title. For a detailed summary of the dealings noted on the Title and in this report, we refer you to the Current Title Search/es annexed. ▪ We have not fully searched the notifications on title and our valuation assumes good and marketable title and that the Property is free of encumbrances, restrictions, mortgages, charges, and other financial liens or other impediments of an onerous nature, which would affect value. ▪ We have also assumed that there are no other easements, rights of way or notations other than those referred to in this valuation or on the Current Title Search/es.
Site	▪ We have relied on the land dimensions and areas as provided on the Registered/Survey Plan or Certificate of Title(s), as searched and annexed. In certain cases physical checking of land dimensions and areas is difficult or not practical due to proximity of adjoining buildings, steep terrain or inaccessible title boundaries. JLL accepts no responsibility if any of the land dimensions or the area shown on title is found to be incorrect.

Critical Assumptions, Conditions & Limitations

Verifiable Assumptions	
	▪ As the building improvements appear to lie within the title boundaries, it is unlikely that any encroachments would exist. A Licensed Surveyor would need to confirm that the building improvements lie on or within the title curtilage. This valuation is made on the assumption that there are no encroachments by or upon the Property. ▪ Our valuation assumes that there are no archaeological entitlements with the land holding. ▪ Our valuation also assumes that the Property is not affected by any road alteration or resumption proposals.
Native Title	▪ We have not undertaken any formal native title searches, and our valuation is made on the assumption that there are no Native Title Claim issues relating to the Centre. If any Native Title Claim issues are found to relate to the Centre, we reserve the right to review our valuation.
Asbestos	▪ Other than stated within this report, we have not undertaken any formal searches regarding the existence of asbestos in or on the Property. We are not experts in this area and therefore in the absence of an environmental consultant's report concerning the presence of any asbestos fibre in or on the Property, our valuation is made on the assumption that there are no health risks from asbestos. If any asbestos related health risk is found to exist on or within the Property, we reserve the right to review our valuation.
Non-Conforming Building Products and Fire Safety	▪ We have assumed (unless stated otherwise herein) that the improvements are compliant with the Building Code of Australia (BCA) along with the relevant fire safety codes and regulations and do not pose a fire compliance risk, nor require immediate rectification. We have made no allowances in our valuation for rectification works. ▪ **We have made enquires with TECapital who have advised that the subject property does not require rectification works for non-compliant building products such as ACP. Should this be proven to be incorrect we reserve the right to update this valuation.** ▪ Our visual inspection is not a conclusive indicator of the actual presence of non-conforming building products and/or fire safety issues within the Subject Property. If subsequent to the writing of this valuation an independent expert's report reveals the existence of any non-conforming building products previously not disclosed to the valuer in writing, then this valuation should be referred back to the valuer for further review and possible amendment. In this paragraph, non-conforming building products means building products and materials that do not satisfy the quality requirements of technical standards (including the Building Code of Australia) or legislative requirements, and/or building products and materials that have been incorrectly or inappropriately used.
Environmental / Contamination	▪ Our valuation has been made assuming an audit would be available which would satisfy all relevant environmental and occupational health & safety legislation. If the Property's current status needs to be clarified, an Environmental Audit should be undertaken and should any subsequent investigation show that the site is contaminated, this valuation may require revision. Our valuation excludes the cost to rectify and make good the Property, which may have become contaminated as a result of past and present uses. Our valuation therefore assumes that there are no environmental issues with the land holding.
Climate Change	▪ Real Estate and Construction sectors have started to take action to not only mitigate the impact of climate change on the sector but proactively develop solutions, focussing on energy production and consumption of resources. ▪ As the sector continues to focus on the above, climate change considerations form part of active participants management processes, generally via sustainability initiatives. ▪ Our valuation has general regard to Climate Change initiatives that have been identified or advised as they relate to the asset, relative to the assets which form the basket of rental and sales evidence considered.
GST	▪ In relation to our GST calculations, we are not taxation or legal experts and we recommend competent and qualified advice be obtained. Should this advice vary from our interpretation of the legislation and Australian Taxation Office rulings current as at the date of this valuation, we reserve the right to review and amend our valuation accordingly. ▪ Furthermore, we have relied upon the GST information provided to us in assessing the property and should it be discovered that there are inconsistencies in this information, we reserve the right to amend our valuation.
Occupancy/Lease Info	▪ Where we have sighted Agreements to Lease and/or Disclosure Statements only or in instances where we have sighted draft documentation only, we have assumed that formal lease documentation is prepared and executed in accordance with the details provided in the document(s) sighted. ▪ Where we have been unable to sight relevant lease documentation, we have relied upon the information contained within the tenancy schedule and other financial information provided to us and assume that formal lease documentation has been prepared and executed in accordance with the details provided within the tenancy schedule/financial information.

Critical Assumptions, Conditions & Limitations

Verifiable Assumptions	
Assignment	▪ This clause applies upon any request that this valuation be assigned to a party other than the intended recipients named herein. Notwithstanding anything else, including any agreement by JLL subsequent to this report's date that it will assign this valuation: a. This valuation is deemed not to be assigned unless the request for the assignment, confirmation, reissue or other act occurred within 90 days of the date of this valuation. b. Any assignment is deemed to be in reliance upon, and is conditional upon, the assignee's acknowledgement that JLL: o has not re-inspected the Property prior to the assignment occurring; o has not undertaken further investigation or analysis as to any changes since the initial valuation; and ▪ accepts no responsibility for reliance upon the initial valuation other than as a valuation of the Property as at the date of the initial valuation.
Limited Liability Scheme	▪ JLL are participants in the Australian Property Institute (API) limited liability scheme. This scheme has been approved under Professional Standards legislation and is compulsory for all API members.
Reliance	▪ Reliance on this valuation report is permitted only: a. by a party expressly identified by the report as being permitted to rely on it; b. when the given party has received the report directly from JLL; and ▪ for a purpose expressly identified by the report as being a permitted use of the report.
Currency	▪ All amounts stated in this report are in Australian Dollars unless otherwise indicated.
Conflict of Interest	▪ The Valuer/Firm (in addition to the principal valuer) has no Potential Conflict of Interest or Pecuniary Interest (real or perceived) relating to the Subject Property.
Tenant Covenant Strength Caveat	▪ **Although we reflect our general understanding of the status of the tenants based on publicly available information which may not be up to date, we are not qualified to advise you on the financial standing of the tenants. Based on the information currently available, we have formed a view as detailed within our report with regard to the covenant status of the tenant.** ▪ **With the ongoing outbreak of Covid-19 virus, uncertain trading and credit market conditions may lead to rapid changes in covenant strength and/or sentiment.**
Mandatory Code of Conduct	▪ As at the 14 August 2021 the NSW State Government announced the reintroduction of the National Cabinet's Mandatory Code of Conduct for Commercial Leasing. ▪ As part of this, the NSW Government will re-introduce the National Cabinet's Mandatory Code of Conduct for Commercial Leasing to mandate rent relief for eligible tenants impacted by COVID-19. ▪ The Retail and Other Commercial Leases (COVID-19) Regulation 2021 will be extended until 13 January 2022 and will require landlords to renegotiate rent having regard to National Cabinet's Code of Conduct. ▪ The Code of Conduct requires landlords to provide rent relief in proportion with their tenant's decline in turnover. ▪ Eligible commercial landowners are also able to apply for relief on up to 100 per cent of their land tax liability for 2021. To be eligible, the landowner must have reduced rent for the affected tenant by at least the amount being claimed for any period between 1 July 2021 and 31 December 2021.

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1 Introduction

1.1 Instructions

We refer to your instructions dated 12 January 2022 requesting that we undertake a market valuation of the 100% Freehold interest in 33 Argyle Street, Parramatta, NSW, 2150 (the *Subject/Property*) as at 31 December 2021 for Roxy-Pacific Holdings Limited for the purposes of the Voluntary General Offer.

Our valuation has been prepared in accordance with the current International Valuation Standards, Australian Property Institute (API) and the Property Institute of New Zealand (PINZ) Australia and New Zealand Valuation and Property Standards at the date of valuation and we confirm that the prime signatory:

- is independent of both the Manager and the Trustee/Responsible Entity;
- is authorised, under the law of the State where the valuation takes place, to practise as a Valuer;
- is suitably registered and qualified to carry out valuations of such property and has at least five years' experience in the assessment of property of this size and nature;
- has no pecuniary interest that could reasonably be regarded as being capable of affecting that person's ability to give an unbiased opinion of the Property's value or that could conflict with a proper valuation of the Property; and
- accepts instructions to value the Property only from representatives of the Trustee/Responsible Entity.

The following parties may rely on this valuation report for the purpose stated above:

- Roxy-Pacific Holdings Limited for the purposes of the Voluntary General Offer.

Reliance on this valuation report is permitted only:

1. by a party expressly identified by the report as being permitted to rely on it;
2. when the given party has received the report directly from JLL; and
3. for a purpose expressly identified by the report as being a permitted use of the report.

We confirm that insofar as any service agreement exists between the parties, any warranties that agreement requires be given at the time of the provision of this report are hereby given.

JLL confirms that this valuation has been prepared in compliance with Rule 26.2 of the Code of Singapore take-overs and mergers rule.

Additionally, JLL gives its written consent to the issue of the Offeree Circular with the inclusion of its valuation reports, and those valuation reports will be annexed to the Offeree Circular. JLL consent to the publication of the valuation reports.

Our report is confidential to the party or parties to which it is addressed, for the specific purpose to which it refers. No responsibility is accepted to any third parties. Neither the whole of the report or any part of it or any reference to it, may be published in any document, statement or circular or in any communication with third parties without our prior written approval of the form and context in which it will appear.

1.2 Valuation and Inspection Dates

We advise that we have been instructed to value the Property as at 31 December 2021 which is our date of valuation. The Property was inspected on 10 November 2021 and our valuation reflects the valuer's view of the market at this date. Our assessment assumes that there is no material change to the Property or the market between the date of inspection and the date of valuation, and we reserve the right to review the valuation if there are material changes to the Property or the market over this period.

Our Letter of Instruction is annexed to this report.

1.3 Basis of Valuation

Market Value

The value given herein is that of the market value of the Property as defined by the International Valuation Standards Committee (IVSC), and endorsed by the API and PINZ, which is as follows:

Market Value	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.

We confirm that this valuation has been undertaken on the basis of the price that might reasonably be expected if the Property was sold at the date of valuation assuming:

- a willing, but not anxious, buyer and seller;
- a reasonable period within which to negotiate the sale, having regard to the nature and situation of the Property and the state of the market for property of the same kind;
- that the Property was reasonably exposed to that market;
- that no account is taken of the value of other advantages or benefits additional to market value, to the buyer incidental to ownership of the property being valued;
- that the current proprietor has sufficient resources to allow a reasonable period for the exposure of the Property for sale; and
- that the current proprietor has sufficient resources to negotiate an agreement for the sale of the Property.

We have also had regard to the requirements of the Australian Accounting Standard Board under AIFRS standards and in particular:

1. AASB 140 Investment Property, which adopts the following definition of 'fair value':

   "Fair value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction."

2. AASB 13 Fair Value Measurement, which adopts the following definition of 'fair value'

   "A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use."

Included within this valuation are lessor-owned items of building fixtures, fittings, plant and equipment. These items exclude all movable equipment, furniture, furnishings and tenant owned fit-out and improvements.

1.4 Market Movement

This valuation is current as at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular Property). We do not accept liability for the losses arising from such subsequent changes in value. Without limiting the generality of the above, we do not assume any responsibility or accept any liability in circumstances where this valuation is relied upon after the expiration of 90 days from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation. However, it should be recognised that the 90 day reliance period does not guarantee the value for that period; it always remains a valuation at the date of valuation only.

1.5 Information Sources

The information reviewed or previously provided includes, but is not limited to, the following:

- Computer Certificate of Title searches;
- Tenancy schedule;
- Capital expenditure budgets;
- Actual and budgeted outgoings;
- Various lease documents and agreements;
- Various correspondence from Management;
- Lettable area plans; and
- Other relevant information.

Our valuation is based on a significant amount of information which is sourced from the the instructing party or its agents and other third parties, including but not limited to tenancy schedules, operating cost budgets, title, site, environmental and planning documents. We have relied upon the accuracy, sufficiency and consistency of the information supplied to us. JLL accepts no liability for any inaccuracies contained in the information disclosed by the Client or other parties, or for conclusions which are drawn either wholly or partially from that information. Should inaccuracies be subsequently discovered, we reserve the right to amend our valuation assessment.

1.6 Personnel

The following JLL Valuation Advisory personnel have been involved in the preparation of this valuation report:

Valuation Role	Personnel	Physical Inspection	Task
Primary Valuer	John Callaghan AAPI MRICS Senior Director, Valuation Advisory – NSW	Yes	Authoring the report, forecasting, analysis, assessment of value.
Supervising Member Countersignatory	Richard Lawrie FAPI MRICS Head of Valuation Advisory – NSW	No	Reviewed the draft Valuation Report and working papers only.
Assistant Valuer	Jack Sharp PMAPI Assistant Valuer, Valuation Advisory – NSW	Yes	Support

2 Land Particulars

2.1 Location

Site Specific Description

- The Property is located within the suburb of Parramatta approximately 25 kilometres by road west of the Sydney CBD. It is more particularly situated on the southern side of Argyle Street within the western precinct of the Parramatta CBD in close proximity to the Great Western Highway. The Parramatta CBD is the primary commercial precinct of the Western Sydney region.

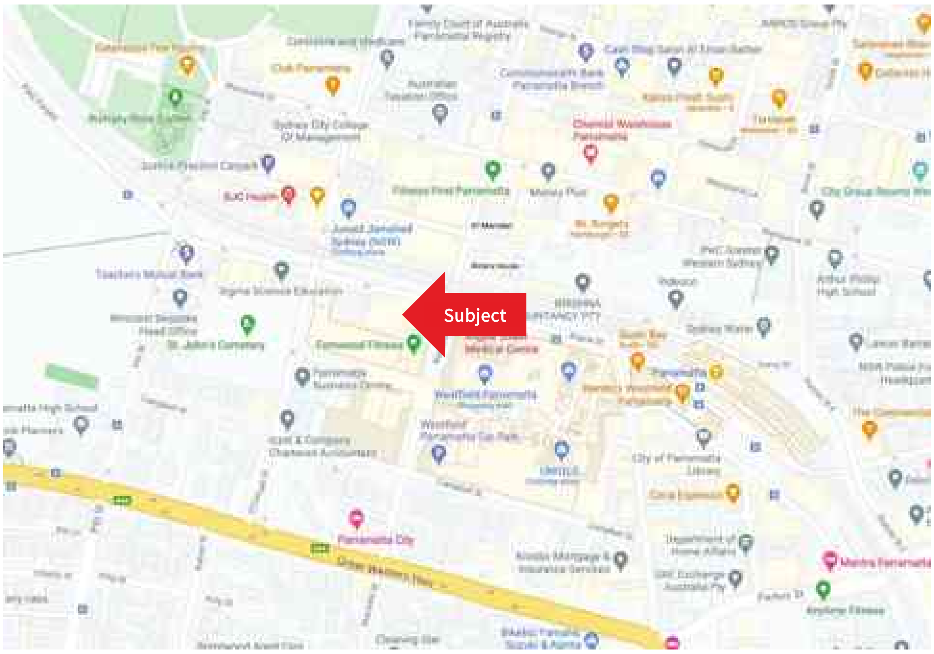
Surrounding Development

- Surrounding development is predominately multi-storey office buildings and mixed-use developments.
- The Parramatta Square development is currently under construction on the corner of Smith Street and Macquarie Street, to the north of the Parramatta Transport Interchange. Notable developments in the area include Westfield Parramatta, 27 Argyle Street, 2 Macquarie Street, 17-21 Macquarie Street and 87 Marsden Street. The property is situated adjacent to the car park for Westfield Parramatta, which is a major regional shopping centre.

Public Transport

- Parramatta railway station and bus interchange are located approximately 450 metres east of the subject property, whilst access to the Westfield Parramatta Shopping Centre is approximately 200 metres to the south of the subject property. The subject property is considered to be positioned on the western periphery of the Parramatta CBD, within a relatively isolated pocket of commercial uses west of the rail line and west of the Westfield Shopping Centre. The main commercial core of Parramatta is considered to be around Smith Street and within the vicinity of Macquarie Street, George Street and Phillip Street.

Locality Map



Source: Google Maps 2021

2.2 Title Particulars

Title Reference	Folio Identifier:12/731869
Tenure	Freehold.
Description	Lot 12 on Deposited Plan 731869, Local Government Area of City of Parramatta Council, Parish of St John, County of Cumberland.
Registered Proprietor	TE2 Roxy Argyle Pty Ltd
Encumbrances	In addition to various Leases, Lease Amendments, Transfers and typical Rights and Interests reserved to the Crown, the Certificate of Title details the following encumbrances: ▪ AN984084 The reservation and exception to the Crown of all Gold, Silver, Coal, Petroleum & Uranium. ▪ DP731869 Restriction(s) on the use of land. ▪ Z705726 Lease to the prospect county council of substation premises no. 17300 together with the proposed cableway 1 wide over another part of the land above described as shown in DP123863. Exp 31.3.2016 option to renew 25 years. ▪ AH985724 Lease to Health Careers International Pty Ltd of Level 7, 33 Argyle Street, Parramatta. Expires: 31/7/2018. Option of renewal: 5 years. ▪ AM452580 Lease to Health Careers International Pty Ltd of Suite 9D, Level 9, 33 Argyle Street, Parramatta. Expires: 19/2/2022. Option of renewal: 5 years. ▪ AM921049 Lease to Navado Professional Services Pty Ltd of Suite 9C, Level 9, 33 Argyle Street, Parramatta. Expires: 30/9/2020. Option of renewal: 2 years plus three further options of 2 years. ▪ AN932110 Lease to Health Careers International Pty Ltd of Level 7, 33 Argyle Street, Parramatta. Expires: 31/7/2023. ▪ AN932111 Lease to NSWALC properties Pty Ltd of Suite GB Ground Floor, Level 4, Suites 5A, 5B and 5C Level 5, 33 Argyle Street, Parramatta. Expires: 31/10/2023. Option of renewal: 3 years and one further option of 3 years. ▪ AN984085 Mortgage to Citibank, N.A. ▪ AP971172 Lease to ability options Ltd of Suite GA, Ground Floor, 33 Argyle Street, Sydney. Expires: 31/1/2023. ▪ AQ557079 Lease to Gorval Lynch Pty. Ltd. of 9B, Level 9, 33 Argyle Street, Parramatta. Expires: 31/10/2022. Option of renewal: 1 year. ▪ AR253197 Lease to Eddie Takchi of Suite 903, Level 9, 33 Argyle Street, Parramatta. Expires 31/7/2026. Option of Renewal: 5 years.
Unregistered Dealings	L AR315307, L AR573088, L AR574839.
Comments	▪ The restriction(s) on the use of the land refers to restricting motor vehicles access to or from O'Connell Street and Aird Street.

Source: InfoTrack 01/12/2021

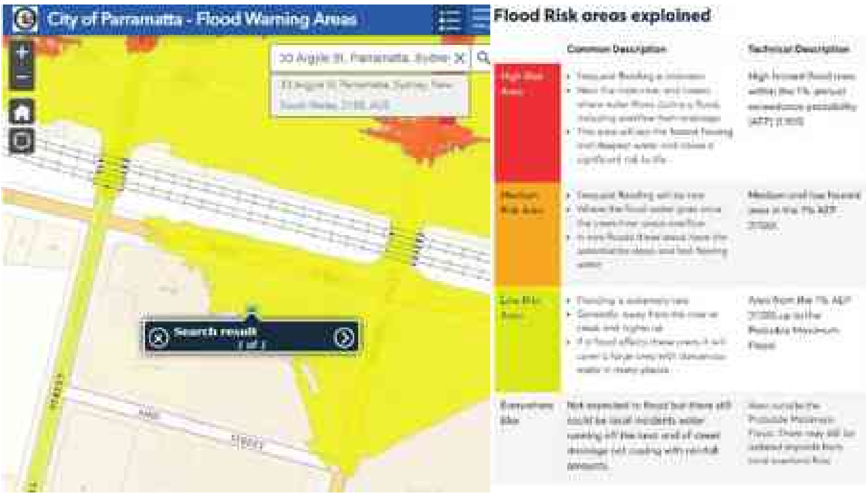
We have considered these notifications in arriving at our opinion of value. For a detailed summary of the dealings noted above, we refer you to the Current Title Search/es annexed to this report.

We have not fully searched the notifications on title and our valuation is made on the basis that the Property is free of encumbrances, restrictions, mortgages, charges, and other financial liens or other impediments of an onerous nature, which would affect value.

We have also assumed that there are no other easements, rights of way or notations other than those referred to in this valuation or on the Current Title Search/es.

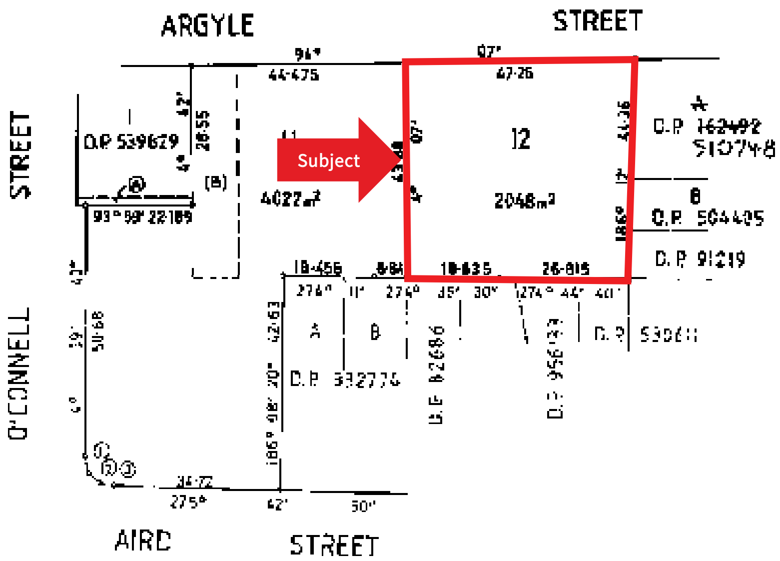
2.3 Site Details

Description	The property comprises a regular shaped allotment on the southern side of Argyle Street, Parramatta.	
Site Area	Total Area:	2,048m²
Street Frontages	Argyle Street	47.26 metres
	Eastern Boundary	44.36 metres
	Western Boundary	43.88 metres
	Southern Boundary	45.65 metres
	The Property boundaries are best described through reference to the Deposited Plan.	
Topography	The subject site is relatively level in surface contour, at road height and at the date of inspection, there were no drainage problems evident.	
Roads and Access	Argyle Street is a dual directional road which extends from an intersection with Church Street in the east, through to an intersection with Pitt Street in the west.	
Services	All mains services including electricity, water, sewerage and telephone are available to the Property.	
Flooding and Drainage	Our investigations to the Parramatta City Council indicate that the north eastern portion of the subject Property is considered to have a 'low risk' of flooding under a 1:100 Annual Exceedance Probability (AEP) event. We are therefore of the opinion that flooding issues do not significantly impact the use of the Property. Should further information suggest otherwise, we reserve the right to review our valuation. Please note, low risk does not mean no risk; all properties can flood in extreme weather conditions. We are of the opinion that flooding issues do not significantly impact the use of the Property. Should further information suggest otherwise, we reserve the right to review our valuation.	



Source: City of Parramatta Council Website

A copy of the Deposited Plan is annexed to our report, with an excerpt as follows:



Source: Global X 26/11/2020

We have physically identified the boundaries of the Property and whilst there does not appear to be any encroachments, we are not qualified surveyors and no warranty can be given without the provision of an identification survey.

2.4 Town Planning

Local Government Area	City of Parramatta Council
Planning Instrument	Parramatta Local Environmental Plan 2011
Zoning	B4 Mixed Use.
Zone Objectives	▪ To provide a mixture of compatible land uses. ▪ To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling. ▪ To encourage development that contributes to an active, vibrant and sustainable neighbourhood. ▪ To create opportunities to improve the public domain and pedestrian links. ▪ To support the higher order Zone B3 Commercial Core while providing for the daily commercial needs of the locality. ▪ To protect and enhance the unique qualities and character of special areas within the Parramatta City Centre.
Permitted Uses	Boarding houses; Building identification signs; Business identification signs; Child care centres; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Light industries; Medical centres; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Roads; Seniors housing; Shop top housing; Water recycling facilities.
Height Limit	36m
Floor Space Ratio	4.2:1
Car Parking	The property provides three above ground levels of car parking for approximately 137 (income producing) vehicles.
Conformance	We have not obtained a formal Town Planning Certificate, however, for the purpose of this valuation we assume that all necessary town planning approvals and consents for the existing development have been obtained and complied with. We believe that the Property conforms to the forgoing provisions.

2.5 Development Approvals

Enquiries with Parramatta City Council online DA tracking database confirm that development approvals are registered on the subject property. Details of the major development approvals is as follows:

DA Number	Lodgement Date	Decision Date	Description
DA/467/2020/A	13/08/2021	09/09/2021 Approved	Alterations and additions to the ground floor of an existing commercial building, including end-of-trip facilities. The modifications include external façade and signage changes. **We note as at the date of valuation we were advised by the owners that the facade and signage works (as per the above DA approval) will be completed/spent before our date of valuation. We have therefore excluded any costs associated with these works from our valuation calculations. Should further information prove otherwise we reserve the right to amend this valuation.**
DA/467/2020	13/08/2020	12/11/2020 Approved	Alterations and additions to the ground floor of an existing commercial building, including end-of-trip facilities. The development application works are detailed further in the *Section 4.15 Assessment Report for DA 467 2020* which is summarised below: - Partial demolition of the ground floor lobby, including the existing external café, and external overhead steel features; - Extend lobby into the front setback, increasing GFA by 62sqm; - Relocate the café into the lobby (use of the café will be subject to separate Development Application); - Alterations and additions to lobby area, including new planter boxes and - reconfiguration of internal walls; and - New end-of-trip facilities within the existing loading dock area – includes male, female and accessible change rooms and showers, and bicycle storage.

Additional development approvals may apply for the subject property. Full detail of all historical development approvals is only available with a full search of Council archives and with a full development approval history request being made.

2.6 Environmental Issues

We have summarised environmental details of the Property, as follows:

Current Use	Commercial office building.
Previous Use/s	Unknown
Potential Issues Raising Concern	Nil
Surrounding Properties Raising Concern	Nil
Uses Identified on API Guidance Note 1	No
Undertaken Environmental Checklist	No
Environmental Register (NSW)	A search of the contaminated land database at http://www.epa.nsw.gov.au/prclmapp/searchregister.aspx revealed no listing for the Subject Property. This search is of a database maintained by the Environmental Protection Agency under Part 5 of the Contaminated Land Management Act, 1997. The database is not a record of all contaminated land in NSW, but rather of all written notices issued by the EPA under the Act relating to the investigation or remediation of site contamination that presents a significant risk of harm. 'Significant risk of harm' refers to the status of a site where the contamination is considered to be serious and requires EPA regulatory intervention.
Environmental Report Provided	No
Bushfire Risk	Our preliminary inquiries with Council indicate that the subject property is not categorized as high-level bushfire prone land.

During the course of our inspection we did not notice any evidence of land or building contamination with the current use lending itself to low potential for contamination. Importantly, however, we are not experts in the detection or quantification of environmental problems.

If the site's current status needs to be clarified, an Environmental Audit should be undertaken and should any subsequent investigation show that the site is contaminated, this valuation may require revision. Our valuation excludes the cost to rectify and make good the site, which may have become contaminated as a result of past and present uses.

2.7 Statutory Assessment

We have been advised that the Property's statutory values, as assessed by NSW Valuer General, are as follows:

Statutory Value	Lot 12 on Deposited Plan 731869
30 June 2021	$11,900,000
30 June 2020	$11,900,000
30 June 2019	$7,650,000
Average	$10,483,333

The "taxable value" for Land Tax assessment purposes is **$10,483,333** based on the three-year average rateable value (allowing for any capping and averaging factors where applicable).

2.8 Highest and Best Use

This valuation has been undertaken adopting the Property's Highest and Best Use, as defined by the IVSC and endorsed by the Australian Property Institute, which is:

"The use of an asset that maximises its potential and that is physically possible, legally permissible and financially feasible."

Taking into consideration the Property's land size, built improvement, classification and the existing leases, we believe that the Highest and Best Use for the Property, as at the date of valuation, is its current use.

2.9 Asbestos

The existing improvements on site are estimated to have been constructed prior to 1990, and therefore it is likely that potential exists for Asbestos Containing Materials (ACM's) which form part of the building and/or the plant and equipment.

This valuation assumes that asbestos within the existing improvements, if any, will be removed in accordance with Safe Work Australia's Code of Practice for the Safe Removal of Asbestos and demolition costs will not be significant. We are not experts in the area of asbestos demolition/removal and can give no warranty in this regard.

Unless otherwise noted we have assumed that the existing improvements are free of Asbestos and Hazardous Materials or should these materials be present then they do not pose significant risk to human health nor require immediate removal.

We have made no allowance in this valuation for any remediation works.

We have assumed the site is free of any subsoil asbestos and have made no allowance in our valuation for site remediation works.

Our inspection is an inconclusive indicator of the actual condition/presence of asbestos/hazardous materials within the Property. We make no representation as to the actual status of the Subject Property. If subsequent survey is undertaken and this is found to be positive**, we recommend that the details of the survey is provided to us in order that we may consider any potential implications to our assessment and amendment to our report, should that be necessary.**

2.10 Heritage

We have not undertaken any formal heritage searches, and our valuation is made on the assumption that there are no heritage issues relating to the Property. If any heritage issues are found to relate to the Property, we reserve the right to review our valuation.

2.11 Native Title Claims

We have not undertaken any formal native title searches, and our valuation is made on the assumption that there are no Native Title Claim issues relating to the Property. If any Native Title Claim issues are found to relate to the Property, we reserve the right to review our valuation.

3 Description of Improvements

3.1 Overview

The property comprises an older style ten (10) storey 'B' grade commercial office building completed in 1987. The building provides two ground floor office suites, café, three levels of above ground parking providing 137 (income producing) car spaces and 6 upper levels of office accommodation. The property comprises a regular shaped allotment of 2,048sqm and is located on the southern side of Argyle Street within the western precinct of the Parramatta Central Business District (CBD).

The Property is improved with an older-style B-Grade commercial office building, with a total Net Lettable Area of 5,304m².

33 Argyle Street, Parramatta

3.2 Construction

Generally, the improvements have the following base construction:

Structure	Reinforced concrete slabs and columns, with steel beam construction.
External Walls	A combination of masonry block, precast concrete panels, aluminium sheeting and glass facade.
Internal Walls	Predominantly plasterboard lining to lettable areas.
Roof	Unsighted, but assumed to be reinforced concrete slab with a waterproof membrane.
Ceiling	Acoustic tiles in a suspended grid system.
Lighting	Recessed fluorescent lighting.
Windows and doors	Aluminium framing and double glazed windows.

3.3 Building Services

We have been advised of the following building services:

Vertical Access	The building is serviced by three (3) passenger lifts, each with a capacity for 11 persons or 748 kilograms.
Air-Conditioning	Ducted air-conditioning is provided throughout the building. The air-conditioning system for the building comprises air handling units in plant rooms on each floor and one cooling tower located on the roof.
Security	Security provisions consist of automated building management and security systems that control access to the building, including all entry points and lifts.
Fire and Hydraulic	The building is fitted with fire alarms, hose reels, hydrants, and smoke detectors as well as an emergency warning and intercommunication system. Additionally, fire extinguishers are strategically positioned throughout the building.

3.4 Accommodation

Ground Floor

The ground floor has recently undergone major alterations and additions to the existing building including providing a modern ground floor lobby, lobby café and new end-of-trip facilities within the existing loading dock area – includes male, female and accessible change rooms, showers, and bicycle storage. Typical finishes of the lobby include tiled/stone floors, polished concrete walls, decorative exposed brick walls as well as featured fluorescent lighting. The lobby is accessed via automatic glass sliding doors which leads to the ground floor café, waiting area, lifts and access to the end of trip facilities positioned to the rear of the lobby.

Ground Floor – Entrance

Ground Floor – Lobby

Office Space

The property provides a total of six upper floors of office accommodation. The office floors are configured on an irregular shaped floor plate around a side services core. There are internal structural columns impacting accommodation layout.

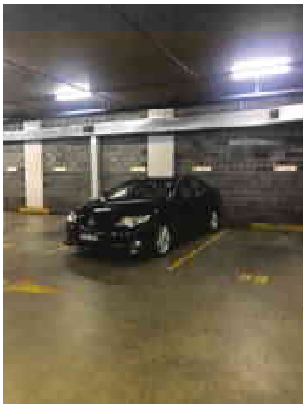
Levels 4-9 consists of typical office accommodation commensurate with a 'B' grade standard being fitted to meet particular tenant needs, however generally comprising carpeted floors, acoustic ceiling tiles suspended in a grid system and recessed fluorescent lights. Floors have been typically configured to provide open plan office areas, executive offices, glass partitioned meeting rooms, storage rooms, server rooms, breakout areas and kitchens. However, Levels 4 and 9 include a tiled balcony. Natural light is provided to each floor, although the lower level rear elevations are impacted by the adjoining Westfield car park.

Typical Office Lobby (refurbished)

Typical Office Accommodation (Level 4)

Car Parking	The car park is accessed from dual entry/exit driveway ramps from Argyle Street via a security roller shutter door with swipe card access. Parking is arranged over three upper levels for 137 (income producing) vehicles. A separate loading dock is also accessed from Argyle Street via a security roller shutter door.

Dual Entry/Exit driveway ramp



Single Space Car Parking

3.5 Sustainable Building Considerations

Accounting for sustainability in a building valuation is complex and not yet a definitive assessment. Our valuation has had due regard to the importance of sustainable building considerations, however, we were not instructed to carry out a sustainability audit or to test any of the services available to the Property so we are unable to provide comment where specialist surveys are required.

We highlight some potential risks to building cash flows and overall value if market initiatives and practices such as sustainable building considerations are ignored:

- Risk of rapid building obsolescence;
- Various leasing risks (including down time allowances and tenant incentives etc);
- Various sales risks;
- Risk of additional or increased operational costs;
- Risk or impact of rental premiums/discounts;
- Costs of maintenance expenditure on non-compliant material; and
- Tenant occupancy risks.

We note below the environmental considerations of the Property:

Energy & Water Efficiency and Supply	NABERS - National Australian Built Environment Rating System - is a widely accepted and practiced performance-based rating system for existing buildings. NABERS is the operational rating of a building on the basis of its operational impacts on the environment on a scale of 0 – 6 with the highest rating being the most efficient. NABERS is a national initiative managed by the NSW Office of Environment and Heritage. The Property has the following NABERS ratings: NABERS Energy 4.5 stars NABERS Water 4.5 stars

3.6 Non-Conforming Building Products/Fire Hazard

In November 2014, the Melbourne Dockland's Lacrosse apartment building fire in Victoria drew attention to the serious implications for fire safety and the use of non-compliant building material in particular Aluminium Composite Panels (ACP), made of Aluminium Composite Material (ACM) that contained a highly flammable polyethylene (PE) core. Three years later, on 14 June 2017, these issues were again brought into sharp focus by the London Grenfell Tower fire which had recently been cladded in this material.

A number of inquiries have been commissioned to investigate these events and it is likely that recommendations will be made as to the construction and management of similar properties. In light of this, we are aware that market participants that may also be affected by the same or similar issues and are reviewing details of construction, health and safety and particularly fire prevention, mitigation and means of escape. At this point it is too early to assess the longer-term consequences. In the short term, however it is likely that potential investors and occupiers will be more cautious – and the liquidity and pricing of the subject property may be impacted.

Non-Conforming Products Not Visible

During our valuation of the subject property, a limited visual inspection was undertaken – that visual inspection did not disclose the overt existence of Non-Conforming Building Products (including Aluminium Composite Panels). However, noting that:

- We are not experts in identifying Non-Conforming Building Products;
- Non-Conforming Building Products are known to be prevalent in properties constructed or refurbished since the 1990's; and
- JLL did not inspect every part of the subject property.

We have made enquires with TECapital who have advised that the subject property does not require rectification works for non-compliant building products such as ACP. Should this be proven to be incorrect we reserve the right to update this valuation.

We suggest that any party seeking to rely on this Valuation, satisfy itself as to the structural characteristics of the subject property.

For the purposes of this paragraph, Non-Conforming Building Products means building products and materials that do not satisfy the quality requirements of technical standards (including the Building Code of Australia) or legislative requirements, and/or building products and materials that have been incorrectly or inappropriately used.

3.7 Condition and Repair

Upon inspection we noted the improvements to be in generally average condition commensurate with their age (being constructed in 1987), use and construction, showing sign of general wear and tear. We further note, the subject property has recently undergone major refurbishment works including upgrades to the main lobby, lifts, levels 4 & 8, retail and new end of trip facilities. Part of the works were still ongoing as at the date of inspection and are scheduled to be completed early 2022. Other recent works including budgeted façade and signage works we have been advised will be completed/spent before the valuation date and thus have been excluded from our valuation calculations. Should further information prove otherwise we reserve the right to amend this valuation.

Our valuation has had regard to the apparent state of repair and condition of the Property, however, we were not instructed to carry out a structural survey or to test any of the services available to the Property. We are therefore unable to report that the Property is free from further defect and we have assumed that no deleterious material was used in the construction.

We have assumed the Property complies with all relevant statutory requirements in respect of matters such as health, building, and fire safety regulations and has been built in accordance with the provisions of the Australian Building Code prevailing at the time of construction.

3.8 Functionality and Obsolescence

The property remains operating as a commercial office building and appears to not be at risk of functional obsolescence.

4 Tenancy Details and Analysis

4.1 Tenancy Overview

We have been provided with a tenancy schedule and also with lease documentation that was available at the time of valuation. The major tenants within the Property are summarised as follows:

Income Analysis				
	NLA (m²)	$ pa.	Passing $/m² pa.	% Passing
Aboriginal Land Council	1,494	1,107,432	741	36.9%
Health Career International	873	484,289	555	16.1%
Aboriginal Legal Services	537	358,662	668	12.0%
SY Solutions	324	223,267	689	7.4%
Ability Options	220	183,688	835	6.1%
Holdover tenants	-	-	-	-
Other tenants	970	642,164	662	21.4%
Sundry Income		-		-
Vacant	886			
Gross Income		**2,999,502**	**566**	**100.0%**
Less Outgoings		(802,583)	(151)	
Statutory Expenses		(312,302)	(59)	
Operating Expenses		(490,281)	(92)	
Ground Rent		-		
Non-recoverable Expenses		-		
Net Income		**2,196,920**	**414**	

* % Market Rent based on all Areas including Vacancies

A copy of the current tenancy schedule is appended to this report.

4.2 Lettable Areas

The Property's total Net Lettable Area (NLA) is approximately 5,304m². A summary of this lettable area is detailed as follows:

Area Summary	Car Spaces	NLA (m²)	%	Occupied (m²)	Vacant (m²)	Vacant %	WALE by Area	WALE by Income
Office	-	5,279	99.5%	4,392	886	16.8%	2.43	2.08
Retail	-	25	0.5%	25	-	-	0.02	0.05
Storage	-	-	-	-	-	-	-	0.01
Car Parking	137	-	-	84	53	38.7%	-	0.21
Total NLA	137	5,304	100.0%	4,418	886	16.7%	2.45	2.34

Area Summary	No. Tenants	NLA m²	% NLA
Aboriginal Land Council	1	1,494	28.2%
Health Career International	1	873	16.5%
Aboriginal Legal Services	1	537	10.1%
SY Solutions	1	324	6.1%
Ability Options	1	220	4.1%
Holdover tenants	-	-	-
Other tenants	7	970	18.3%
Sundry Income	-	-	-
Vacant	-	886	16.7%
Total NLA	12	5,304	100.0%

We have not independently verified these areas and assume they are correct for the purpose of our valuation. Should these areas prove to be incorrect we reserve the right to review our valuation.

4.3 Major Lease Summaries

We summarise below the lease agreements for a selection of the major tenants:

Aboriginal Land Council	
Premises	Lease 1: Level 5 - Suite A, B & C Lease 2: Level 6 and Ground floor store
Leased Area	Lease 1: 575.3 sqm Lease 2: 918.70 sqm
Use	Commercial Offices
Lease Commencement Date	1-Aug-21
Lease Expiry Date	Lease 1: 1 Oct 23 Lease 2: 1 Jul 27
Term	Lease 1: 2.3 years Lease 2: 6 years
Commencement Rent	Lease 1: \$270,720 pa Net (\$471 /m² Net) Lease 2: \$431,789 pa Net (\$470 /m² Net)
Outgoings Recovery	Net Lease. The Lessee is responsible for their proportion of the buildings' outgoings.
Next Review	3.75% fixed annual increases.
Outstanding Incentives (Lease 1)	Rental abatement of \$10,896 per month commencing from 1 Nov 18 to 31 Oct 19. Rental abatement of \$11,305 per month commencing from 1 Nov 19 to 31 Oct 20. Rental abatement of \$11,729 per month commencing from 31 Oct 20 to 31 Jul 21. Rental abatement of \$4,515 per month commencing from 1 Aug 21 to 31 Oct 21. Rental abatement of \$4,685 per month commencing from 1 Nov 21 to 31 Oct 22. Rental abatement of \$4,860 per month commencing from 1 Nov 22 to 31 Oct 23.
Outstanding Incentives (Lease 2)	Rental abatement of \$7,196 per month commencing from 2021-2022. Rental abatement of \$7,412 per month commencing from 2022-2023. Rental abatement of \$7,635 per month commencing from 2023-2024. Rental abatement of \$7,864 per month commencing from 2024-2025. Rental abatement of \$8,100 per month commencing from 2025-2026. Rental abatement of \$8,343 per month commencing from 2026-2027.
Car Parking (Lease 1)	\$161,461 (50 Carspaces)
Other Income (Lease 1)	Storage \$17,390 pa
Make Good	Lease 1: Strong Makegood. Full makegood required with the tenant responsible for returning the premises to base building condition. Lease 2: Weak makegood.
Lease Status	Lease 1: Executed Lease 2: Executed
GST	Exclusive of GST
Guarantee	Lease 1: 166,036.87 Lease 2: 263,253.49

Eddie Takchi	
Premises	Level 9 - Suite C - 903
Leased Area	133
Use	Commercial office uses only.
Lease Commencement Date	1-Aug-21
Lease Expiry Date	31-Jul-26
Term	5 years
Option(s)	1x5 year options
Commencement Rent	\$61,180 pa Net (\$460/m² Net)
Outgoings Recovery	\$20,125 pa (\$151 /m²) - The tenant is required to pay their proportionate share of building outgoings
Next Review	3.5% fixed annual increases.
Outstanding Incentives	\$89,731 (\$78,545 PV) Rebate
Car Parking	\$7,200 (2 Carspaces)
Make Good	Weak Makegood. At or prior to lease expiry, the Lessee is required to remove from the premises all tenant's fixtures and fittings and they must repair and repaint any damage caused by this removal, leaving the premises in a clean and tidy condition.
Lease Status	Executed
GST	Exclusive of GST
Guarantee	32,144

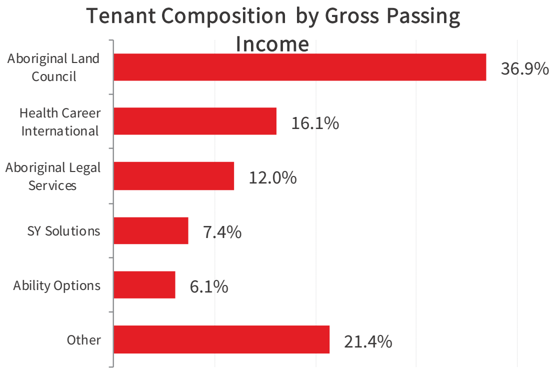
Aboriginal Legal Services	
Premises	Level 8 Suite 1 and Suite 2
Leased Area	537
Use	Commercial office uses only.
Lease Commencement Date	1-Jul-21
Lease Expiry Date	30-Jun-25
Term	4 years
Commencement Rent	$252,249 pa Net ($470 /m² Net)
Outgoings Recovery	$81,213 pa ($151 /m²) - The tenant is required to pay their proportionate share of building outgoings
Next Review	3.50% fixed annual increases.
Outstanding Incentives	$271,425 ($245,198 PV) Rebate
Car Parking	$25,200 (7 Carspaces)
Make Good	The tenant's obligation to make good the Premises at lease expiry are to be waived. The Tenant's obligation to make good the area that it will cease to occupy following expiry of the existing lease (marked as New Suite 8.04 in Annexure B) will be waived. The Landlord accepts this area in its existing condition.
Lease Status	Executed
GST	Exclusive of GST

SY Solutions	
Premises	Level 9 - Suite A - 901
Leased Area	324
Use	Commercial Office
Lease Commencement Date	18-Aug-21
Lease Expiry Date	17-Aug-23
Term	2 years
Commencement Rent	$149,040 pa Net ($460 /m² Net)
Outgoings Recovery	$49,027 pa ($151 /m²) - The tenant is required to pay their proportionate share of building outgoings
Next Review	3.00% fixed annual increases.
Outstanding Incentives	$72,860 ($69,561 PV) Rebate
Car Parking	$25,200 (7 Carspaces)
Make Good	Weak Makegood. At or prior to lease expiry, the Lessee is required to remove from the premises all tenant's fixtures and fittings and they must repair and repaint any damage caused by this removal
Lease Status	Executed
GST	Exclusive of GST
Guarantee	$71,517.60

4.4 Building Income Analysis

We summarise the Property's income as follows:

Income Assessment	NLA (m²)	$ pa.	Passing $/m²	% Passing
Office	4,392	2,086,412	475	69.6%
Retail	25	33,000	1,299	1.1%
Storage	-	17,390		0.6%
Car Parking	84	280,872	279	9.4%
Sundry Income		-		-
Outgoings Recoveries		581,828	132	19.4%
Gross Income (occupied areas)	4,418	2,999,502	679	100.0%



4.5 Building Vacancy

As at the date of valuation, the Property has vacant accommodation of 886m², which reflects 16.71% of total Net Lettable Area. Additionally, we note there are 53 vacant car parking spaces. Current vacant areas are summarised as follows:

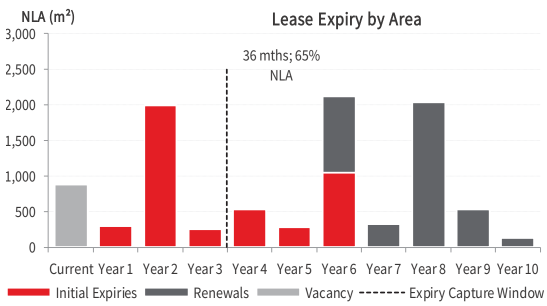
Current Vacancies		
Level/Suite	Lettable Area m²/Car Parking	% NLA
Level 4	886.40	16.7%
Secure - Vacant	-	-
Storage	-	-
Total	886.40	16.7%

4.6 Weighted Average Lease Term and Expiry Profile

The weighted average lease term remaining, as at the date of valuation, is:

Weighted Average Lease Term Remaining	Years
By Area	2.45
By Income	2.34

The graph below demonstrates the lease expiry profile (by income and area) over a ten year horizon.



4.7 Building Outgoings and Recoveries

Lease Structures

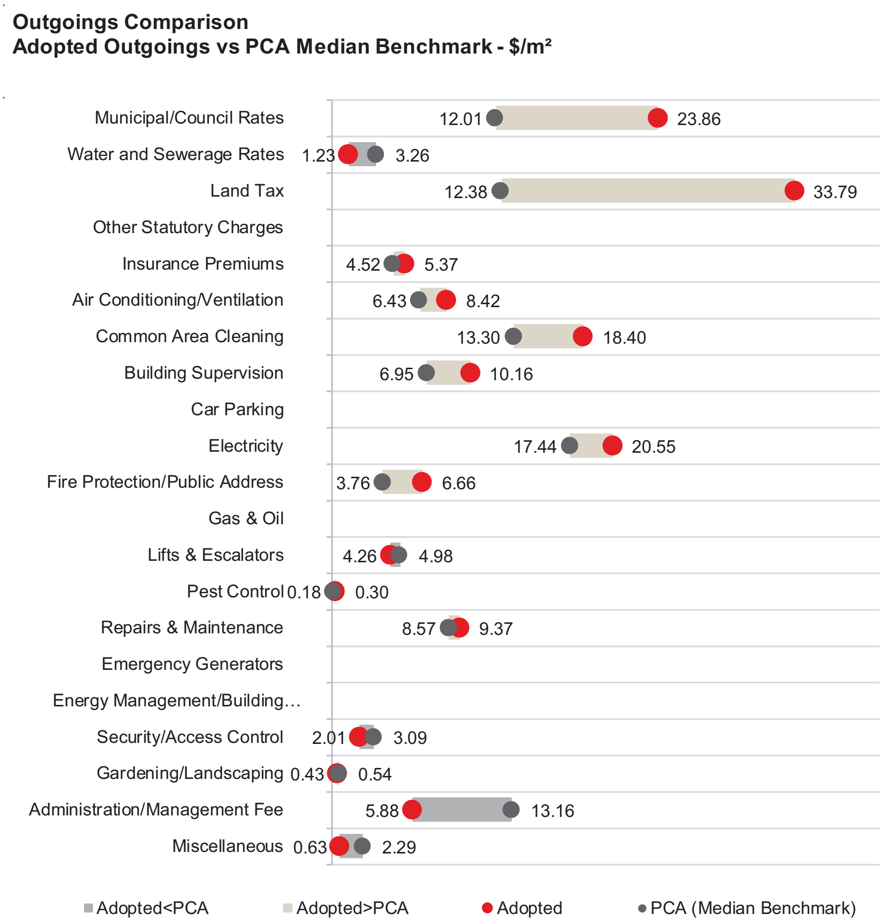
The majority of the leases within the Property are structured on a Net basis, with the tenants being responsible for their proportion of outgoings.

Building Outgoings

We have been provided with an outgoings budget for the year ending 30 June 2022, with adopted outgoings summarised in the table below:

Category	Adopted Annual Amount	Adopted $/m² of NLA
Statutory Charges	$312,302	$59
Operating Expenses	$490,281	$92
Non-Recoverable Expenses	$0	$0
Total Outgoings	$802,583	$151

We have had regard to the budget provided and where applicable we have sought confirmation from the relevant rating authorities in relation to the statutory charges. We have also adopted the most recent Land Tax rates notice provided. We have then cross checked the adopted outgoings against the Property Council of Australia's (PCA) benchmarks/guidelines and other similar office buildings as per below:



The table below provides a comparison with a sample of other commercial buildings, together with the PCA relevant benchmarks for 2021 Parramatta:

Address	Statutory	Operating	Total	Year
111 Phillip Street, Parramatta	$50	$82	$132	2021
17-21 Macquarie Street, Parramatta	$54	$80	$134	2021
1 Wentworth Street, Parramatta	$33	$71	$104	2021
91 Phillip Street, Parramatta	$47	$91	$138	2019/20
9 Wentworth Street, Parramatta	$22	$79	$101	2019/20
2-10 Wentworth Street, Parramatta	$23	$79	$102	2019/20
80 George Street, Parramatta	$36	$77	$113	2019/20
10-14 Smith Street, Parramatta	$37	$88	$125	2019/20
Property Council Benchmark (Parramatta Office Low)	$26	$73	$100	2021
Property Council Benchmark (Parramatta Office Mid)	$31	$89	$120	2021
Property Council Benchmark (Parramatta Office High)	$35	$111	$146	2021

We consider that the adopted outgoings rate of $151/m² of NLA to be high in comparison to the above sample buildings and the relevant PCA Benchmarks. The high outgoings are primarily attributable to statutory charges including Land Tax and Council Rates.

4.8 Outstanding/Remaining Incentives

We have been provided with a schedule by the Property Manager outlining the status of outstanding incentives. Current outstanding rental abatements and rent-free periods, as at the date of valuation including COVID-19 allowances (if any), are summarised in the table below:

Level/Suite	Tenant	Lump Sum Payment Amount $	Lump Sum Payment Payment Date	Lump Sum Payment Present Value	Lump Sum Payment Nominal Total	Rebates Amount $/month	Rebates Months Remaining	Rebates Present Value	Rebates Nominal Total	Rent Free Amount $/month	Rent Free Months Remaining	Rent Free Present Value	Rent Free Nominal Total	Outstanding Incentives Present Value	Outstanding Incentives Nominal Total
Ground - Lobby	Kambers Sydney (The Factory Café) (Ground - Lobby)	-	-	-	-	-	-	-	-	2,750	1.5	4,118	4,125	4,118	4,125
Ground	Ability Options (Ground)	-	-	-	-	1,512	13.0	19,072	19,654	-	-	-	-	19,072	19,654
Ground	Aboriginal Land Council (Ground)	-	-	-	-	255	67.0	15,700	18,545	-	-	-	-	15,700	18,545
Level 5 - Suite A & B	Aboriginal Land Council (Level 5 - Suite A & B)	-	-	-	-	2,380	22.0	50,247	52,965	-	-	-	-	50,247	52,965
Level 5 - Suite C - 503	Aboriginal Land Council (Level 5 - Suite C - 503)	-	-	-	-	2,305	22.0	49,506	52,208	-	-	-	-	49,506	52,208
Level 5 - Suite D - 504	Shield Mercantile (Level 5 - Suite D - 504)	-	-	-	-	2,964	30.4	83,865	90,245	-	-	-	-	83,865	90,245
Level 6	Aboriginal Land Council (Level 6)	-	-	-	-	6,941	67.0	426,747	504,070	-	-	-	-	426,747	504,070
Level 7	Health Career International (Level 7)	-	-	-	-	-	-	-	-	26,551	4.0	106,254	107,060	106,254	107,060
Level 8 - 801, 802	Aboriginal Legal Services (Level 8 - 801, 802)	-	-	-	-	6,463	42.0	245,198	271,425	-	-	-	-	245,198	271,425
Level 8 - 803	Wellbe Counselling and Psychology (Level 8 - 803)	35,000	1-Jan-2022	35,000	35,000	963	56.4	47,454	54,404	-	-	-	-	82,454	89,404
Level 8 - 804	JPH Pty Ltd (Level 8 - 804)	-	-	-	-	2,026	60.0	104,596	121,550	-	-	-	-	104,596	121,550
Level 9 - Suite A - 901	SY Solutions (Level 9 - Suite A - 901)	-	-	-	-	3,727	19.5	69,561	72,860	-	-	-	-	69,561	72,860
Level 9 - Suite B - 902	Gorval Lynch Pty Ltd (Level 9 - Suite B - 902)	-	-	-	-	1,474	10.0	14,410	14,738	3,387	4.0	13,554	13,657	27,964	28,395
Level 9 - Suite C - 903	Eddie Takchi (Level 9 - Suite C - 903)	-	-	-	-	1,631	55.0	78,545	89,731	-	-	-	-	78,545	89,731
Secure	Health Career International (Secure)	-	-	-	-	-	-	-	-	633	4.0	2,532	2,551	2,532	2,551
Secure	Gorval Lynch Pty Ltd (Secure)	-	-	-	-	-	-	-	-	468	4.0	1,873	1,887	1,873	1,887
Total				35,000	35,000			1,204,902	1,362,393			128,331	129,281	1,368,233	1,526,674

To reflect the impact of the current coronavirus pandemic lockdown in NSW, we have allowed rent relief assumptions as follows for tenants known to have applied for rent relief:

- 75% rent relief over the next 4 months for Health Career International and Gorval Lynch Pty.

We draw the reader's attention to the comments around the reintroduction of the Mandatory Code of Conduct under the section Critical Assumptions, Conditions and Limitations at the start of this report.

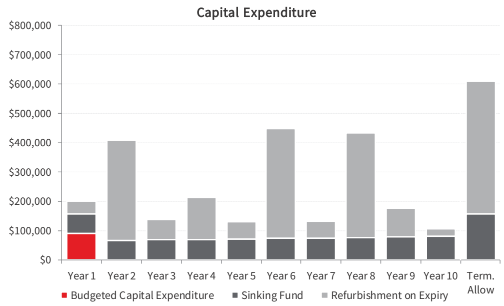
The total amount of unexpired incentives is $1,526,674, the present value of which is $1,368,233.

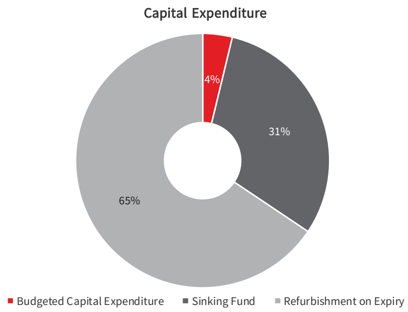
4.9 Capital Expenditure

We have been provided with details of budgeted capital expenditure by the Property Manager which includes the remaining costs relating to the Lift Car Interiors upgrade ($90k). Details are summarised in the table below:

Capital Expenditure	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Lift Car Interiors upgrade	90,000	-	-	-	-	-	-	-	-	-
Budgeted Capital Expenditure	**90,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sinking Fund	66,299	67,426	68,774	70,287	71,904	73,558	75,250	77,131	78,982	80,799
Refurbishment on Expiry	43,777	340,487	67,562	143,601	59,167	373,014	56,696	355,892	97,741	24,825
Total Capital Expenditure	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**105,624**

Capital Expenditure Summary	10 Year Total	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Total Budgeted Capex	90,000	90,000	-	-	-	-	-	-	-	-	-
Total Sinking Fund	730,409	66,299	67,426	68,774	70,287	71,904	73,558	75,250	77,131	78,982	80,799
Total Refurbishment Allowances	1,562,762	43,777	340,487	67,562	143,601	59,167	373,014	56,696	355,892	97,741	24,825
Total Capital Expenditure	**2,383,171**	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**105,624**
Terminal Capital Expenditure Allowance	608,962										608,962
Total Capital Expenditure (Incl. Allowances)	**2,992,133**	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**714,586**





We have also allowed the following generic capital expenditure allowances:

- $150/m² refurbishment allowance on expiry for typical office tenancies however for those office tenants with weak makegoods we have allowed $250/m² refurbishment allowance on expiry.
- $50/m² refurbishment allowance on expiry for the retail tenancies.
- Annual sinking fund of $12.50/m².
- Lift Car Interiors upgrade $90,000 in Year 1.

The above allowances are adjusted by CPI throughout the cash flow.

4.10 Income Analysis

We summarise the Property's total Passing Income and Income Fully Leased as follows:

Income Assessment				
	NLA (m²)	$ pa.	Passing $/m²	% Passing
Office	4,392	2,086,412	475	69.6%
Retail	25	33,000	1,299	1.1%
Storage	-	17,390		0.6%
Car Parking	84	280,872	279	9.4%
Sundry Income		-		-
Outgoings Recoveries		581,828	132	19.4%
Gross Income (occupied areas)	**4,418**	**2,999,502**	**679**	**100.0%**
Vacant Tenant Areas (Gross)	886	537,441	606	
Vacant Car Parking	-	152,640	0/bay	
Vacant Other	-	10,000	-	
Gross Income (fully leased)	**5,304**	**3,699,584**	**698**	
Statutory Expenses		(312,302)	(59)	
Operating Expenses		(490,281)	(92)	
Ground Rent		-		
Non-recoverable Expenses		-		
Less Outgoings		(802,583)	(151)	
Net Income (fully leased)		**2,897,001**	**546**	

* % Market Rent based on Occupied/Committed Areas Only

5 Local Market Commentary

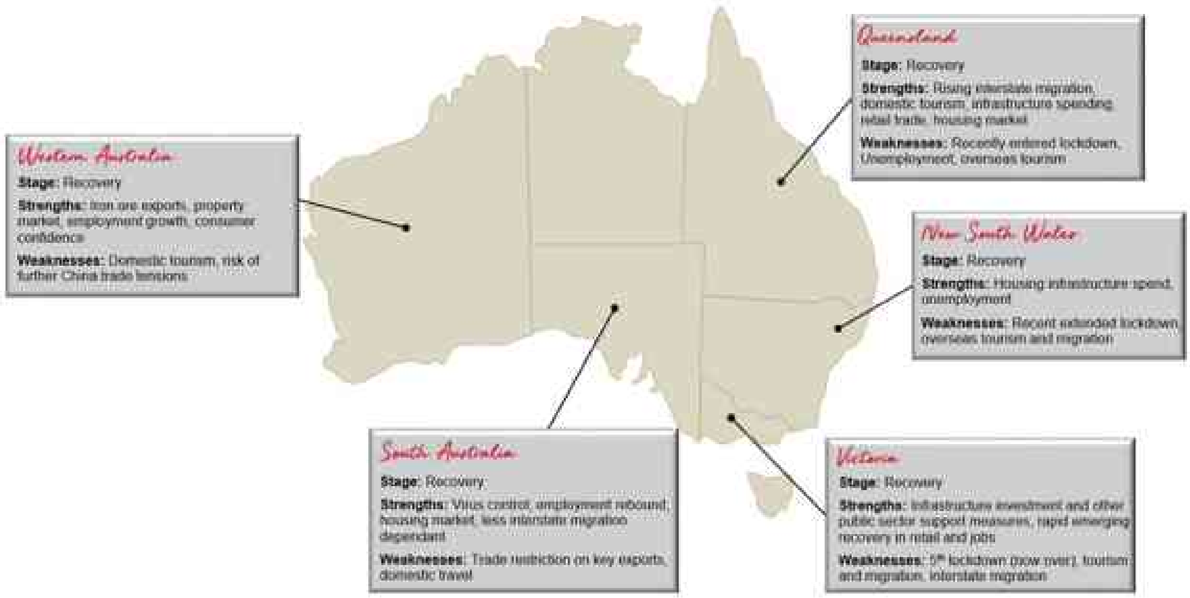
5.1 COVID-19 Impacts

On 11th March 2020, the World Health Organization officially categorised COVID-19 as a global pandemic. In the short-term, the impact on global economic growth is undeniable, with COVID-19 restrictions already causing a contraction of economic activity globally that rivals or exceeds the GFC and the Great Depression in its speed and severity. However, the nature of the current shock is very different to both these previous events and a stronger recovery profile has proved quite possible.

Nevertheless, uncertainty over the next few years remains extreme and major forecasters all highlight a wider band of uncertainty around current forecasts. Part of the extreme uncertainty is the unprecedented level of fiscal and monetary policy stimulus measures globally and how successful this will be in re-starting growth.

Australia's economic recovery is ahead of many other developed economies and previous expectations. This reflects the successful containment of COVID-19 that has allowed much of the economy to re-open and news that vaccines are close to being rolled out, which have seen an enormous rebound in consumer and business confidence. Nevertheless, while Australia can be rightly happy with progress to date, challenges remain. Unprecedented stimulus measures still have to end and businesses and households will need to fully stand on their own two feet. Escalating trade tensions with China, Australia's largest trading partner, is also becoming a major concern that could certainly further hurt both exports as well as dent the international student market and migration levels should it continue. So the recovery could still be a bumpy one, but we can be confident the worst is now over.

COVID-19 has had differing impact across states



5.2 Economic Overview

The recent outbreak of COVID-19 and extended lockdowns have subdued the recovery of the Australian economy we saw over the first half of the year. National GDP growth over the June quarter was 0.7% (or 9.6% annually). However, these numbers do not capture the full extent of the lockdowns which impacted the NSW and VIC states.

The accelerated vaccine rollout has significantly increased Australia's COVID-19 double vaccination rate to 74.1% of people aged 16 and over (as at 26th October 2021). This has allowed restrictions to ease and support the reopening of the NSW and VIC economies. Both community infection and hospitalisation rates remain low. Additionally, the Government is exploring opportunities to develop local COVID-19 vaccine manufacturing capabilities which will help secure booster doses in the future.

The national unemployment rate increased 0.1 pps between August and September to 4.6%. This is 0.6 pps lower than the pre COVID-19 level in March 2020 of 5.3%. The Australian government has supported the country with fiscal measures estimated by the International Monetary Fund (IMF) to be worth AUD 312 billion (15.8% percent of 2020 GDP) through to 2025.

The 2020-21 budget announcement in October 2020 contained several fiscal stimulus-based plans comprising AUD 25 billion in direct COVID-19 support and AUD 74 billion in measures to support the economic recovery. One of the core pieces of the budget was the introduction of the AUD 74.0 billion 'JobMaker' plan to complement the existing 'JobSeeker' and 'JobKeeper' plans – it is likely that this will have positive flow on effects to white collar employment.

'JobMaker' is underpinned by several plans relevant to the office sector, the major ones being – (1) lowered personal and business taxes resulting in the creation of an estimated 100,000 jobs by FY22, (2) an additional AUD 14.0 billion in infrastructure projects (AUD 110.0 billion including pre-COVID) over the next four years, (3) an AUD 4.0 billion credit for businesses hiring employees aged between 16-35 years old which will result in an additional 450,000 jobs, (4) a new insolvency framework for smaller businesses to allow them to re-work debts, and (5) an additional AUD 1.0 billion in university research funding and AUD 2.0 billion in R&D tax incentives for the private sector.

The State governments have also introduced fiscal support packages. The IMF estimates these to be worth AUD 50 billion (2.5% of 2020 GDP). The NSW Government introduced the 'JobSaver' plan which subsidised 40% of weekly payroll, capped at AUD 10,000 per week. Other NSW government initiatives include a one-off grant of AUD 7,500-AUD 15,000 for eligible businesses, fortnightly grants of AUD 1,500 for micro businesses and payroll tax concessions. The VIC government also has a range of support measures including an additional AUD 1.6 billion to support around 132,000 businesses via the Business Costs Assistance Program Round 4.

The Reserve Bank of Australia estimates suggest that fiscal stimulus measures will continue to support employment levels. It is anticipated that the national unemployment rate will sit between 4.0% - 5.2% through to the end of 2023.

The September NAB Monthly Business Survey has captured the rebound of business confidence following announcements that the NSW and VIC economies would be reopening in October 2021. As such, business confidence is sitting above its long-term average. Business conditions edged lower to below it's long-term average as at the time of the survey the lockdowns were still ongoing. Capacity utilisation declined significantly while forward orders marginally declined to negative territory, suggesting business activity is yet to recover to it's pre-lockdown levels.

On a positive note, the Australian government has announced that the travel ban on citizens will be eased from 1 November 2021. Fully vaccinated citizens will no longer need to apply for an exemption to leave the country and some states will allow quarantine free travel. Additionally, Australia has plans to establish a travel bubble with Singapore from 8 November 2021. The Australian Government anticipates opening the borders to fully vaccinated skilled workers and international students from the rest of the world by the end of the year.

5.3 Parramatta Office Market Update 3Q21

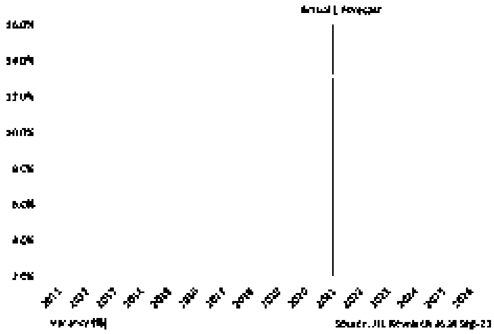
We provide Q3 2021 update research complied by the JLL research team for Parramatta Office Market. Some of the more salient points are as follows. These comments are general market in nature and relate to a basket of properties in this particular market.

5.4 Market Highlights

- The Parramatta office market recorded robust positive net absorption of 45,762 sqm in 3Q21.
- As a result, headline vacancy contracted to 12.9% over the quarter.
- 6 Hassall Street completed in 3Q21, adding 27,440 sqm of office space to the market.
- The next completion will be 6 Parramatta Square (70,000 sqm), which is due to complete in 4Q21.
- Prime gross effective rents increased marginally by 0.4% Q-o-Q, while secondary gross effective rents increase by 1.4% Q-o-Q.
- 9 Wentworth Street transacted for AUD 64.0 million over the quarter.
- The prime yield range compressed by 13 bps at the lower end and stands at 4.75% - 5.75%, and the secondary yield compressed by 12 bps at both ends to 5.38% - 6.88%.

Demand

Overall Vacancy Rate



The Parramatta office market recorded robust leasing activity in 3Q21, including seven large tenant leases. The largest recorded lease was by the Department of Home Affairs, who leased 17,625 sqm at 101 George Street as part of their consolidation from 9 Wentworth Street and the Sydney CBD. The remaining lease deals include:

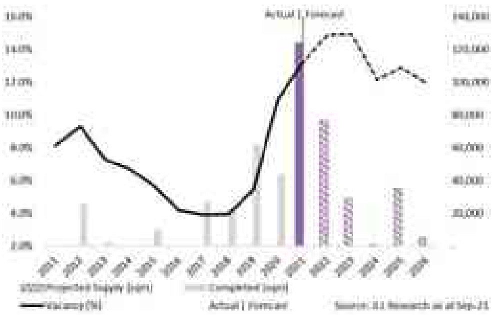
- The 10,000 sqm pre-lease by Western Sydney University coming into effect following the completion of 6 Hassall Street;
- NAB taking back 6,100 sqm of their sublease at 3 Parramatta Square;
- An undisclosed Commonwealth Department leased 1,812 sqm at 32 Smith Street;
- Servcorp leasing 1,500 sqm at 153 Macquarie Street;
- Credit Solutions leasing 1,323 sqm at 60 Station Street;
- Lendlease Project Group leasing 1,070 sqm at 25 Smith Street.

There were no large (>1,000 sqm) tenant vacancies recorded over the quarter. As such, headline vacancy contracted by 2.5 pps to 12.9% in 3Q21. The decline in the vacancy rate was concentrated in prime grade space, which recorded a decline of 5.7 pps over the quarter to 16.1%. In contrast, the secondary market vacancy rate increased by 0.5 pps to 9.1%

The Core precinct was the only precinct to record a decline in the vacancy rate over the quarter. The Core precinct vacancy rate declined by a marked 5.0 pps to 10.9%. The East, North and South vacancy rates increased to 36.4%, 5.6% and 10.4% respectively.

Supply

Total Completions, Under Construction and Vacancy Rate – Overall



6 Hassall Street completed in 3Q21, adding 27,440 sqm to the market. Western Sydney University had a 10,000 sqm pre-commitment in the asset. There were no withdrawals recorded over the quarter. As such, total stock in the Parramatta office market currently stands at 875,553 sqm.

The next completion in the market will be 6 Parramatta Square at 12-28 Darcy Street, Parramatta, which will add 70,000 sqm to the market once complete in 4Q21.

JLL is currently tracking two further projects that are under construction: 8 Parramatta Square on 12-28 Darcy Street (50,000 sqm) and 85 Macquarie Street (10,000 sqm), which are due to complete in mid-2022.

Two tenants have preleased almost all of 6 Parramatta Square: Property NSW (43,800 sqm) and Link Market Services (22,000 sqm), while Westpac has preleased 10,000 sqm at 8 Parramatta Square.

Leasing Markets

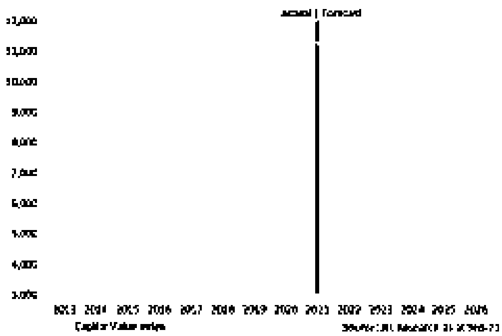
Prime Gross Effective Rents

Prime gross effective rents increased marginally by 0.4% Q-o-Q but declined by 6.6% Y-o-Y in 3Q21 to $422 per sqm per annum. The decline is a result of an increase in prime net face rents to $597 over the quarter. Prime incentives remained stable at 34.9% over the quarter.

Secondary gross effective rents also increased over the quarter by 1.4% Q-o-Q but declined by 6.3% Y-o-Y to $378 per sqm per annum. The increase over the quarter is also on the back of an increase to secondary net face rents, which increased to $452 in 3Q21. Secondary incentives also remained stable at 28.9%, which marks the highest rate in secondary incentives since JLL began tracking the market.

Capital Markets

Prime Capital Value Indicator



One sale was recorded in 3Q21. The City of Parramatta purchased 9 Wentworth Street from Mayrin Group for AUD 64.0 million.

The prime yield range compressed by 13 bps at both the upper and lower ends and currently stands at 4.75% - 5.75%, with a midpoint of 5.25% as at 3Q21.

The secondary yield range also compressed over the quarter by 12 bps at both the upper and lower ends and currently stands at 5.38% - 5.88%, with a midpoint of 5.63% as at 3Q21.

6 Leasing Evidence

6.1 Office Leasing Evidence

In assessing a market rental profile for the office accommodation, we have had regard to the leases within the property, together with recent rental evidence in the Parramatta office market. We have had particular regard to the evidence detailed below:

Lessee / Level	Area (Sqm.)	Lease Start / Term	Start Rent ($/sqm)	Annual Reviews	Incentive (Net)
33 Argyle Street, Parramatta (Subject Property)					
JPH Pty Ltd/ Level 8 Suite 4 (HOA)	*135*	*Feb-22 5 years*	*$550 Net*	*3.25%*	*32.5%*
Wellbe Counselling and Psychology/ Level 8 Suite 3	*128.9*	*Sep-21 5 years*	*$480 Net*	*4.00%*	*30.0%*
Shield Mercantile/ Level 5 Suite 4	*257.7*	*Jul-21 3 years*	*$460 Net*	*3.25%*	*30.0%*
Aboriginal Land Council/ Level 6	*886.1*	*Jul-21 6 years*	*$470 Net*	*3.00%*	*20.0%*
SY Solutions/ Level 9 Suite 1	*324*	*Aug-21 2 years*	*$460 Net*	*3.00%*	*30.0%*
Eddie Takchi/ Level 9 Suite 3	*133*	*Aug-21 5 years*	*$460 Net*	*3.50%*	*32.0%*
Gorval Lynch Pty Ltd/ Level 9 Suite B	*109.7*	*Nov-20 2 years*	*$475 Net*	*4.00%*	*33.9%*
17-21 Macquarie Street, Parramatta					
The property comprises an older style six (6) storey ‘B’ Grade commercial office building in the Parramatta CBD.					
AFEA / Ground Floor (Suite 1,2 & 3)	660.4	Mar 21/ 7 years	$415 Net ($550 Gross)	3.50%	22.0% Gross
HNT Legal / Level 4 Suite 1	186	Jan 21/ 5 years	$415 Net ($550 Gross)	4.00%	30.0% Gross
JobFit Health Group / Level 1 Suite 3	177.2	Oct 20/ 5 years	$385 Net ($520 Gross)	3.50%	25.0% Gross
The Uniting Church in Aust Property / Level 1 Suite 2	515.1	Jul 20/ 3 years	$365 Net ($500 Gross)	3.75%	4.0% Gross
MTC Australia / Level 5(Lease variation)	835.4	Jul 20/ 2 years	$345 Net ($480 Gross)	3.50%	12.5% Gross
111 Phillip Street, Parramatta					
A ‘B’ grade office building with five levels of office space, three ground floor retail shops, mezzanine space and four levels of car parking for 140 (income producing) spaces. The property was constructed in 1990.					
Zeal Digital/ Level 8 Suite 4	383.2	Jul-21 4 years	$418 Net ($550 Gross)	4.00%	6.3% Gross

Lessee / Level	Area (Sqm.)	Lease Start / Term	Start Rent ($/sqm)	Annual Reviews	Incentive (Net)
Key Assets Pty Ltd/ Level 8 Suite 1B	248.3	Apr-21 5 years	$418 Net ($550 Gross)	3.50%	3.3% Gross + fitout
Defence Housing Australia (HOA)/ Level 5 Suite 1	626.7	Apr-21 5 years	$418 Net ($550 Gross)	3.50%	20.0% Gross
Signum Business Advisors/ Level 8 Suite 2 & 3	307.6	Dec-20 5 years	$418 Net ($550 Gross)	3.50%	20.0% Gross + fitout
1 Wentworth Street, Parramatta					
A 7-storey 'B' grade office building completed in1985 located in the Parramatta CBD.					
Institute of Health and Management / Ground Floor and Level 3 Suite 1	Gd Flr: 648.2 Lvl 301: 442.7	Jan 20/ 5 years	Gd Flr: $400 Net Lvl 301: $430 Net	4.00%	9.4%
87 Marsden Street, Parramatta					
A 10-storey 'B' grade office building completed in 1991 located in the Parramatta CBD.					
Raine and Horne / Level 1 (Sublease)	275	Sep 20/ 4 years	$536 Net	4.00%	20.0%
Wipro / Level 5	948.8	Apr 19/ 5 years	$515 Net	3.75%	17.5%
9 George Street, Parramatta					
A 7-storey 'B' grade office building completed in 2003 located in the Parramatta CBD.					
Aus Payroll Professional Holding / Part Level 4	519	Apr 20/ 5 years	$530 Net	3.75%	24.0%
2 Wentworth Street, Parramatta					
A 13-storey 'A' grade office building completed in 1989 located in the Parramatta CBD.					
Department of Education / Part Level 3-9 &11	8,689	Jan 20/ 7 years	$515 Net	3.75%	18.0%
16-18 Wentworth Street, Parramatta					
An 8-storey 'B' grade office building completed in 1991 located in the Parramatta CBD.					
Crown Education / Level 7, Suite 2	306.0	Sep 19/ 3 years	$435 Net ($545 Gross)	4.00%	13.9%
First Choice Education / Level 2, Suite 1	515.2	Sep 19/ 5 years	$458 Net ($568 Gross)	3.50%	23.0%

The leasing evidence above ranges from $345/sqm to $550/sqm net face. The rates differ depending upon the tenancy size, level and location within a particular asset.

Ground Floor Office Leasing Evidence

While the subject property includes a ground floor commercial tenancy that could be used for retail purposes, we are of the opinion that the highest and best use for the ground floor space is as office accommodation. The subject property is located in a relatively isolated commercial pocket on the western periphery of the Parramatta CBD and the positioning of the tenancy does not benefit from large volumes of pedestrian foot traffic which would be beneficial for retail uses.

In assessing a market rental profile for the ground floor commercial accommodation, we have had regard to the leases within the property, together with recent ground floor office deals within the Parramatta CBD. We have had particular regard to the evidence detailed below:

Lessee / Level	Area (Sqm.)	Lease Start / Term	Start Rent ($/sqm)	Annual Reviews	Incentive (net)
131 Macquarie Street, Parramatta					
Institute of Health and Management / Ground Floor	648.2	Jan 20/ 5 years	$400 Net	4.00%	9.4%
80 George Street, Parramatta					
Consolidated Legal Services / Ground Floor	229.1	May 19/ 3 years	$600 net	4.00%	Undisclosed
91 Phillip Street, Parramatta					
Zabulon Pty Ltd / Ground Floor	355	Jan 19/ 5 years	$475 Net	4.00%	Undisclosed
2-10 Wentworth Street, Parramatta					
The Uniting Church in Australia (NSW) / Ground Floor	584.4	Oct 18/ 3 years	$426 Net	3.50%	Undisclosed
1-3 Fitzwilliam Street, Parramatta					
Konekt / Ground Floor	398.6	Oct 18/ 5 years	$476 net	3.75%	Undisclosed

The leasing evidence above ranges from $400/sqm to $600/sqm net face. The rates differ depending upon the tenancy size, level and location within a particular asset.

6.2 Market Rental Profile

Office Accommodation

In analysing the market rental for the accommodation within the Property, we have had regard to the Net structure of the leases executed. We have therefore assessed the market rental profile on a Net basis.

We consider the following office leasing transactions to comprise the most comparable evidence, relative to the property:

- **Subject Property** – The recent 'Pre-Covid' deal on the Ground Floor struck at $550/m² net with a 15.00% Net incentive as well as the recent 'In-Covid' deals within the property range from $460/m² to $550/m² net with incentives ranging from 20.0% to 33.9% net.
- **17 Macquarie Street, Parramatta** – The recent deals struck at $415/m² Net equivalent as well as the recent in-COVID 19 deals ranging from $345-$365/m² net equivalent. **Situated in a similar fringe location with inferior improvements. Overall inferior.**
- **111 Phillip Street, Parramatta** – The recent deals within the property at $418/m² Net equivalent. **Situated in an inferior location with inferior improvements. Overall considered inferior due to location and higher rents are warranted for the subject property.**
- **2 Wentworth Street, Parramatta** - The recent but Pre-COVID-19 deals (Jan-20) across the Part Level 3-9 & 11 reflects $515/sqm pa net face with an 18.0% net incentive. **The property is situated in a superior location closer to Parramatta train station and provides superior office accommodation to the subject property. Overall lower rents are warranted for the subject property.**
- **80 George Street, Parramatta –** A ground floor deal struck at $600/sqm net. **Superior location to subject however similar improvements having regard to the recent refurbishment of the subject property. On balance, this deal provides a good indication of the market rent for the ground floor 'ability options' tenancy.**

In assessing the current market rental profile for the Property, we have had regard to the deals presented in *Section 6.1* of this report and the comments made above. We consider that our evidence provides guidance as to the appropriate market levels for the property. As such, we have adopted a market rental range in the order of **$455/m²-$485/m² Net face**, allowing for current market incentives of **29.0% Net face**. We have also adopted passing as market for the Ground Floor tenancy to Ability Options (219.9sqm) reflecting **$595/m² Net face** and the Ground Floor tenancy to Aboriginal Land Council (32.6sqm) reflecting **$470/m² Net face.**

Impact of Coronavirus

The real estate market is being impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions, which had been changing daily in the early part of the pandemic, have now stabilised somewhat. We are of the view that the following areas have or are likely to be impacted in the short term:

- Rental growth in the short term is expected to slow, we are of the view that the next 12 months is unlikely to be close to zero rental growth;
- Incentives have risen sharply to assist where possible to maintain the current level of face market rents;
- The current elevated level of incentives is anticipated to be our peak if not close to it during the upcoming supply cycle focused around the Parramatta office market;
- Letting up allowances or downtime, especially for existing vacancies have push out. Depending upon how long and deep the economic crisis stemming from the health crisis is, soft tenant demand could place additional pressure on market vacancy rates which could result in longer downtime periods for future lease expires; and
- While transaction activity slowed significantly in 2020 as a result of the coronavirus pandemic, more recently in late 2020 and into 2021 we have witnessed increased leasing activity. However, we stress that as long as the coronavirus remains a threat, the market is vulnerable to disruption from potential lockdowns and restrictions.

Given the rapidly unfolding economic and market impacts of the coronavirus pandemic we draw the reader's attention back to executive summary of this report regarding Market Uncertainty Provisions. We highlight that circumstances may change significantly and unexpectedly over a relatively short period of time (including as a result of factors that the Valuer could not reasonably have been aware of as at the date of valuation).

For a full breakdown of the adopted market rental profile refer to *Section 6.5*.

6.3 Retail Leasing Evidence

In assessing a market rental profile for the retail accommodation, we have had regard to the lease within the property, together with recent rental evidence in the Parramatta and Suburban retail market. We have had particular regard to the evidence detailed below:

Address / Tenant	Area sqm	Date/Term	Rent $/sqm pa Net	Rent $ per Annum
33 Argyle Street, Parramatta *The Factory Café (Subject Property)*	*25*	*Nov-21* *5 years*	*$1,148 net equivalent* *($1,299 gross)*	*$29,156 p.a. net equivalent* *($33,000 p.a. gross)*
154 Marsden Street, Parramatta Bascio Espresso	40	Feb 21 3 years	$1,000 net equivalent ($1,125 gross)	$40,000 p.a. net equivalent ($45,000 p.a. gross)
75 Macquarie Street, Parramatta Maz Hair Studio	91	Apr-21 3 years	$534 net equivalent ($659 gross)	$48,594 p.a. net equivalent ($60,000 p.a. gross)
Ground, 91 Phillip Street Parramatta Cafe 91	87	Mar 20 5 years	$458 net ($597 gross)	$39,846 p.a. net ($51,939 p.a. gross)
Chambers Fine Coffee / 10/7 Rider Boulevard Rhodes	105	Feb-20 10 years	$1,714 net ($1,835 gross equivalent)	$180,000 p.a. net ($192,675 p.a. gross equivalent)
Shop 2, 75 Phillip Street, Parramatta Men's Hairdresser	45	Apr-20 3 years	$742 net equivalent ($867 gross)	$33,390 p.a. net equivalent ($39,000 p.a. gross)
Ya-Malaysia / Shop 3/42 Walker Street Rhodes	77	Sep-19 3 years	$1,096 net ($1,200 gross)	$84,364 p.a. net ($92,400 p.a. gross equivalent)
91 Phillip Street Zabulon Pty Ltd	355	Jan 19 5 years	$475 net ($750 gross)	$168,625 p.a. net ($203,250 p.a. gross)
Ground, 110 George Street, Parramatta Saravanaa Bhavan	271	Dec 18 4 years	$624 net ($750 gross)	$169,104 p.a. net ($203,250 p.a. gross)
Shop 1, 330 Church Street, Parramatta Bayvista	692.6	Sep 17	$433 net ($558 gross equivalent)	$300,000 p.a. net ($386,470 p.a. gross equivalent)

The leasing evidence above ranges from $433 to $1,714 per square metre p.a. net or $29,156 to $300,000 per annum net or $558 to $1,835 per square metre p.a. gross or $33,000 to $386,470 per annum gross. The rates differ depending upon the tenancy size, level of exposure, access and location.

Retail Market Rental Profile

In analysing the market rental for the retail accommodation within the Property, we have had regard to the Gross structure of the lease to Kambers Sydney (The Factory Café) in the subject property commencing November 2021 at $1,299/sqm gross. We have therefore assessed the market rental profile for the retail accommodation on a gross face basis.

In assessing the current market rental profile for the Property, we have had regard to the deals presented in Section 6.3 of this report and the comments made above. We consider that our evidence provides guidance as to the appropriate market levels for the property. We considered the retail passing rent for Ground Floor café comprising **$1,299/sqm pa gross face** or **$1,148/sqm pa net face equivalent** to be reflective of market rent, allowing for an assumed market incentive of **12.50% Gross**.

For a full breakdown of the adopted market rental profile refer to *Section 6.5*.

6.4 Car Park & Miscellaneous Leasing Evidence

We have had regard to current car parking rates within the Parramatta CBD, which are summarised as follows:

Property	Date	Rate pcm*
16-18 Wentworth Street, Parramatta	2021	$275-$300
91 Phillip Street, Parramatta	2021	$380
The Barrington, 10-14 Smith Street, Parramatta	2019	$350
88 Phillip Street, Parramatta	2018	$300
126 Church Street, Parramatta	2018	$325
Jessie Street Centre – 2-12 Macquarie Street, Parramatta	2018	$300-$350
2 Wentworth Street, Parramatta	2017	$306
75 George Street, Parramatta	2017	$320

The car parking rates currently being achieved within the Property equate to $250-$300 per bay per calendar month. Having regard to the evidence above, we have adopted a rate of **$300 per bay per calendar month** for individual 'leased' parking spaces within the property (exclusive of GST) and a rate of **$240 per bay per calendar month** for individual 'vacant' parking spaces, which represents a 20% discount.

Miscellaneous Income

In relation to the miscellaneous income we have adopted passing as market for the leased storage space and adopted a market rent of $10,000pa gross for the vacant storage accommodation.

For a full breakdown of the adopted market rental profile refer to *Section 6.5*.

6.5 Market Rental Profile

Market Rents

Level/Suite	Tenant Name	Renewal Type	Area/ Carspaces m²	Net Market Rent		$ pa.	Gross Market Rent		$ pa.	% Gross Passing	Reversion Date	PV of Rental Reversion
Ground - Lobby	Kambers Sydney (The Factory Café)	Retail	25.4	1,148	$/m² pa	29,156	1,299	$/m² pa	33,000	-	15-Nov-26	
Ground	Ability Options	Office	219.9	595	$/m² pa	130,814	746	$/m² pa	164,089	-	1-Feb-23	
Ground	Aboriginal Land Council	Office	32.6	470	$/m² pa	15,322	621	$/m² pa	20,255	-	1-Aug-27	
Level 4	Vacant	Office	886.4	455	$/m² pa	403,312	606	$/m² pa	537,441	-	-	
Level 5 - Suite A & B	Aboriginal Land Council	Office	292.3	465	$/m² pa	135,920	616	$/m² pa	180,150	(0.90%)	1-Nov-23	9,634
Level 5 - Suite C - 503	Aboriginal Land Council	Office	283.0	465	$/m² pa	131,595	616	$/m² pa	174,418	(0.90%)	1-Nov-23	9,328
Level 5 - Suite D - 504	Shield Mercantile	Office	257.7	465	$/m² pa	119,831	616	$/m² pa	158,825	0.82%	15-Jul-24	4,693
Level 6	Aboriginal Land Council	Office	886.1	465	$/m² pa	412,037	616	$/m² pa	546,121	(0.80%)	1-Aug-27	60,180
Level 7	Health Career International	Office	873.2	470	$/m² pa	410,404	621	$/m² pa	542,536	14.42%	1-Aug-23	(89,449)
Level 8 - 801, 802	Aboriginal Legal Services	Office	536.7	480	$/m² pa	257,616	631	$/m² pa	338,829	1.61%	1-Jul-25	11,775
Level 8 - 803	Wellbe Counselling and Psychology	Office	128.9	480	$/m² pa	61,872	631	$/m² pa	81,377	-	15-Sep-26	
Level 8 - 804	JPH Pty Ltd	Office	134.5	480	$/m² pa	64,560	631	$/m² pa	84,912	(9.98%)	1-Feb-27	41,324
Level 9 - Suite A - 901	SY Solutions	Office	324.0	485	$/m² pa	157,140	636	$/m² pa	206,167	4.09%	18-Aug-23	(8,645)
Level 9 - Suite B - 902	Gorval Lynch Pty Ltd	Office	109.7	485	$/m² pa	53,205	636	$/m² pa	69,804	(1.39%)	1-Nov-22	862
Level 9 - Suite C - 903	Eddie Takchi	Office	133.0	485	$/m² pa	64,505	636	$/m² pa	84,630	4.09%	1-Aug-26	(5,552)
Level 9 - Suite D - 904	Health Careers International	Office	180.5	485	$/m² pa	87,543	636	$/m² pa	114,856	35.86%	20-Feb-22	(4,231)
Secure	Ability Options *	Car Parking	6.0	300	$ pcm/bay	21,600	300	$ pcm/bay	21,600		1-Feb-23	(1,305)
Secure	Aboriginal Land Council *	Car Parking	50.0	300	$ pcm/bay	180,000	300	$ pcm/bay	180,000		1-Nov-23	(24,333)
Secure	Health Career International *	Car Parking	3.0	300	$ pcm/bay	10,800	300	$ pcm/bay	10,800		1-Aug-23	(643)
Secure	Aboriginal Legal Services *	Car Parking	7.0	300	$ pcm/bay	25,200	300	$ pcm/bay	25,200		1-Jul-25	
Secure	Gorval Lynch Pty Ltd *	Car Parking	2.0	300	$ pcm/bay	7,200	300	$ pcm/bay	7,200		1-Nov-22	242
Secure	Eddie Takchi *	Car Parking	2.0	300	$ pcm/bay	7,200	300	$ pcm/bay	7,200		1-Aug-26	
Secure	Shield Mercantile *	Car Parking	2.0	300	$ pcm/bay	7,200	300	$ pcm/bay	7,200		15-Jul-24	
Secure	SY Solutions *	Car Parking	7.0	300	$ pcm/bay	25,200	300	$ pcm/bay	25,200		18-Aug-23	
Secure	Wellbe Counselling and Psychology *	Car Parking	2.0	300	$ pcm/bay	7,200	300	$ pcm/bay	7,200		15-Sep-26	
Secure	JPH Pty Ltd *	Car Parking	2.0	300	$ pcm/bay	7,200	300	$ pcm/bay	7,200		1-Feb-27	
Secure	Kambers Sydney (The Factory Café) *	Car Parking	1.0	250	$ pcm/bay	3,000	250	$ pcm/bay	3,000		15-Nov-26	
Secure - Vacant	Vacant *	Car Parking	53.0	240	$ pcm/bay	152,640	240	$ pcm/bay	152,640		-	
Storage	Vacant *	Storage	1.0	10,000	$ pa	10,000	10,000	$ pa	10,000		-	
Storage	Aboriginal Land Council *	Storage	1.0	17,390	$ pa	17,390	17,390	$ pa	17,390		31-Oct-23	
** excluded from Total Lettable Area*												
TOTAL			5,303.9			3,016,661			3,819,243			3,880

Space Type	Area m²	Net Market Rent		$ pa.	Gross Market Rent		$ pa.
Non-componentised Space	5,303.90	569	$/m² pa.	3,016,661	720	$/m² pa.	3,819,243
** excluded from Total Lettable Area*							
TOTAL	5,303.9			3,016,661			3,819,243

6.6 Net Income Assessment

The table below presents both the passing income and adopted market net income profile of the Property:

Income Assessment								
	NLA (m²)	$ pa.	Passing $/m²	% Passing	$ pa.	Market $/m²	% Market	Variance
Office	4,392	2,086,412	475	69.6%	2,102,362	479	67.4%	(0.8%)
Retail	25	33,000	1,299	1.1%	33,000	1,299	1.1%	-
Storage	-	17,390		0.6%	17,390		0.6%	-
Car Parking	84	280,872	279	9.4%	301,800	299	9.7%	(6.9%)
Sundry Income		-		-	-		-	-
Outgoings Recoveries		581,828	132	19.4%	664,610	150	21.3%	(12.5%)
Gross Income (occupied areas)	**4,418**	**2,999,502**	**679**	**100.0%**	**3,119,162**	**706**	**100.0%**	**(3.8%)**
Vacant Tenant Areas (Gross)	886	537,441	606		537,441	606		-
Vacant Car Parking	-	152,640	0/bay		152,640	0/bay		-
Vacant Other	-	10,000	-		10,000	-		-
Gross Income (fully leased)	**5,304**	**3,699,584**	**698**		**3,819,243**	**720**		**(3.1%)**
Statutory Expenses		(312,302)	(59)		(312,302)	(59)		-
Operating Expenses		(490,281)	(92)		(490,281)	(92)		-
Ground Rent		-			-			-
Non-recoverable Expenses		-			-			-
Less Outgoings		(802,583)	(151)		(802,583)	(151)		-
Net Income (fully leased)		**2,897,001**	**546**		**3,016,661**	**569**		**(4.0%)**

* % Market Rent based on Occupied/Committed Areas Only

7 Sales Evidence

7.1 Sales Transactions

In assessing a suitable capitalisation rate and discount rate profile for the Property, we have had regard to recent commercial investment sales in the Parramatta CBD and suburban commercial markets. The more relevant sales are summarised in the sales schedule and commentary below:

Property	Date	Sale Price	Initial Yield	Equivalent Yield	IRR	Rate ($/m²)	WALE by income (Years)
37 Epping Road, Macquarie Park	Jun-21	$55,000,000	5.2%	5.5%	6.0%	$6,817	3.21
17 O'Riordan Street, Alexandria	Jun-21	$159,000,000	4.5%	4.4%	6.1%	$12,518	9.66
11 Murray Rose Avenue, Sydney Olympic Park	Jun-21	$52,000,000	5.5%	5.4%	6.3%	$9,148	3.76
68 Waterloo Road, Macquarie Park	Mar 21	$106,500,000	4.8%	5.3%	6.0%	$7,897	3.91
27-31 Argyle Street, Parramatta	Oct 20	$74,000,000	4.5%	5.6%	6.5%	$7,116	2.75
657 Pacific Highway, St Leonards	Aug 20	$34,000,000	2.1%	5.2%	6.2%	$9,583	1.24
60 Pacific Highway, St Leonards	Jul 20	$33,800,000	5.4%	5.2%	6.4%	$11,571	3.04
9 Wentworth Street, Parramatta	Nov 19	$62,600,000	4.8%	5.7%	6.1%	$8,182	3.84
80 George Street, Parramatta	Sep 19	$82,380,000	4.8%	5.2%	6.5%	$10,092	4.98
1-3 Fitzwilliam Street, Parramatta	Sep 19	$80,000,000 (Gross Price)	5.2%	5.6%	6.6%	$8,267	2.85
9 George Street, Parramatta	Feb 19	$44,300,000	3.6%	5.5%	5.9%	$7,970	2.39
2-6 Cavill Avenue, Ashfield	Aug 19	$63,300,000	5.5%	5.7%	6.6%	$5,973	2.46
91 Phillip Street, Parramatta	Oct 18	$56,630,000	5.1%	5.5%	6.7%	$9,292	2.83

Detailed sales analyses are annexed to this report.

The aforementioned sales evidence represents the following resultant ranges:

	Initial Yield	Equivalent Yield	IRR	Rate ($/m²)
Minimum	2.1%	4.4%	5.9%	$5,973
Maximum	5.5%	5.7%	6.7%	$12,518

7.2 Sales Reconciliation

Market Performance – Parramatta Office Market Update 3Q21

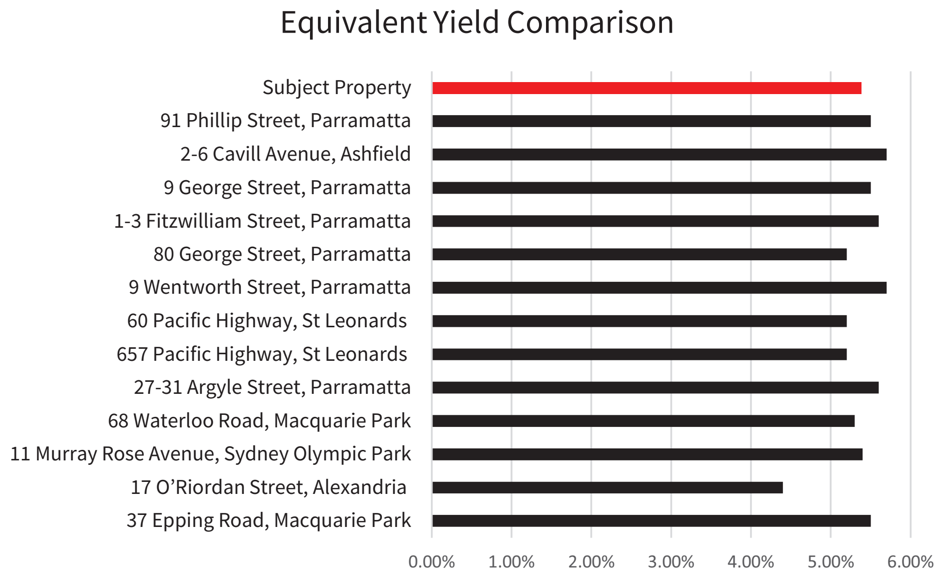
We provide Q3 2021 update research complied by the JLL research team for Parramatta Office Market. Some of the more salient points are as follows. These comments are general market in nature and relate to a basket of properties in this particular market.

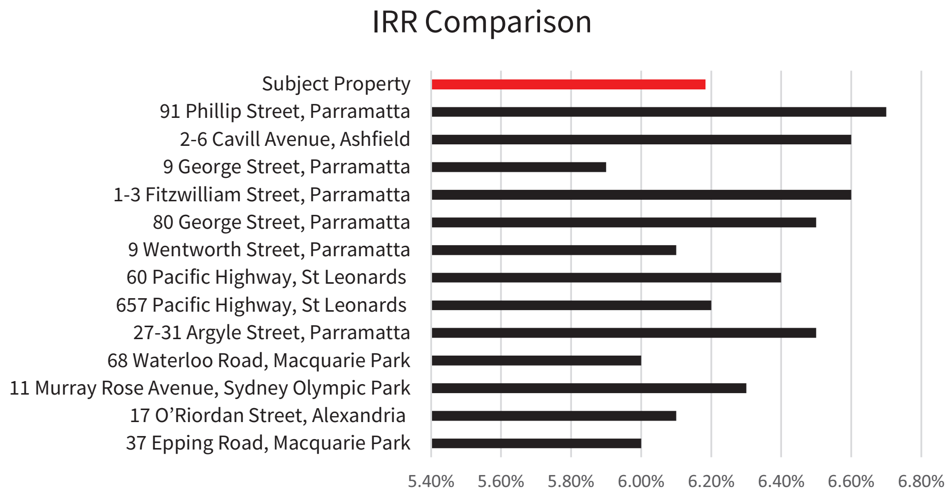
- The Parramatta office market recorded robust positive net absorption of 45,762 sqm in 3Q21.
- As a result, headline vacancy contracted to 12.9% over the quarter.
- 6 Hassall Street completed in 3Q21, adding 27,440 sqm of office space to the market.
- The next completion will be 6 Parramatta Square (70,000 sqm), which is due to complete in 4Q21.
- Prime gross effective rents increased marginally by 0.4% Q-o-Q, while secondary gross effective rents increase by 1.4% Q-o-Q.
- 9 Wentworth Street transacted for AUD 64.0 million over the quarter.
- The prime yield range compressed by 13 bps at the lower end and stands at 4.75% - 5.75%, and the secondary yield compressed by 12 bps at both ends to 5.38% - 6.88%.

When adopting the appropriate valuation parameters for the property, we have had particular regard to the sales of:

- **37 Epping Road, Macquarie Park (5.5% EMY, 6.0% IRR, $6,817/sqm capital value, WALE 3.21 years)** comprises a circa 2003 constructed, three level office building configured with ground floor retail, two upper levels of office accommodation, and car parking. The property has 219 car spaces which includes a mix of basement, mezzanine and on-grade car parking. The subject is located within the metropolitan office market of Macquarie Park, approximately 15 kilometres north west from the Sydney CBD. More specifically, it is situated on the eastern side of Epping Road, approximately 150 metres south from its intersection with Wicks Road. The subject property comprises a total NLA of 8,068 square metres and features a 5-star NABERS Energy rating. **Inferior metropolitan office location of Macquarie Park although similar standard of office accommodation compared to the subject property. Similar value quantum (circa $50M) to the subject property hence similar buyer pool. On balance, a slightly firmer capitalisation rate is warranted for the subject property due to location.**
- **68 Waterloo Road, Macquarie Park (5.3% EMY, 6.0% IRR, $7,897/sqm capital value, 3.91 years WALE)** comprises a 'B' grade commercial office and warehouse building located in the metropolitan office market of Macquarie Park. The property has dual frontage to Waterloo Road and Giffnock Avenue and is located within 600 metres of the Macquarie Shopping Centre and Metro Station. The total Net Lettable Area (NLA) of 13,486sqm is inclusive of ground floor and four upper levels of office accommodation, warehousing and one level of basement car parking. The total NLA can be apportioned as 10,489 sqm of office and 2,997sqm of warehouse. **Inferior metropolitan office location of Macquarie Park although superior standard of office accommodation compared to the subject property. On balance, provides a good indication of the metrics warranted for the subject property.**
- **27-31 Argyle Street, Parramatta (5.6% EMY, 6.5% IRR, $7,116/sqm capital value, 2.75 years WALE)** known as 'The Centurion' comprises a 10 storey, B Grade commercial office building completed in early 2006. The property is located on the corner of Argyle Street and O'Connell Street within the southern precinct of the Parramatta CBD. While the property is located in the Parramatta CBD, it is situated in a relatively isolated commercial pocket on the south western periphery. The building consists of a ground floor commercial space comprising 414 square metres, one (1) level of above ground car parking (known as level 2) and two (2) levels of ground/lower ground parking (known as Level 1 and lower ground) as well as nine (9) upper levels of office accommodation. The building provides a total NLA of approximately 10,339 square metres and 120 secure car parking spaces. The property has a NABERS Energy rating of 3.5 Stars. **Similar location being located adjacent to the subject however inferior building improvements having regard to the recent refurbishment works in the subject property. Larger quantum $75M hence smaller buyer pool. On balance, a firmer capitalisation rate is warranted for the subject due to improvements, the improved market conditions since this sale and the smaller quantum of value and hence larger buyer pool.**
- **The Subject Property sold for $40,800,000 in November 2018 reflecting 5.5% EMY, 6.5% IRR, $7,729/sqm capital value, and 3.33 years WALE.** Since this time the property has undergone major refurbishment works and market conditions have improved. Therefore, firmer metrics are warranted for the subject property.

In particular we highlight the following resultant ranges compared to the subject property:





Based on the sales evidence, particularly the most recent and anecdotal evidence of current transactions, we have adopted the following valuation inputs:

Variable	Input
Capitalisation Rate – Core Income	5.38%
Discount Rate	6.25%

8 Valuation Rationale

8.1 Valuation Overview

In arriving at our opinion of market value we have adopted the capitalisation of net income and discounted cash flow (DCF) approaches. Both results have then been cross checked using the direct comparison approach where the value is analysed on a rate per square metre of Net Lettable Area (NLA).

Our valuation has been undertaken utilising the Forbury valuation Model v 12.8.6.0.

8.2 Valuation Criteria

After considering the sales evidence, market indicators and the level of investor sentiment for comparable commercial real estate and adjusting specifically for:

- the characteristics of the location;
- quality of the improvements/building;
- leasing covenants/security of income cash flow;
- weighted remaining lease duration; and
- expiry profile of tenancies.

We have adopted a core capitalisation rate of 5.38% on our adopted market rental profile and a 6.25% target discount rate.

8.3 Capitalisation Approach

Introduction

The capitalisation approach involves the addition of our opinion of market rent for the various components of the Property, and the deduction of outgoings (where appropriate) in order to determine the net market income of the Property. This net market income is capitalised at the adopted capitalisation rate to derive a core value.

A summary of the capitalisation approach is detailed overleaf:

Market Capitalisation Approach				
Market Income				
		Base Rent	Recoveries	Total
Office		2,505,674	798,739	3,304,413
Retail		33,000	-	33,000
Storage		27,390	-	27,390
Car Parking		454,440	-	454,440
Sundry Income				-
Gross Market Income		**3,020,504**	**798,739**	**3,819,243**
Less Adopted Outgoings				(802,583)
Less Ground Rent				-
Net Market Income				**3,016,661**
Less Vacancy Factor				-
Net Income				**3,016,661**
Market Capitalisation Rate		5.63%	5.38%	5.13%
Core Capital Value (fully leased)		**53,629,520**	**56,123,917**	**58,861,669**
Core Capital Value ($/m²)		*10,111*	*10,582*	*11,098*
Capital Value Adjustments				
Present Value of Rental Reversions		3,419	3,880	4,346
Capital Value of Special Income		-	-	-
Capital Value of Stabilisation Allowance		-	-	-
Capital Value of Other Adjustments		-	-	-
Outstanding Incentives		(1,258,659)	(1,263,637)	(1,268,663)
Capital Value of Additional Land		-	-	-
Deferred Commencement Tenancies				
Letting Up Allowances		(7,823)	(7,823)	(7,823)
Incentive Allowances		(104,005)	(104,596)	(105,193)
Leasing Costs Allowances		-	-	-
Existing Vacancy Allowances				
Letting Up Allowances		(700,081)	(700,081)	(700,081)
Incentive Allowances		(584,802)	(584,802)	(584,802)
Leasing Costs Allowances		(64,493)	(64,493)	(64,493)
-		-	-	-
Imminent Expiry Allowances				
Letting Up Allowances	*36 months*	(838,520)	(841,845)	(845,194)
Incentive Allowances	*36 months*	(1,432,310)	(1,441,854)	(1,451,511)
Leasing Costs Allowances	*36 months*	(174,035)	(174,821)	(175,614)
Refurbishment Allowances	*36 months*	(402,978)	(404,473)	(405,978)
Capital Expenditure				
Budgeted Capital Expenditure	*36 months*	(90,000)	(90,000)	(90,000)
Capital Sinking Fund Allowance	*36 months*	(183,846)	(184,465)	(185,088)
Total Capital Value Adjustments		**(5,838,133)**	**(5,859,011)**	**(5,880,094)**
Capitalised Value		**47,791,387**	**50,264,906**	**52,981,574**
Capitalised Value ($/m²)		*9,011*	*9,477*	*9,989*
Rounded Value		48,000,000	50,000,000	53,000,000
Capitalised Rounded Value ($/m²)		*9,050*	*9,427*	*9,993*

From our core value, present value adjustments (for rental reversions, letting up allowances, incentives, future lease agreements and short term CAPEX) have been made where appropriate in order to derive the resultant capitalised value.

Our adopted adjustments are detailed as follows:

Rental Reversions

From the core value, we have deducted the present value of tenant rental reversions, which represents the present value of rental overage/underage for each existing tenancy relative to our adopted rental profile. Reversions total $3,880.

Outstanding Incentives

We have deducted the present value of all outstanding/unexpired incentives of $1,368,233. This relates to all incentives previously given to tenants which have not been fully paid out or remain outstanding as at the date of valuation. These allowances include the Covid-19 allowances discussed in Section 4.8 of this report. Future allowances for incentives on vacancies and expires are outlined below.

Letting Up Allowances - Vacancies

Within our capitalisation calculations we have made present value letting up allowances for those tenancies that are vacant. This letting up allowance includes rental and outgoings void (downtime) as well as incentives and leasing/agent's fees associated with leasing up the vacancies. These amounts are apportioned as follows:

Item	Value
Rental Void	$700,081
Incentives	$584,802
Leasing/Agent's Fees	$64,493
Refurbishment Allowances	$0
Total Letting Up Allowances for Current Vacancies	$1,349,377

Letting Up Allowances – Expiries over the next 36 months

Within our capitalisation calculations we have made present value letting up allowances for those tenancies that are expiring over the next 36 months. This letting up allowance includes rental and outgoings void (downtime) as well as incentives and leasing/agent's fees associated with leasing up the captured lease expiries. These amounts are apportioned as follows:

Item	Value
Rental Void	$841,845
Incentives	$1,441,854
Leasing/Agent's Fees	$174,821
Refurbishment Allowances	$404,473
Total Letting Up Allowances for Expiries	$2,862,993

Deferred Commencement Tenancies

We have made allowances for downtime relating to tenancies with lease commencement dates after our date of valuation of $7,823.

Capital Deductions

We have allowed for the present value of budgeted CAPEX allowances over the next 36 months from the valuation date, which total $90,000. The present value of the sinking fund is $184,465. This gives a total capital deduction value of $274,465.

Calculation Summary

Having made these adjustments to the core value, we derive a total value of $50,264,906.

Our detailed calculations are annexed to this report.

8.4 Discounted Cash Flow Approach

We have undertaken a discounted cash flow analysis over a 10 year investment horizon to derive a net present value for the Property. The cash flow outputs are summarised and appended to this report.

We stress that the estimating of future rentals and values is a very problematic exercise, which at best should be regarded as an indicative assessment of possibilities rather than absolute certainties. The process of making forward projection of key elements includes assumptions regarding a considerable number of variables which are acutely sensitive to changing conditions, variation in any of which may significantly affect value.

The main valuation inputs used in our cash flow are summarised as follows:

Revenue Projections

Our revenue projections commence with the passing rents for each existing tenant and, where relevant, include structured rent reviews as provided for under existing leases. At lease expiry or a market review throughout the cash flow, the market rent is assessed based on our forecast market rents at this time, which are calculated from adopted growth rates.

Our rental growth forecasts are necessarily indicative, about which the actual results will inevitably fluctuate by virtue of lease renewals, market rent reviews, tenancy relocations and upgrading works to a greater or lesser degree.

Growth Rates

A summary of the growth rates adopted for the cash flow period are as follows:

Income Growth	10 Year CAGR	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Office Market Rent Growth - Net	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Office Market Rent Growth - Gross	3.41%	0.24%	2.55%	3.71%	3.95%	3.95%	3.95%	4.20%	4.19%	3.72%	3.72%
Retail Market Rent Growth - Net	2.96%	-	3.00%	3.20%	3.30%	3.30%	3.30%	3.50%	3.40%	3.30%	3.30%
Retail Market Rent Growth - Gross	2.92%	0.24%	2.93%	3.13%	3.23%	3.23%	3.23%	3.43%	3.33%	3.23%	3.23%
Car Parking Market Rent Growth - Net	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Car Parking Market Rent Growth - Gross	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Storage Market Rent Growth - Net	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Storage Market Rent Growth - Gross	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%

The office, retail and car parking market rents have been grown over the 10 year cash flow period by their respective growth rate as set out within the summary table above. In formulating our views as to the appropriate projected rental growth rates for the Property we have had regard to forecasts supplied by Jones Lang LaSalle Research and Access Economics. These forecasts have been used as a base from which growth rates appropriate for the Property have been derived.

Letting Up/Incentive/Leasing Cost Allowances

We have allowed for a letting up period at the end of each existing lease (being the estimated time to secure a new tenant) and associated probability. We have also allowed for an incentive to the new tenant with associated probability for this incentive occurring. We have assumed a new lease term for office and car parking tenants of 5 years and associated agents/leasing costs of 12.00%. We have also assumed a new lease term for retail tenants of 5 years and associated agents/leasing costs of 12.00%. Our allowances are outlined in the table below:

Office Letting Up Allowances

Office		Vacancies	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Expiry Profile	m^2	886	290	1,992	258	537	262	2,120	330	2,030	537	133
Renewal Probability	%		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	12.0	12.0	12.0	9.0	9.0	9.0	12.0	9.0	12.0	9.0	9.0
Applied Downtime	months	12.0	6.0	6.0	4.5	4.5	4.5	6.0	4.5	6.0	4.5	4.5
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Net Incentives - New Leases	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Net Incentives - Renewals	%		30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Net Incentives	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Net Incentives	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Applied Incentives	months	17.4	18.0	16.8	16.2	15.6	14.4	14.4	14.4	14.4	13.8	13.8
Leasing Costs - New Leases	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Leasing Costs - Renewals	%		12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Applied Leasing Costs	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Refurbishment on Expiry - New Leases	$\$/m^2$	150.00	150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Refurbishment on Expiry - Renewals	$\$/m^2$		150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Applied Refurbishment Expiry Allowance	$\$/m^2$		150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Net Market Rent (start of period)	$\$/m^2$		475	473	485	505	527	550	574	600	628	653
Gross Market Rent (start of period)	$\$/m^2$		626	627	644	667	694	721	750	781	814	844
Occupancy Rate (Weighted by Area)	%		80.9%	86.2%	92.3%	96.2%	98.3%	90.0%	87.4%	82.8%	96.7%	97.4%

Retail Letting Up Allowances

Retail		Vacancies	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Expiry Profile	m²	-	-	-	-	-	25	-	-	-	-	-
Renewal Probability	%		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	9.0	9.0	9.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Applied Downtime	months	9.0	4.5	4.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Net Incentives - New Leases	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Incentives - Renewals	%		12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Incentives	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Net Incentives	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Applied Incentives	months	7.5	7.5	7.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Leasing Costs - New Leases	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Leasing Costs - Renewals	%		12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Applied Leasing Costs	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Refurbishment on Expiry - New Leases	$/m²	50.00	50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Refurbishment on Expiry - Renewals	$/m²		50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Applied Refurbishment Expiry Allowance	$/m²		50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Net Market Rent (start of period)	$/m²		1,148	1,148	1,182	1,220	1,260	1,302	1,345	1,392	1,439	1,487
Gross Market Rent (start of period)	$/m²		1,299	1,302	1,341	1,382	1,427	1,473	1,521	1,573	1,625	1,678
Occupancy Rate (Weighted by Area)	%		100.0%	100.0%	100.0%	100.0%	87.1%	87.7%	100.0%	100.0%	100.0%	100.0%

Capital Expenditure

Within our calculations we have made capital expenditure allowances based on budgets provided, together with our own allowances for capital and refurbishment works coinciding with major lease expiries that we feel would be necessary to achieve our rental growth forecast and which a prudent purchaser is likely to make allowances for. The allowances we have made are summarised below:

- $150/m² refurbishment allowance on expiry for typical office tenancies however for those office tenants with weak makegoods we have allowed $250/m² refurbishment allowance on expiry;
- $50/m² refurbishment allowance on expiry for the retail tenancies;
- Annual sinking fund of $12.50/m²; and
- Lift Car Interiors upgrade $90,000 in Year 1.

The above allowances are adjusted by CPI throughout the cash flow.

The table below outlines the total capital expenditure amount each cash flow year:

Capital Expenditure Summary	10 Year Total	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Total Budgeted Capex	90,000	90,000	-	-	-	-	-	-	-	-	-
Total Sinking Fund	730,409	66,299	67,426	68,774	70,287	71,904	73,558	75,250	77,131	78,982	80,799
Total Refurbishment Allowances	1,562,762	43,777	340,487	67,562	143,601	59,167	373,014	56,696	355,892	97,741	24,825
Total Capital Expenditure	**2,383,171**	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**105,624**
Terminal Capital Expenditure Allowance	608,962										608,962
Total Capital Expenditure (Incl. Allowances)	**2,992,133**	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**714,586**

Total CAPEX allowances amount to $2,383,171 ($449/m² of NLA) over 10 years.

Estimated Terminal Sale Price

We have applied a terminal yield of 5.75% (a 0.375% softening to the going in capitalisation rate) to the market net income at the start of Year 11 in order to calculate the estimated terminal sale price. This value also includes reversions to the forecast market rent as at the end of Year 10, deferred until the next review date.

In estimating the terminal value we have had regard to perceived market conditions at the end of Year 10 and the age, leasing profile and condition of the Property at that time. Whilst it is difficult to project long range forecasts, the most likely market conditions should be considered. Long term factors dominate the outlook, however, cyclical factors and short term influences govern these projections.

Transaction Costs

We have made allowances for the following transaction costs within our discounted cash flow:

Transaction Costs	
Disposal Costs	0.70%
Acquisition Costs	5.60%

Discount Rate

In assessing the appropriate target discount rate for the property, we have considered the following factors:

- Analysis of recent comparable sales;
- Current level of the 10 year Government Bond Rate;
- Dialogue with active institutional investors and property trust investors; and
- Property's lease covenants and quality of improvements.

Present Value

After careful consideration of the assumptions and comments contained in our report and relevant market evidence, we have applied a target discount rate of 6.25% to the cash flows to produce a present value of $50,000,000.

Our DCF calculations are annexed to this report.

Sensitivity Analysis

The table below highlights a sensitivity analysis of the net present value around variations to the target discount rate and terminal yield:

10 Year DCF Sensitivity Matrix

		Discount rate				
		6.75%	6.50%	6.25%	6.00%	5.75%
Terminal Yield	6.25%	44,813,307	45,718,918	46,646,907	47,597,895	48,572,520
	6.00%	46,210,543	47,149,303	48,111,307	49,097,200	50,107,650
	5.75%	47,729,953	48,704,759	**49,703,752**	50,727,604	51,777,010
	5.50%	49,388,206	50,402,352	51,441,713	52,506,994	53,598,916
	5.25%	51,205,148	52,262,398	53,345,992	54,456,664	55,595,171

8.5 Valuation Reconciliation

The results of our valuation methods are:

Methodology	Valuation
Capitalisation Approach – Market Income	$50,264,906
Discounted Cash Flow Approach	$49,703,752
Adopted Value	$50,000,000

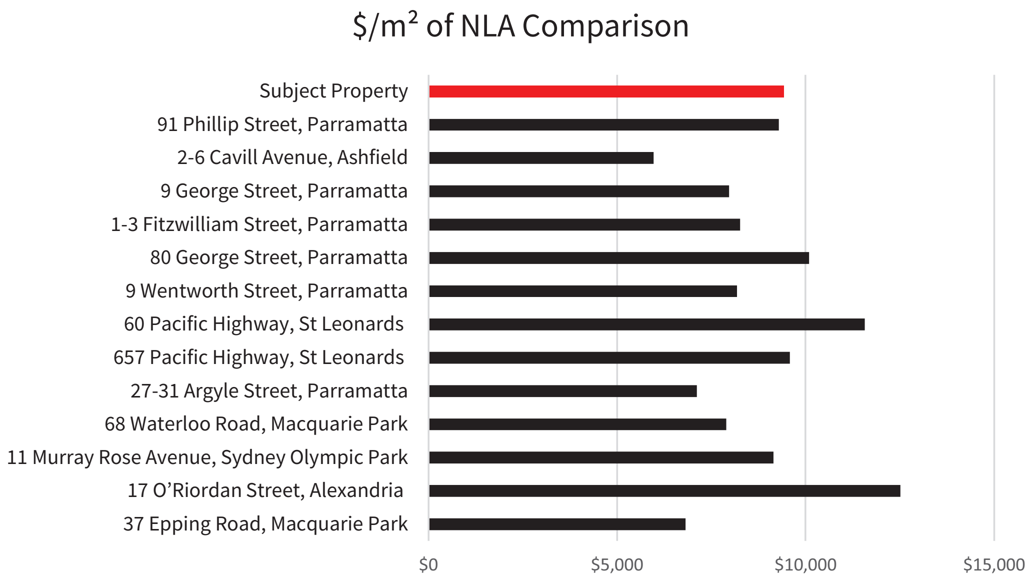
Having regard to the results from the valuation methods described above, together with available market evidence, the comments made within this report, and present commercial office market investment sentiment, we have adopted a rounded valuation figure of $50,000,000 plus GST (if any). The assessed value reflects an initial passing yield of 4.39%, an equivalent yield of 5.40%, an internal rate of return of 6.17%, and a rate of $9,427/m^2 of Net Lettable Area, as leased.

Direct Comparison – Recent Sales

For the purpose of cross-checking the two primary methods of valuation, we have considered the rates per square metre of NLA reflected by the aforementioned sales evidence, as summarised in the table below:

Address	$/m² of NLA
37 Epping Road, Macquarie Park	$6,817
17 O'Riordan Street, Alexandria	$12,518
11 Murray Rose Avenue, Sydney Olympic Park	$9,148
68 Waterloo Road, Macquarie Park	$7,897
27-31 Argyle Street, Parramatta	$7,116
657 Pacific Highway, St Leonards	$9,583
60 Pacific Highway, St Leonards	$11,571
9 Wentworth Street, Parramatta	$8,182
80 George Street, Parramatta	$10,092
1-3 Fitzwilliam Street, Parramatta	$8,267
9 George Street, Parramatta	$7,970
2-6 Cavill Avenue, Ashfield	$5,973
91 Phillip Street, Parramatta	$9,292
2-14 Elsie Street, Burwood	$7,655
Subject	$9,427

The range in pro-rata prices is between $5,973/m² and $12,518/m² of NLA. The adopted value reflects a rate per square metre of NLA of $9,427, which is within the parameters reflected by the sales evidence.



9 Insurance Replacement Costs

Using *Rawlinsons Australian Construction Handbook, 2021* and our own knowledge, we have estimated the insurance replacement cost at approximately:

Insurance Replacement costs	
Exclusive of GST	$40,000,000
Inclusive of GST	$44,000,000

No allowance is made for the loss of income, letting-up incentives, or cost of leasing alternative accommodation.

We stress we are not experts in insurance valuations and recommend that a suitably qualified and experienced quantity surveyor be engaged to more accurately determine the insurance replacement cost.

Our assessment is the replacement cost of a building with similar utility and with modern materials and is inclusive of professional fees, demolition and debris removal, cost escalations during an assessment, design, approval and reconstruction period, with an allowance for increases in building costs during the 24 month insurance period. In addition, we have included 5.00% contingency allowance, which takes into account minor variations in the cost estimates.

It is acknowledged that large-scale catastrophes and disasters can result in unforeseen escalations in building and other related costs due to the high demand for building materials and labour. Insurance estimates are usually determined on the basis of a single loss and not in the context of a more widespread catastrophe such as an earthquake, flood or bushfire.

10 Valuation

In accordance with your instructions we have certified the market value of the 100% Freehold interest in the Property.

Our valuation is subject to the comments, qualifications and financial data contained within our report. On that basis, and assuming the Property is free of encumbrances, restrictions or other impediments of an onerous nature which would affect value, in our opinion its market value as at 31 December 2021, is:

AUD $50,000,000 plus GST (if any)

(FIFTY MILLION DOLLARS).

Our opinion of value excludes any GST which the vendor may have to charge in addition to the sale price.

Finally, and in accordance with our normal practice, we confirm that this report is confidential to Roxy-Pacific Holdings Limited for the purposes of the Voluntary General Offer. However, as advised in Section 1.1 of this report JLL confirms that this valuation has been prepared in compliance with Rule 26.2 of the Code of Singapore take-overs and mergers rule. Additionally, JLL gives its written consent to the issue of the Offeree Circular with the inclusion of its valuation reports, and those valuation reports will be annexed to the Offeree Circular. JLL consent to the publication of the valuation reports.

No responsibility is accepted to any third parties. Neither the whole of the report, or any part of it, or any reference to it, 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.

Jones Lang LaSalle Advisory Services Pty Ltd

John Callaghan AAPI MRICS
(Primary Valuer)
Senior Director
Valuation Advisory – NSW
Certified Practising Valuer

Richard Lawrie FAPI MRICS
(Supervising Member)
Head of Valuation Advisory - NSW
Valuation Advisory – NSW

The opinion of value expressed in this report is that of the Primary Valuer who undertook the valuation and who is the primary signatory on the report. That Valuer is John Callaghan.

Whilst not having inspected the subject property, Richard Lawrie the countersignatory, acting in the capacity as a Supervising Member, has reviewed the draft Valuation Report and working papers, and based upon that review and questioning of the Primary Valuer (as appropriate), is satisfied there is a reasonable basis for the valuation process undertaken and the methodology adopted by the Primary Valuer.

It is essential that before the addressee relies on this valuation, they read the report in its entirety, including any Annexures. Should the addressee be or become aware of any issue or issues that cast doubt on or are in conflict with the conditions, qualifications or assumptions contained within this report, they must notify JLL in writing so that any conflicts may be considered and if appropriate, an amended report issued.

Liability limited by a scheme approved under Professional Standards Legislation.

Annexures

Annexure 1	Letter of Instruction
Annexure 2	Current Title Search
Annexure 3	Registered/Survey Plan
Annexure 4	Tenancy Schedule
Annexure 5	Outgoings
Annexure 6	Discounted Cash Flow Calculations
Annexure 7	Capitalisation Calculations
Annexure 8	Sales Analysis

Annexure 1 Letter of Instruction

Cabuhat, Robel

From:	VAAUS, VAST (AU)
To:	Sharp, Jack
Subject:	RE: [EXTERNAL] RE: 33 Argyle Street Valuation

From: Libby Walsh <libbywalsh@roxypacific.com.au>
Sent: Wednesday, 12 January 2022 1:13 PM
To: Callaghan, John <John.Callaghan@ap.jll.com>
Cc: John Chagaris <JohnChagaris@roxypacific.com.au>; Sharp, Jack <Jack.Sharp@ap.jll.com>; Salama, Robert <Robert.Salama@ap.jll.com>; Jason Chan <Jason@roxypacific.com.au>
Subject: [EXTERNAL] RE: 33 Argyle Street Valuation

John,
Thanks so much - really appreciate you doing this during leave.

Billing Details
Billing Entity: Roxy Pacific Investment Pty Ltd
ABN: 34 169 424 837
Address: Suite 5.01, L5, 4-6 Bligh Street, Sydney NSW 2000
Contact Person: Jason Chan (Finance Manager)
Email: Jason@roxypacific.com.au

Thanks.

Regards,

Libby Walsh
Managing Director |
Australia & New Zealand
ROXY-PACIFIC HOLDINGS LIMITED

Mobile (+61) 418 300 383
Web www.roxypacific.com.sg
Email libbywalsh@roxypacific.com.au
Suite 5.01, L5, 4-6 Bligh Street, Sydney NSW 2000

From: Callaghan, John <John.Callaghan@ap.jll.com>
Sent: Wednesday, 12 January 2022 12:52 PM
To: Libby Walsh <libbywalsh@roxypacific.com.au>
Cc: John Chagaris <JohnChagaris@roxypacific.com.au>; Sharp, Jack <Jack.Sharp@ap.jll.com>; Salama, Robert <Robert.Salama@ap.jll.com>; Jason Chan <Jason@roxypacific.com.au>
Subject: RE: 33 Argyle Street Valuation

Dear Libby

Pls see below which sets out the works requirements in relation to the provision of valuation services as requested. We also attach our JLL standard terms and conditions which form part of our fee proposal.

Should you wish to proceed, reply to this email and please complete your billing details below (highlighted yellow).

If you have any queries, please do not hesitate to call.

Kind regards,
John

John Callaghan AAPI CPV MRICS
Senior Director
Valuation Advisory - Office
JLL
Liability limited by a scheme approved under Professional Standards Legislation.

Your Billing Details (please complete)
Billing Entity:
ABN:
Address:
Contact Person:
Email:

Fee Proposal Request	
Property Address:	33 Argyle Street, Parramatta
Client/Reliant Party:	Roxy-Pacific Holdings Limited for pre-sale purposes i.e. for the assessment of a *Voluntary General Offer*
Contact Name:	Libby Walsh Managing Director | Australia & New Zealand

	ROXY-PACIFIC HOLDINGS LIMITED
Email Address:	Libby Walsh libbywalsh@roxypacific.com.au
Contact Details/Number:	Mobile (+61) 418 300 383
Purpose of Report:	pre-sale purposes i.e. for the assessment of a *Voluntary General Offer* as at 31 December 2021
Basis/Scope of Value:	As requested, we will provide the following in our assessment: 1. Market Value 'As Is' subject to existing leases;
Form of Report:	Comprehensive full report.
Fee:	Stage 1 – Response to ZICO Capital Auditing Form: $ gst Stage 2 - Comprehensive full Valuation Report which complies with rule 26.2 of the code of Singapore take-overs and mergers rule: $ + gst Total Fee: $ + gst
Payment Term	The full fee is non-refundable and payable prior to draft report being completed.
Timing:	2 days
Required information to be provided by the client:	To be confirmed upon receipt of instruction

Best
John

John Callaghan AAPI CPV MRICS
Senior Director
Valuation Advisory - Office
JLL
Level 25 420 George Street
Sydney NSW 2000
T +61 2 9220 8778
M +61 404 055 666

jll.com.au

Annexure 2 Current Title Search

Title Search

NEW SOUTH WALES LAND REGISTRY SERVICES - TITLE SEARCH

FOLIO: 12/731869

SEARCH DATE	TIME	EDITION NO	DATE
27/10/2021	9:39 AM	53	21/7/2021

LAND

LOT 12 IN DEPOSITED PLAN 731869
AT PARRAMATTA
LOCAL GOVERNMENT AREA CITY OF PARRAMATTA
PARISH OF ST JOHN COUNTY OF CUMBERLAND
TITLE DIAGRAM DP731869

FIRST SCHEDULE

TE2 ROXY ARGYLE PTY LTD (T AN984084)

SECOND SCHEDULE (12 NOTIFICATIONS)

1	AN984084	THE RESERVATION AND EXCEPTION TO THE CROWN OF ALL GOLD, SILVER, COAL, PETROLEUM & URANIUM
2	DP731869	RESTRICTION(S) ON THE USE OF LAND
3	Z705726	LEASE TO THE PROSPECT COUNTY COUNCIL OF SUBSTATION PREMISES NO. 17300 TOGETHER WITH THE PROPOSED CABLEWAY 1 WIDE OVER ANOTHER PART OF THE LAND ABOVE DESCRIBED AS SHOWN IN DP123863. EXP 31.3.2016 OPTION TO RENEW 25 YEARS
4	AH985724	LEASE TO HEALTH CAREERS INTERNATIONAL PTY LTD OF LEVEL 7, 33 ARGYLE STREET, PARRAMATTA. EXPIRES: 31/7/2018. OPTION OF RENEWAL: 5 YEARS.
5	AM452580	LEASE TO HEALTH CAREERS INTERNATIONAL PTY LTD OF SUITE 9D, LEVEL 9, 33 ARGYLE STREET, PARRAMATTA. EXPIRES: 19/2/2022. OPTION OF RENEWAL: 5 YEARS.
6	AM921049	LEASE TO NAVADO PROFESSIONAL SERVICES PTY LTD OF SUITE 9C, LEVEL 9, 33 ARGYLE STREET, PARRAMATTA. EXPIRES: 30/9/2020. OPTION OF RENEWAL: 2 YEARS PLUS THREE FURTHER OPTIONS OF 2 YEARS.
7	AN932110	LEASE TO HEALTH CAREERS INTERNATIONAL PTY LTD OF LEVEL 7, 33 ARGYLE STREET, PARRAMATTA. EXPIRES: 31/7/2023.
8	AN932111	LEASE TO NSWALC PROPERTIES PTY LTD OF SUITE GB GROUND FLOOR, LEVEL 4, SUITES 5A, 5B AND 5C LEVEL 5, 33 ARGYLE STREET, PARRAMATTA. EXPIRES: 31/10/2023. OPTION OF RENEWAL: 3 YEARS AND ONE FURTHER OPTION OF 3 YEARS.
9	AN984085	MORTGAGE TO CITIBANK, N.A.
10	AP971172	LEASE TO ABILITY OPTIONS LTD OF SUITE GA, GROUND FLOOR, 33 ARGYLE STREET, SYDNEY. EXPIRES: 31/1/2023.

END OF PAGE 1 - CONTINUED OVER

FOLIO: 12/731869 PAGE 2

SECOND SCHEDULE (12 NOTIFICATIONS) (CONTINUED)

11 AQ557079 LEASE TO GORVAL LYNCH PTY. LTD. OF 9B, LEVEL 9, 33 ARGYLE STREET, PARRAMATTA. EXPIRES: 31/10/2022. OPTION OF RENEWAL: 1 YEAR.

12 AR253197 LEASE TO EDDIE TAKCHI OF SUITE 903, LEVEL 9, 33 ARGYLE STREET, PARRAMATTA. EXPIRES: 31/7/2026. OPTION OF RENEWAL: 5 YEARS.

NOTATIONS

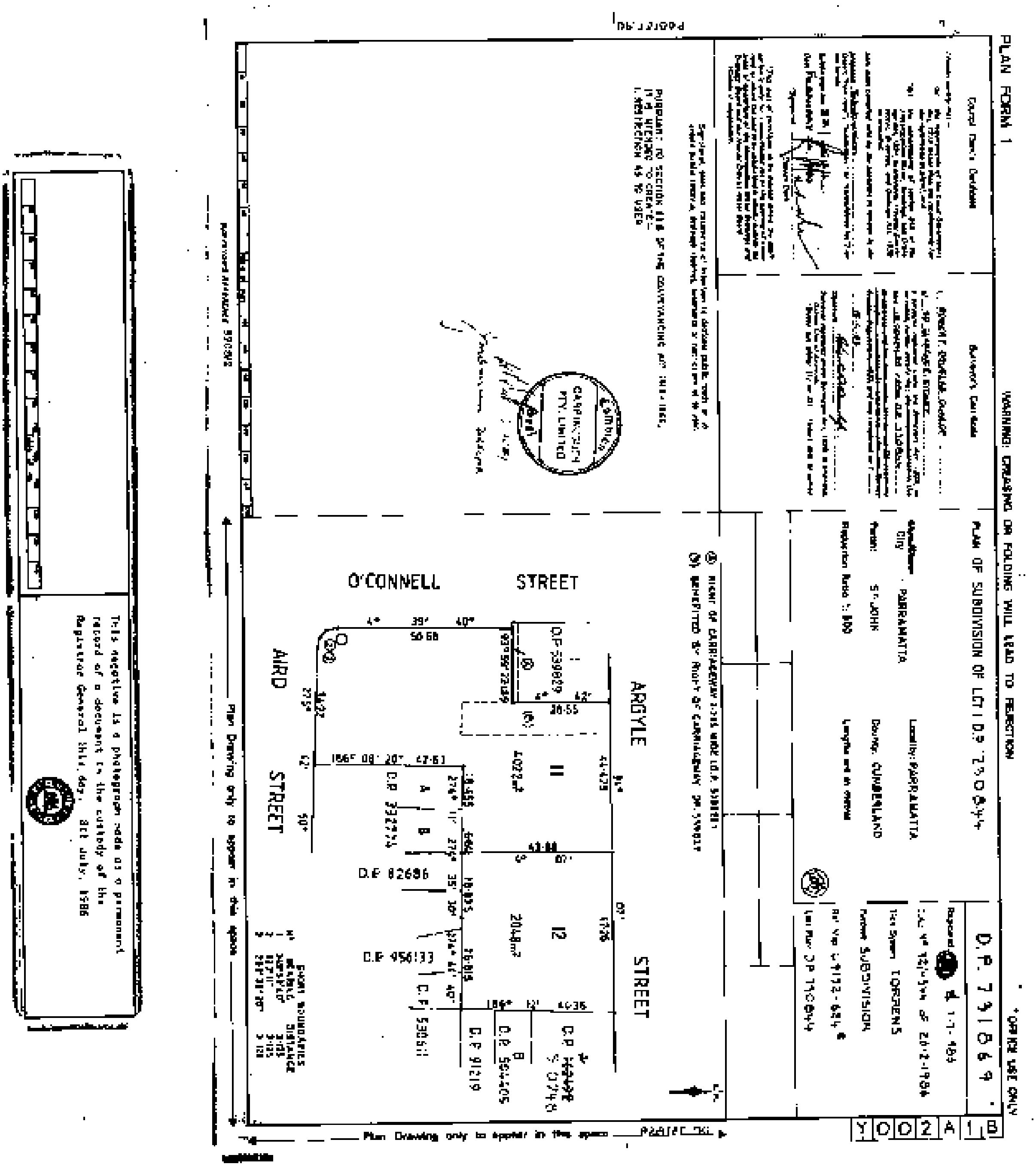
UNREGISTERED DEALINGS: L AR315307.

*** END OF SEARCH ***

28282 PRINTED ON 27/10/2021

 Received: 27/10/2021 09:39:52

Annexure 3 Registered/Survey Plan


PLAN FORM 1
WARNING: CREASING OR FOLDING WILL LEAD TO REJECTION
OFFICE USE ONLY
D.P. 731869
PLAN OF SUBDIVISION OF LOT 1 D.P. 730644
Locality: PARRAMATTA
Parish: ST. JOHN
County: CUMBERLAND
Reduction Ratio 1:500
Lengths are in metres
Title System: TORRENS
Purpose: SUBDIVISION
Last Plan: DP 730644
O'CONNELL STREET
ARGYLE STREET
AIRD STREET
D.P. 82686
D.P. 956133
D.P. 91219
CAMPING 2424 PTY. LIMITED
YOO2A1B
Plan Drawing only to appear in this space

Annexure 4 Tenancy Schedule

TENANCY SCHEDULE

33 Argyle St, Parramatta NSW 2150

Valuation Date: 31 December 2021

Tenancy Details / Lease Terms and Review Information

Tenant	Level / Suite	Renewal Type	Lettable Area m²	Car Bays	Lease Term (yrs)	Comm. Date	Expiry Date	Options	Next Rent Review	Next Review Type	Remaining Term (yrs)
Kambers Sydney (The Factory Café)	Ground - Lobby	Retail	25.4	-	5.0	15-Nov-21	14-Nov-26	1x5	15-Nov-22	3.25%	4.9
Ability Options	Ground	Office	219.9	-	4.0	1-Feb-19	31-Jan-23	-	1-Feb-22	4.00%	1.1
Aboriginal Land Council	Ground	Office	32.6	-	6.0	1-Aug-21	31-Jul-27	-	1-Aug-22	3.00%	5.6
Vacant	Level 4	Office	886.4	-	-	-		-	-		-
Aboriginal Land Council	Level 5 - Suite A & B	Office	292.3	-	2.3	1-Aug-21	31-Oct-23	2x3	1-Aug-22	3.75%	1.8
Aboriginal Land Council	Level 5 - Suite C - 503	Office	283.0	-	2.3	1-Aug-21	31-Oct-23	2x3	1-Aug-22	3.75%	1.8
Shield Mercantile	Level 5 - Suite D - 504	Office	257.7	-	3.0	15-Jul-21	14-Jul-24	1x2	15-Jul-22	3.25%	2.5
Aboriginal Land Council	Level 6	Office	886.1	-	6.0	1-Aug-21	31-Jul-27	-	1-Aug-22	3.00%	5.6
Health Career International	Level 7	Office	873.2	-	5.0	1-Aug-18	31-Jul-23	-	1-Aug-22	4.00%	1.6
Aboriginal Legal Services	Level 8 - 801, 802	Office	536.7	-	4.0	1-Jul-21	30-Jun-25	-	1-Jul-22	3.50%	3.5
Wellbe Counselling and Psychology	Level 8 - 803	Office	128.9	-	5.0	15-Sep-21	14-Sep-26	1x5	15-Sep-22	4.00%	4.7
JPH Pty Ltd	*Level 8 - 804*	*Office*	*134.5*	-	*5.0*	*1-Feb-22*	*31-Jan-27*	*1x5*	*1-Feb-23*	*3.25%*	*5.1*
SY Solutions	Level 9 - Suite A - 901	Office	324.0	-	2.0	18-Aug-21	17-Aug-23	1x2	18-Aug-22	3.00%	1.6
Gorval Lynch Pty Ltd	Level 9 - Suite B - 902	Office	109.7	-	2.0	1-Nov-20	31-Oct-22	-	-		0.8
Eddie Takchi	Level 9 - Suite C - 903	Office	133.0	-	5.0	1-Aug-21	31-Jul-26	1x5	1-Aug-22	3.50%	4.6
Health Careers International	Level 9 - Suite D - 904	Office	180.5	-	5.0	20-Feb-17	19-Feb-22	-	-		0.1
Ability Options	Secure	Car Parking	-	6	4.0	1-Feb-19	31-Jan-23	-	1-Feb-22	4.00%	1.1
Aboriginal Land Council	Secure	Car Parking	-	50	2.3	1-Aug-21	31-Oct-23	-	1-Aug-22	3.75%	1.8
Health Career International	Secure	Car Parking	-	3	5.0	1-Aug-18	31-Jul-23	-	1-Aug-22	4.00%	1.6
Aboriginal Legal Services	Secure	Car Parking	-	7	4.0	1-Jul-21	30-Jun-25	-	1-Jul-22	3.50%	3.5
Gorval Lynch Pty Ltd	Secure	Car Parking	-	2	2.0	1-Nov-20	31-Oct-22	-	-		0.8
Eddie Takchi	Secure	Car Parking	-	2	5.0	1-Aug-21	31-Jul-26	-	1-Aug-22	3.50%	4.6
Shield Mercantile	Secure	Car Parking	-	2	3.0	15-Jul-21	14-Jul-24	-	15-Jul-22	3.25%	2.5
SY Solutions	Secure	Car Parking	-	7	2.0	18-Aug-21	17-Aug-23	-	18-Aug-22	3.00%	1.6
Wellbe Counselling and Psychology	Secure	Car Parking	-	2	5.0	15-Sep-21	14-Sep-26	-	15-Sep-22	4.00%	4.7
JPH Pty Ltd	*Secure*	*Car Parking*	-	*2*	*5.0*	*1-Feb-22*	*31-Jan-27*	-	*1-Feb-23*	*3.25%*	*5.1*
Kambers Sydney (The Factory Café)	Secure	Car Parking	-	1	5.0	15-Nov-21	14-Nov-26	-	15-Nov-22	3.25%	4.9
Vacant	Secure - Vacant	Car Parking	-	53	-	-		-	-		-
Vacant	Storage	Storage	1.0*	-	-	-		-	-		-
Aboriginal Land Council	Storage	Storage	1.0*	-	2.2	1-Aug-21	30-Oct-23	-	1-Aug-22	3.75%	1.8
Total			**5,303.9**	**137**							

Passing Rentals

Tenant	Net / Gross	Base Rent $ pa	Base Rent $/m²	Outgoings Recovered $ pa	Outgoings Recovered $/m²	Gross Passing Rent $ pa	Gross Passing Rent $/m²
Kambers Sydney (The Factory Café)	Gross	33,000	1,299	-	-	33,000	1,299
Ability Options	Net	130,814	595	33,275	151	164,089	746
Aboriginal Land Council	Net	15,322	470	4,933	151	20,255	621
Vacant	Net	-	-	-	-	-	-
Aboriginal Land Council	Net	137,548	471	44,231	151	181,779	622
Aboriginal Land Council	Net	133,172	471	42,823	151	175,995	622
Shield Mercantile	Net	118,542	460	38,995	151	157,537	611
Aboriginal Land Council	Net	416,467	470	134,084	151	550,551	621
Health Career International	Semi-Gross	424,815	487	49,350	57	474,165	543
Aboriginal Legal Services	Net	252,249	470	81,213	151	333,462	621
Wellbe Counselling and Psychology	Net	61,872	480	19,505	151	81,377	631
JPH Pty Ltd	*Net*	*73,975*	*550*	*20,352*	*151*	*94,327*	*701*
SY Solutions	Net	149,040	460	49,027	151	198,067	611
Gorval Lynch Pty Ltd	Net	54,192	494	16,600	151	70,792	645
Eddie Takchi	Net	61,180	460	20,125	151	81,305	611
Health Careers International	Net	57,224	317	27,313	151	84,537	468
Ability Options	Gross	19,599	272	-	-	19,599	272
Aboriginal Land Council	Gross	161,461	269	-	-	161,461	269
Health Career International	Gross	10,124	281	-	-	10,124	281
Aboriginal Legal Services	Gross	25,200	300	-	-	25,200	300
Gorval Lynch Pty Ltd	Gross	7,488	312	-	-	7,488	312
Eddie Takchi	Gross	7,200	300	-	-	7,200	300
Shield Mercantile	Gross	7,200	300	-	-	7,200	300
SY Solutions	Gross	25,200	300	-	-	25,200	300
Wellbe Counselling and Psychology	Gross	7,200	300	-	-	7,200	300
JPH Pty Ltd	*Gross*	*7,200*	*300*	-	-	*7,200*	*300*
Kambers Sydney (The Factory Café)	Gross	3,000	250	-	-	3,000	250
Vacant	Gross	-	-	-	-	-	-
Vacant	Gross	-	-	-	-	-	-
Aboriginal Land Council	Gross	17,390	17,390	-	-	17,390	17,390
Total		**2,417,674**	**456**	**581,828**	**110**	**2,999,502**	**566**

Market Rentals

Tenant	Net Market Rent $ pa	Net Market Rent $/m²	Gross Market Rent $ pa	Gross Market Rent $/m²	Reversion Date Applied	PV of Rental Reversion
Kambers Sydney (The Factory Café)	29,156	1,148	33,000	1,299	15-Nov-26	-
Ability Options	130,814	595	164,089	746	1-Feb-23	-
Aboriginal Land Council	15,322	470	20,255	621	1-Aug-27	-
Vacant	403,312	455	537,441	606	-	-
Aboriginal Land Council	135,920	465	180,150	616	1-Nov-23	9,634
Aboriginal Land Council	131,595	465	174,418	616	1-Nov-23	9,328
Shield Mercantile	119,831	465	158,825	616	15-Jul-24	4,693
Aboriginal Land Council	412,037	465	546,121	616	1-Aug-27	60,180
Health Career International	410,404	470	542,536	621	1-Aug-23	(89,449)
Aboriginal Legal Services	257,616	480	338,829	631	1-Jul-25	11,775
Wellbe Counselling and Psychology	61,872	480	81,377	631	15-Sep-26	-
JPH Pty Ltd	*64,560*	*480*	*84,912*	*631*	*1-Feb-27*	*41,324*
SY Solutions	157,140	485	206,167	636	18-Aug-23	(8,645)
Gorval Lynch Pty Ltd	53,205	485	69,804	636	1-Nov-22	862
Eddie Takchi	64,505	485	84,630	636	1-Aug-26	(5,552)
Health Careers International	87,543	485	114,856	636	20-Feb-22	(4,231)
Ability Options	21,600	300	21,600	300	1-Feb-23	(1,305)
Aboriginal Land Council	180,000	300	180,000	300	1-Nov-23	(24,333)
Health Career International	10,800	300	10,800	300	1-Aug-23	(643)
Aboriginal Legal Services	25,200	300	25,200	300	1-Jul-25	-
Gorval Lynch Pty Ltd	7,200	300	7,200	300	1-Nov-22	242
Eddie Takchi	7,200	300	7,200	300	1-Aug-26	-
Shield Mercantile	7,200	300	7,200	300	15-Jul-24	-
SY Solutions	25,200	300	25,200	300	18-Aug-23	-
Wellbe Counselling and Psychology	7,200	300	7,200	300	15-Sep-26	-
JPH Pty Ltd	*7,200*	*300*	*7,200*	*300*	*1-Feb-27*	-
Kambers Sydney (The Factory Café)	3,000	250	3,000	250	15-Nov-26	-
Vacant	152,640	240	152,640	240	-	-
Vacant	10,000	10,000	10,000	10,000	-	-
Aboriginal Land Council	17,390	17,390	17,390	17,390	31-Oct-23	-
Total	**3,016,661**	**569**	**3,819,243**	**720**		**3,880**

Re-Letting Assumptions

Tenant	Renewal Probability	Applied Refurb $/m²	Applied Downtime Months	Applied Incentives % (Net)	Applied Leasing Costs %	Renewal Lease Term - Years	Renewal Lease Structure
Kambers Sydney (The Factory Café)	50.0%	50.00	3.0	10.0%	12.0%	5.0	3.50%
Ability Options	50.0%	150.00	6.0	28.0%	12.0%	5.0	3.50%
Aboriginal Land Council	50.0%	150.00	6.0	24.0%	12.0%	5.0	3.50%
Vacant	-	-	12.0	29.0%	12.0%	5.0	3.50%
Aboriginal Land Council	50.0%	150.00	6.0	27.0%	12.0%	5.0	3.50%
Aboriginal Land Council	50.0%	150.00	6.0	27.0%	12.0%	5.0	3.50%
Shield Mercantile	50.0%	250.00	4.5	27.0%	12.0%	5.0	3.50%
Aboriginal Land Council	50.0%	150.00	6.0	24.0%	12.0%	5.0	3.50%
Health Career International	50.0%	150.00	6.0	27.0%	12.0%	5.0	3.50%
Aboriginal Legal Services	50.0%	250.00	4.5	26.0%	12.0%	5.0	3.50%
Wellbe Counselling and Psychology	50.0%	150.00	4.5	24.0%	12.0%	5.0	3.50%
JPH Pty Ltd	*50.0%*	*250.00*	*6.0*	*24.0%*	*12.0%*	*5.0*	*3.50%*
SY Solutions	50.0%	250.00	6.0	27.0%	12.0%	5.0	3.50%
Gorval Lynch Pty Ltd	50.0%	150.00	6.0	28.0%	12.0%	5.0	3.50%
Eddie Takchi	50.0%	250.00	4.5	24.0%	12.0%	5.0	3.50%
Health Careers International	50.0%	150.00	6.0	30.0%	12.0%	5.0	3.50%
Ability Options	50.0%	-	6.0	-	-	5.0	3.50%
Aboriginal Land Council	50.0%	-	6.0	-	-	5.0	3.50%
Health Career International	50.0%	-	6.0	-	-	5.0	3.50%
Aboriginal Legal Services	50.0%	-	4.5	-	-	5.0	3.50%
Gorval Lynch Pty Ltd	50.0%	-	6.0	-	-	5.0	3.50%
Eddie Takchi	50.0%	-	4.5	-	-	5.0	3.50%
Shield Mercantile	50.0%	-	4.5	-	-	5.0	3.50%
SY Solutions	50.0%	-	6.0	-	-	5.0	3.50%
Wellbe Counselling and Psychology	50.0%	-	4.5	-	-	5.0	3.50%
JPH Pty Ltd	*50.0%*	-	*6.0*	-	-	*5.0*	*3.50%*
Kambers Sydney (The Factory Café)	50.0%	-	4.5	-	-	5.0	3.50%
Vacant	-	-	12.0	-	-	5.0	3.50%
Vacant	-	-	12.0	-	-	5.0	CPI
Aboriginal Land Council	50.0%	-	6.0	-	-	5.0	CPI
Total							

(#) Bold indicates tenancies which are holding over expired lease terms; refer Holdovers table for details

(#) Italicised indicates tenancies with Heads of Agreement

(*) Other areas excluded from Total Lettable Area

Annexure 5 Outgoings

OUTGOINGS SUMMARY

33 Argyle St, Parramatta NSW 2150

Valuation Date: 31 December 2021

Outgoings Schedule	Budget Year Ending 30-Jun-22 $ pa.	$/m² pa.	Adopted (Budgeted) Year Ending 30-Jun-22 $ pa.	$/m² pa.	*Variance between Budget - Adopted $ pa.*	Sydney Metropolitan, Parramatta Lower $/m² pa.	Benchmark $/m² pa.	Upper $/m² pa.
Statutory Expenses								
Municipal/Council Rates	126,555	23.86	126,555	23.86	-	11	12	13
Water and Sewerage Rates	6,524	1.23	6,524	1.23	-	3	3	3
Land Tax	159,484	30.07	179,223	33.79	*19,739*	10	12	15
Other Statutory Charges	-	-	-	-	-	2	3	4
Total Statutory Charges	**292,563**	**55.16**	**312,302**	**58.88**	***19,739***	**30**	**34**	**38**
Operating Expenses								
Insurance Premiums	28,502	5.37	28,502	5.37	-	4	5	5
Air Conditioning/Ventilation	44,659	8.42	44,659	8.42	-	6	6	7
Common Area Cleaning	97,595	18.40	97,595	18.40	-	11	13	15
Building Supervision	53,889	10.16	53,889	10.16	-	6	7	9
Car Parking	-	-	-	-	-	-	-	-
Electricity	109,000	20.55	109,000	20.55	-	15	17	20
Fire Protection/Public Address	35,301	6.66	35,301	6.66	-	3	4	5
Gas & Oil	-	-	-	-	-	1	1	1
Lifts & Escalators	22,585	4.26	22,585	4.26	-	3	5	7
Pest Control	1,600	0.30	1,600	0.30	-	0	0	0
Repairs & Maintenance	49,681	9.37	49,681	9.37	-	7	9	10
Emergency Generators	-	-	-	-	-	1	1	1
Energy Management/Building Automation Systems	-	-	-	-	-	1	2	3
Security/Access Control	10,668	2.01	10,668	2.01	-	2	3	4
Gardening/Landscaping	2,280	0.43	2,280	0.43	-	0	1	1
Administration/Management Fee	31,197	5.88	31,197	5.88	-	12	13	19
Miscellaneous	3,324	0.63	3,324	0.63	-	2	2	3
Total Operating Expenses	**490,281**	**92.44**	**490,281**	**92.44**	**-**	**84**	**91**	**97**
Total Recoverable Outgoings	**782,844**	**147.60**	**802,583**	**151.32**	***19,739***	**115**	**126**	**137**
Non-Recoverables								
Ground Lease	-	-	-	-	-			
Body Corporate Sinking Fund	-	-	-	-	-			
Other	-	-	-	-	-			
Total Non-Recoverable Expenses	**-**	**-**	**-**	**-**	**-**			
Total Outgoings	**782,844**	**147.60**	**802,583**	**151.32**	***19,739***			

Note: Red text highlight outgoings where the adopted amount differs from the budgeted amount

Annexure 6 Discounted Cash Flow Calculations

DCF VALUATION SUMMARY

33 Argyle St, Parramatta NSW 2150

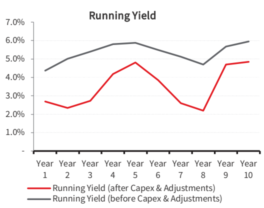
Valuation Date: 31 December 2021

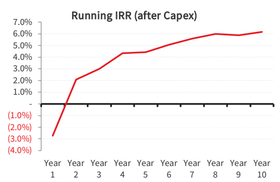
Summary of Annual Cash Flows	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31	10 years	$/m²
Base Passing Rent by Renewal Type												
Office	2,084,908	2,229,155	2,437,848	2,606,463	2,750,466	2,586,180	2,609,620	2,599,769	3,160,375	3,307,168	26,371,953	4,972
Retail	33,137	34,214	35,326	36,474	32,712	32,856	38,702	40,055	41,457	42,908	367,840	69
Storage	17,662	25,324	22,487	29,042	29,706	30,389	25,490	21,703	32,626	33,384	267,814	50
Car Parking	283,466	391,108	402,788	475,139	495,444	512,707	437,418	431,772	586,835	608,360	4,625,036	872
Base Passing Rent	**2,419,173**	**2,679,801**	**2,898,449**	**3,147,118**	**3,308,327**	**3,162,133**	**3,111,230**	**3,093,299**	**3,821,293**	**3,991,820**	**31,632,643**	**5,964**
Base Passing Rent												
Secured rent	2,387,240	1,922,474	1,113,046	915,968	722,539	299,682	-	-	-	-	7,360,949	1,388
Renewal rent	31,933	757,326	1,785,403	2,231,150	2,585,789	2,862,451	3,111,230	3,093,299	3,821,293	3,991,820	24,271,694	4,576
Base Passing Rent	**2,419,173**	**2,679,801**	**2,898,449**	**3,147,118**	**3,308,327**	**3,162,133**	**3,111,230**	**3,093,299**	**3,821,293**	**3,991,820**	**31,632,643**	**5,964**
Recoveries												
Secured recoveries	559,607	468,501	318,662	259,835	206,142	93,993	-	-	-	-	1,906,740	359
Renewal recoveries	10,194	192,779	462,741	574,753	670,402	729,456	823,336	802,447	962,301	995,300	6,223,711	1,173
Recoveries	**569,801**	**661,281**	**781,403**	**834,589**	**876,544**	**823,449**	**823,336**	**802,447**	**962,301**	**995,300**	**8,130,451**	**1,533**
Other Income												
Sundry Income	-	-	-	-	-	-	-	-	-	-	-	-
Special Income	-	-	-	-	-	-	-	-	-	-	-	-
Stabilisation Allowances	-	-	-	-	-	-	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	**2,988,974**	**3,341,081**	**3,679,852**	**3,981,707**	**4,184,872**	**3,985,582**	**3,934,566**	**3,895,746**	**4,783,595**	**4,987,120**	**39,763,094**	**7,497**
Outgoings												
Statutory expenses	316,518	325,545	335,642	346,552	357,989	369,802	382,382	395,571	408,819	422,310	3,661,128	690
Operating expenses	494,448	503,602	514,183	525,754	537,847	550,217	563,429	577,229	590,791	604,379	5,461,879	1,030
Ground Rent	-	-	-	-	-	-	-	-	-	-	-	-
Non-recoverable expenses	-	-	-	-	-	-	-	-	-	-	-	-
Outgoings	**810,966**	**829,147**	**849,824**	**872,307**	**895,836**	**920,020**	**945,810**	**972,800**	**999,610**	**1,026,689**	**9,123,008**	**1,720**
Net Operating Income (before Vacancy Factor)	**2,178,008**	**2,511,934**	**2,830,028**	**3,109,400**	**3,289,036**	**3,065,562**	**2,988,756**	**2,922,946**	**3,783,985**	**3,960,432**	**30,640,087**	**5,777**
Vacancy Factor	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	**2,178,008**	**2,511,934**	**2,830,028**	**3,109,400**	**3,289,036**	**3,065,562**	**2,988,756**	**2,922,946**	**3,783,985**	**3,960,432**	**30,640,087**	**5,777**
Allowances												
Secured Incentives - Lump Sum	35,000	-	-	-	-	-	-	-	-	-	35,000	7
Secured Incentives - Rebates	388,147	336,871	244,880	189,772	142,300	60,424	-	-	-	-	1,362,393	257
Secured Incentives - Rent Free	129,281	-	-	-	-	-	-	-	-	-	129,281	24
Renewal Incentives - Lump Sum	65,509	421,422	666,072	184,956	44,766	97,472	813,156	653,033	92,638	205,831	3,244,855	612
Renewal Incentives - Rebates	4,790	84,084	194,831	235,224	267,977	285,001	313,113	306,640	364,960	370,813	2,427,434	458
Renewal Incentives - Rent Free	-	-	-	-	-	-	-	-	-	-	-	-
Leasing Costs	13,827	93,161	157,075	44,879	11,685	27,825	212,209	170,158	25,084	55,256	811,158	153
Allowances	**636,554**	**935,538**	**1,262,857**	**654,831**	**466,727**	**470,722**	**1,338,478**	**1,129,831**	**482,682**	**631,900**	**8,010,121**	**1,510**
Net Income before Capital Expenditure	**1,541,454**	**1,576,397**	**1,567,170**	**2,454,568**	**2,822,309**	**2,594,841**	**1,650,278**	**1,793,115**	**3,301,303**	**3,328,531**	**22,629,966**	**4,267**
Capital Expenditure												
Budgeted Capex	90,000	-	-	-	-	-	-	-	-	-	90,000	17
Sinking Fund	66,299	67,426	68,774	70,287	71,904	73,558	75,250	77,131	78,982	80,799	730,409	138
Refurbishment on Expiry	43,777	340,487	67,562	143,601	59,167	373,014	56,696	355,892	97,741	24,825	1,562,762	295
Capital Expenditure	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**105,624**	**2,383,171**	**449**
Net Income after Capital Expenditure	**1,341,378**	**1,168,484**	**1,430,834**	**2,240,679**	**2,691,238**	**2,148,269**	**1,518,332**	**1,360,093**	**3,124,580**	**3,222,907**	**20,246,795**	**3,817**

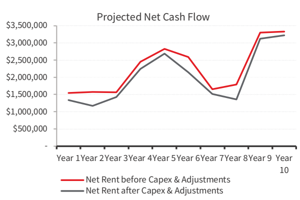
Terminal Valuation (Start Year 11)		
Gross Rental Income		5,350,090
Sundry Income		-
Gross Market Income		5,350,090
Less Adopted Outgoings		(1,040,415)
Net Market Income		4,309,675
Less Vacancy Factor		-
Net Income		**4,309,675**
Discount Rate		**6.25%**
Terminal Capitalisation Rate		**5.75%**
Core Capital Value (fully leased)		74,950,862
Present Value of Rental Reversions		(260,039)
Capital Value of Special Income		-
Capital Value of Stabilisation Allowance		-
Capital Value of Other Adjustments		-
Outstanding Incentives		(755,577)
Capital Value of Additional Land		-
Deferred Commencement Tenancies		
Letting Up Allowances		-
Incentive Allowances		-
Leasing Costs Allowances		-
Existing Vacancy Allowances		
Letting Up Allowances		(42,317)
Incentive Allowances		(106,167)
Leasing Costs Allowances		(14,209)
-		-
Imminent Expiry Allowances		
Letting Up Allowances	*24 months*	(1,161,074)
Incentive Allowances	*24 months*	(1,759,021)
Leasing Costs Allowances	*24 months*	(252,826)
Refurbishment Allowances	*24 months*	(452,191)
Capital Expenditure		
Budgeted Capital Expenditure	*24 months*	-
Capital Sinking Fund Allowance	*24 months*	(156,771)
Capital Value Adjustments		(4,960,192)
Capitalised Value		69,990,670
Disposal Costs 0.70%		(489,935)
Net Sale Proceeds		69,500,735
Sum of Discounted Cash Flows		14,581,855
Present Value of Terminal Value		37,905,306
NPV (before acquisition costs)		52,487,162
Less Acquisition Costs 5.60%		(2,783,410)
NPV (after acquisition costs)		49,703,752
Rounded NPV		**50,000,000**

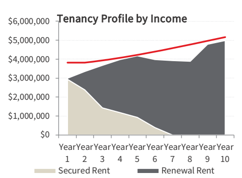
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Running Yield *	10 yr avg 3.49%	2.69%	2.34%	2.73%	4.18%	4.81%	3.85%	2.60%	2.19%	4.69%	4.84%
Running Yield (before Capex & Adjustments)	*10 yr avg 5.34%*	*4.36%*	*5.02%*	*5.39%*	*5.80%*	*5.88%*	*5.49%*	*5.12%*	*4.70%*	*5.68%*	*5.95%*
Running Yield (after Capex & Adj, over Gross Investme	*10 yr avg 3.83%*	*2.54%*	*2.21%*	*2.71%*	*4.24%*	*5.10%*	*4.07%*	*2.88%*	*2.58%*	*5.92%*	*6.10%*
Running IRR		(2.72%)	2.10%	3.00%	4.33%	4.43%	5.06%	5.58%	5.99%	5.88%	6.17%

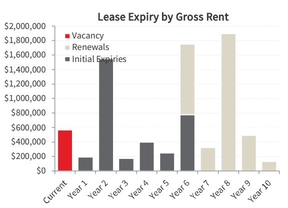
** Running Yield is calculated using the current value in that year as the denominator*

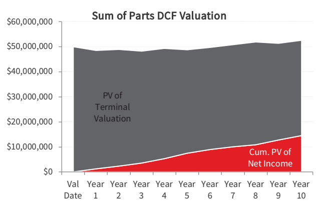


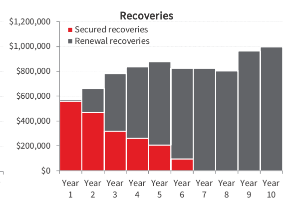


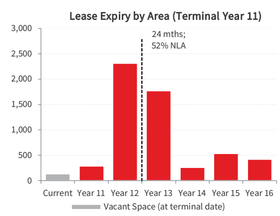












KEY VALUATION INPUTS

33 Argyle St, Parramatta NSW 2150

Valuation Date: 31 December 2021

Capital Expenditure Summary	10 Year Total	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Total Budgeted Capex	90,000	90,000	-	-	-	-	-	-	-	-	-
Total Sinking Fund	730,409	66,299	67,426	68,774	70,287	71,904	73,558	75,250	77,131	78,982	80,799
Total Refurbishment Allowances	1,562,762	43,777	340,487	67,562	143,601	59,167	373,014	56,696	355,892	97,741	24,825
Total Capital Expenditure	**2,383,171**	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**105,624**
Terminal Capital Expenditure Allowance	608,962										608,962
Total Capital Expenditure (Incl. Allowances)	**2,992,133**	**200,076**	**407,913**	**136,336**	**213,889**	**131,071**	**446,571**	**131,945**	**433,022**	**176,723**	**714,586**

Leasing Allowances	10 Year Total	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Downtime	4,012,134	777,398	535,544	332,056	148,827	73,979	395,102	614,721	858,101	149,764	126,643
Incentives	7,198,962	622,727	842,377	1,105,783	609,953	455,042	442,897	1,126,269	959,673	457,599	576,644
Secured Incentives	1,526,674	552,428	336,871	244,880	189,772	142,300	60,424	-	-	-	-
Renewal Incentives	5,672,289	70,299	505,506	860,903	420,181	312,743	382,473	1,126,269	959,673	457,599	576,644
Leasing Costs	811,158	13,827	93,161	157,075	44,879	11,685	27,825	212,209	170,158	25,084	55,256
Total Leasing Allowances	**12,022,255**	**1,413,952**	**1,471,082**	**1,594,914**	**803,659**	**540,705**	**865,824**	**1,953,199**	**1,987,932**	**632,446**	**758,543**

Expense Growth	10 Year CAGR	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
CPI	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Statutory Expenses	3.23%	2.70%	3.00%	3.20%	3.30%	3.30%	3.30%	3.50%	3.40%	3.30%	3.30%
Operating Expenses	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Building Capex	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Adopted Outgoings	2.63%	2.09%	2.39%	2.59%	2.70%	2.70%	2.70%	2.90%	2.81%	2.71%	2.71%

Income Growth	10 Year CAGR	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Office Market Rent Growth - Net	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Office Market Rent Growth - Gross	3.41%	0.24%	2.55%	3.71%	3.95%	3.95%	3.95%	4.20%	4.19%	3.72%	3.72%
Retail Market Rent Growth - Net	2.96%	-	3.00%	3.20%	3.30%	3.30%	3.30%	3.50%	3.40%	3.30%	3.30%
Retail Market Rent Growth - Gross	2.92%	0.24%	2.93%	3.13%	3.23%	3.23%	3.23%	3.43%	3.33%	3.23%	3.23%
Car Parking Market Rent Growth - Net	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Car Parking Market Rent Growth - Gross	3.65%	(0.35%)	2.61%	4.08%	4.35%	4.35%	4.34%	4.59%	4.60%	4.02%	4.02%
Storage Market Rent Growth - Net	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%
Storage Market Rent Growth - Gross	2.23%	1.70%	2.00%	2.20%	2.30%	2.30%	2.30%	2.50%	2.40%	2.30%	2.30%

Office		Vacancies	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Expiry Profile	m²	886	290	1,992	258	537	262	2,120	330	2,030	537	133
Renewal Probability	%		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	12.0	12.0	12.0	9.0	9.0	9.0	12.0	9.0	12.0	9.0	9.0
Applied Downtime	months	12.0	6.0	6.0	4.5	4.5	4.5	6.0	4.5	6.0	4.5	4.5
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Net Incentives - New Leases	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Net Incentives - Renewals	%		30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Net Incentives	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Net Incentives	%	29.0%	30.0%	28.0%	27.0%	26.0%	24.0%	24.0%	24.0%	24.0%	23.0%	23.0%
Applied Incentives	months	17.4	18.0	16.8	16.2	15.6	14.4	14.4	14.4	14.4	13.8	13.8
Leasing Costs - New Leases	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Leasing Costs - Renewals	%		12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Applied Leasing Costs	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Refurbishment on Expiry - New Leases	$/m²	150.00	150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Refurbishment on Expiry - Renewals	$/m²		150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Applied Refurbishment Expiry Allowance	$/m²		150.00	152.55	155.60	159.02	162.68	166.42	170.25	174.51	178.70	182.81
Net Market Rent (start of period)	$/m²		475	473	485	505	527	550	574	600	628	653
Gross Market Rent (start of period)	$/m²		626	627	644	667	694	721	750	781	814	844
Occupancy Rate (Weighted by Area)	%		80.9%	86.2%	92.3%	96.2%	98.3%	90.0%	87.4%	82.8%	96.7%	97.4%

Retail		Vacancies	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Renewal Probability	%		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	9.0	9.0	9.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Applied Downtime	months	9.0	4.5	4.5	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Net Incentives - New Leases	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Incentives - Renewals	%		12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Net Incentives	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Applied Net Incentives	%	12.5%	12.5%	12.5%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
Applied Incentives	months	7.5	7.5	7.5	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Leasing Costs - New Leases	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Leasing Costs - Renewals	%		12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Applied Leasing Costs	%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Refurbishment on Expiry - New Leases	$/m²	50.00	50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Refurbishment on Expiry - Renewals	$/m²		50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Applied Refurbishment Expiry Allowance	$/m²		50.00	50.85	51.87	53.01	54.23	55.47	56.75	58.17	59.57	60.94
Net Market Rent (start of period)	$/m²		1,148	1,148	1,182	1,220	1,260	1,302	1,345	1,392	1,439	1,487
Gross Market Rent (start of period)	$/m²		1,299	1,302	1,341	1,382	1,427	1,473	1,521	1,573	1,625	1,678
Occupancy Rate (Weighted by Area)	%		100.0%	100.0%	100.0%	100.0%	87.1%	87.7%	100.0%	100.0%	100.0%	100.0%

Car Parking		Vacancies	Year 1 1-Jan-22 31-Dec-22	Year 2 1-Jan-23 31-Dec-23	Year 3 1-Jan-24 31-Dec-24	Year 4 1-Jan-25 31-Dec-25	Year 5 1-Jan-26 31-Dec-26	Year 6 1-Jan-27 31-Dec-27	Year 7 1-Jan-28 31-Dec-28	Year 8 1-Jan-29 31-Dec-29	Year 9 1-Jan-30 31-Dec-30	Year 10 1-Jan-31 31-Dec-31
Renewal Probability	%		50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Downtime	months	12.0	12.0	12.0	9.0	9.0	9.0	12.0	9.0	12.0	9.0	9.0
Applied Downtime	months	12.0	6.0	6.0	4.5	4.5	4.5	6.0	4.5	6.0	4.5	4.5
Lease term	years	5	5	5	5	5	5	5	5	5	5	5
Incentive Probability	%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Renewal Assumptions				Downtime			Incentives (Yr 1)			Leasing Costs			
	Lease Term Years	Renewal Probability	Vacancies Months	Future Months	Applied Months	New %	Renewal %	Applied %	New %	Renewal %	Applied %	Renewal Frequency	Review Type
Office	5.0	50.0%	12.0	9.0	4.5	30.0%	30.0%	25.3%	12.0%	12.0%	12.0%	1 yearly	3.50%
Retail	5.0	50.0%	9.0	6.0	3.0	12.5%	12.5%	10.5%	12.0%	12.0%	12.0%	1 yearly	3.50%
Storage	5.0	50.0%	12.0	9.0	4.5	-	-	-	-	-	-	1 yearly	CPI
Warehouse	-	50.0%	-	(3.0)	(1.5)	-	-	-	-	-	-	1 yearly	-
Whole Floor Office	5.0	50.0%	12.0	9.0	4.5	19.0%	19.0%	19.0%	12.0%	12.0%	12.0%	1 yearly	3.50%
Part Floor Office	5.0	50.0%	12.0	9.0	4.5	17.0%	17.0%	17.0%	12.0%	12.0%	12.0%	1 yearly	3.50%
Car Parking	5.0	50.0%	12.0	9.0	4.5	-	-	-	-	-	-	1 yearly	3.50%

Annexure 7 Capitalisation Calculations

MARKET CAPITALISATION APPROACH

33 Argyle St, Parramatta NSW 2150

Valuation Date: 31 December 2021

Market Capitalisation Approach

Market Income

	Base Rent	Recoveries	Total
Office	2,505,674	798,739	3,304,413
Retail	33,000	-	33,000
Storage	27,390	-	27,390
Car Parking	454,440	-	454,440
Sundry Income			-
Gross Market Income	**3,020,504**	**798,739**	**3,819,243**
Less Adopted Outgoings			(802,583)
Less Ground Rent			-
Net Market Income			**3,016,661**
Less Vacancy Factor			-
Net Income			**3,016,661**

Market Capitalisation Rate		5.63%	5.38%	5.13%
Core Capital Value (fully leased)		**53,629,520**	**56,123,917**	**58,861,669**
Core Capital Value ($/m²)		*10,111*	*10,582*	*11,098*
Capital Value Adjustments				
Present Value of Rental Reversions		3,419	3,880	4,346
Capital Value of Special Income		-	-	-
Capital Value of Stabilisation Allowance		-	-	-
Capital Value of Other Adjustments		-	-	-
Outstanding Incentives		(1,258,659)	(1,263,637)	(1,268,663)
Capital Value of Additional Land		-	-	-
Deferred Commencement Tenancies				
Letting Up Allowances		(7,823)	(7,823)	(7,823)
Incentive Allowances		(104,005)	(104,596)	(105,193)
Leasing Costs Allowances		-	-	-
Existing Vacancy Allowances				
Letting Up Allowances		(700,081)	(700,081)	(700,081)
Incentive Allowances		(584,802)	(584,802)	(584,802)
Leasing Costs Allowances		(64,493)	(64,493)	(64,493)
-		-	-	-
Imminent Expiry Allowances				
Letting Up Allowances	*36 months*	(838,520)	(841,845)	(845,194)
Incentive Allowances	*36 months*	(1,432,310)	(1,441,854)	(1,451,511)
Leasing Costs Allowances	*36 months*	(174,035)	(174,821)	(175,614)
Refurbishment Allowances	*36 months*	(402,978)	(404,473)	(405,978)
Capital Expenditure				
Budgeted Capital Expenditure	*36 months*	(90,000)	(90,000)	(90,000)
Capital Sinking Fund Allowance	*36 months*	(183,846)	(184,465)	(185,088)
Total Capital Value Adjustments		**(5,838,133)**	**(5,859,011)**	**(5,880,094)**
Capitalised Value		**47,791,387**	**50,264,906**	**52,981,574**
Capitalised Value ($/m²)		*9,011*	*9,477*	*9,989*
Rounded Value		48,000,000	50,000,000	53,000,000
Capitalised Rounded Value ($/m²)		*9,050*	*9,427*	*9,993*

Adopted Value	**50,000,000**
Initial Passing Yield	4.39%
Initial Passing Yield excl. Vacancy Factor	*4.39%*
Initial Passing Yield (Fully Leased)	5.79%
Initial Passing Yield (Fully Leased) excl. Vacancy Factor	*5.79%*
Equivalent Initial Yield	5.19%
Equivalent Market Yield	5.40%
Capital Value ($/m²)	9,427

Annexure 8 Sales Analysis

Sales Analysis

37 Epping Rd, Macquarie Park NSW 2113

RF CorVal to Charter Hall for a Gross Sales Price of $55,000,000

Valuation Advisory, NSW

Property Description

The property comprises a circa 2003 constructed, three level office building configured with ground floor retail, two upper levels of office accommodation, and car parking. The property has 219 car spaces which includes a mix of basement, mezzanine and on-grade car parking.

The subject is located within the metropolitan office market of Macquarie Park, approximately 15 kilometres north west from the Sydney CBD. More specifically, it is situated on the eastern side of Epping Road, approximately 150 metres south from its intersection with Wicks Road.

The subject property comprises a total NLA of 8,068 square metres and features a 5 star NABERS Energy rating.

Sales Details

Sales Price:	$55,000,000
Contract Date:	Jun-21
Settlement Date:	Jun-21
Rate ($/m²):	$6,817 /m²

Analysis

Initial Yield (Passing Income):	5.2%
Initial Yield (Fully Leased):	5.5%
Equivalent Yield (Face Rents):	5.5%
IRR:	6.0%

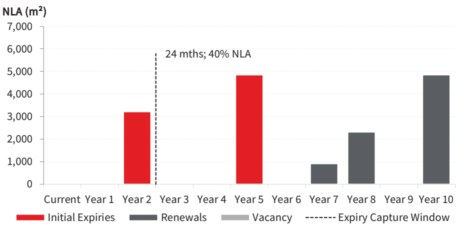
Physical Details

Net Lettable Area:	Total	8,068 m²
	Office	5,760 m²
	Retail	2,308 m²
	Other	-
Current Vacancy (% Total NLA):		0.00%
Typical Floor-plates:		2,500 m²
Car Parking (Ratio):		1 bay per 36m²
Site Area:		8,010 m²
NABERS:		5 Star Energy

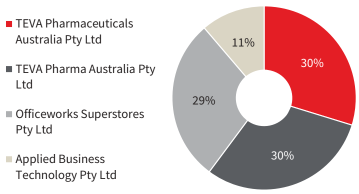
Financial Summary

Gross Passing Income:	$3,460,366	$429/m²
Gross Market Income:	$3,739,805	$464/m²
Adopted Outgoings:	$591,696	$73/m²
Net Passing Income:	$2,868,670	$356/m²
Net Market Income:	$3,148,109	$390/m²
Capital Expenditure (over 10 years + TV):	$2,793,432	$346/m²
Adopted Outstanding Incentives:	$0	-
Weighted Average Lease Term (by Income):		3.21 years
Weighted Average Lease Term (by Area):		3.39 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Allowances for Expiries Occurring within:	24
Allowances for Capex Occurring within:	24
Net Passing Rent ($/sqm pa) - Office Only:	$324 /m²
Net Market Rent ($/sqm pa) - Office Only:	$346 /m²
Net Compound Growth Rates (Office):	3.47%
Outgoings Compound Growth Rate:	3.29%
Adopted Net Incentive Range (10 yr Office):	24.0% - 29.0%
Adopted Net Incentive Range (10 yr Retail):	10.0% - 12.50%

Comments Upon Sale

The property sold via an Expressions of Interest campaign which closed 25 March 2021. We understand there were multiple bids from a combination of offshore and local investors. We have reflected the agreed gross selling price exclusive of any outstanding incentives.

Analysis Compiled By:

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Sales Analysis

17 O'Riordan St, Alexandria NSW 2015

AIP Asset Management (South Korea) to Charter Hall for a Sales Price of $159,000,000 — **Valuation Advisory, NSW**

Property Description

17 O'Riordan Street, Alexandria comprises a purpose-built commercial office, laboratory and warehouse facility constructed in circa 2011 and extending to a total Net Lettable Area (NLA) of 12,702 square metres over four (4) storeys (including ground floor lobby) with an additional basement car park accommodating a total of 88 (income producing) car parking bays. The Property is currently fully leased until Jan-2031 to the Australian Red Cross Society.

The improvements are constructed upon a 7,173 square metre regular shaped parcel of land. The site is zoned B7 Business Park under the Sydney Local Environmental Plan 2012. The property is operating as a specialised 'blood storage' facility and is the only one of its kind in New South Wales.

The Property is located within the metropolitan office market of 'South Sydney', more specifically in Alexandria which is approximately 5 kilometres south of the Sydney CBD.

Sales Details

Sales Price:	$159,000,000
Contract Date:	Jun-21
Settlement Date:	Jun-21
Rate ($/m²):	$12,518 /m²

Analysis

Initial Yield (Passing Income):	4.5%
Initial Yield (Fully Leased):	4.5%
Equivalent Yield (Face Rents):	4.4%
IRR:	6.1%

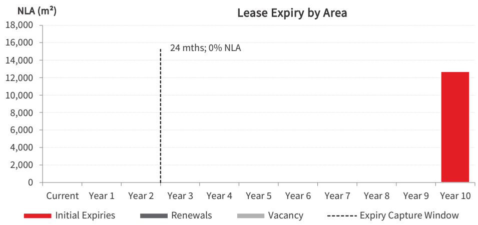
Physical Details

Net Lettable Area:	Total	12,702 m²
	Office	12,702 m²
Current Vacancy (% Total NLA):		0.00%
Typical Floor-plates:		1,600-3,900m²
Car Parking:		88 (1:144 sqm)
Site Area:		7,173 m²
NABERS:		N/A

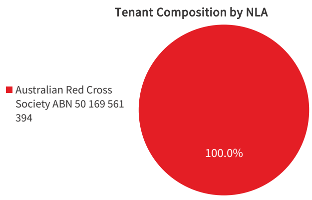
Financial Summary

Gross Passing Income:	$8,620,833	$679/m²
Gross Market Income:	$8,620,833	$679/m²
Adopted Outgoings:	$1,444,009	$114/m²
Net Passing Income:	$7,176,825	$565/m²
Net Market Income:	$7,176,825	$565/m²
Capital Expenditure (over 10 years + TV):	$11,484,210	$904/m²
Adopted Outstanding Incentives:		$0
Weighted Average Lease Term (by Income):		9.66 years
Weighted Average Lease Term (by Area):		9.66 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Discount Rate:	6.00%
Allowances for Expiries Occurring within:	24
Allowances for Capex Occurring within:	24
Net Passing Rent ($/sqm pa) - Office Only:	$545 /m²
Net Market Rent ($/sqm pa) - Office Only:	$545 /m²
Net Compound Growth Rates (Office):	3.41%
Outgoings Compound Growth Rate:	2.58%
Adopted Net Incentive Range (10 yr Office):	22.5% to 30.0%

Comments Upon Sale

This property sold off market and forms part of a portfolio of four (4) office properties being purchased (two in NSW and two in VIC) with the pricing for the property reflecting an advised portfolio split.

We note three (3) of the office buildings are subject to long term leases to government tenants, whilst the fourth is the subject property being leased to the ARCS. The total combined value of the portfolio is just below $800million with a portfolio WALE of circa 9.1 years.

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Sales Analysis

11 Murray Rose Ave, Sydney Olympic Park NSW 2127

Valuation Advisory, NSW

Charter Hall to Growthpoint Properties Australia for a Sales Price of $52,000,000 (100% leasehold stratum Interest 95.7 years remaining)

Property Description

11 Murray Rose Avenue, Sydney Olympic Park comprises a modern A-grade commercial office building completed in 2018 located at Sydney Olympic Park close to significant infrastructure and public recreational amenities including Bicentennial Park, ANZ Stadium and Sydney Olympic Park Railway Station.

The building features ground floor foyer and retail accommodation together with five upper levels of office accommodation having a total NLA as leased of 5,684 square metres. There is basement car parking over two levels providing 61 (income producing) car parking spaces.

The major tenant within the property is B2G Consortium (27% of NLA) who offer government related environmental sustainability services.

The property is zoned B4 Mixed Use and the building currently has a 5-Green Star Rating.

Sales Details

Sales Price:	$52,000,000
Contract Date:	Jun-21
Settlement Date:	Aug-21
Rate ($/m²):	$9,148 /m²

Analysis

Initial Yield (Passing Income):	5.5%
Initial Yield (Fully Leased):	5.5%
Equivalent Yield (Face Rents):	5.4%
IRR:	6.3%

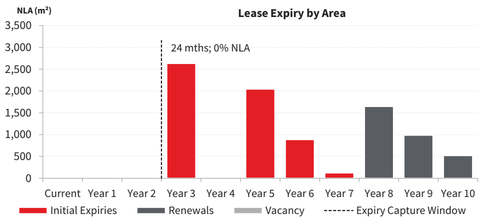
Physical Details

Net Lettable Area:	Total	5,684 m²
	Office	4,949 m²
	Retail	735 m²
Current Vacancy (% Total NLA):		0.00%
Typical Floor-plates:		1,000 m²
Car Parking:		61 (1:93 sqm)
Site Area:		2,644 m²
NABERS:		5 Star Energy & 5.5 Star Water

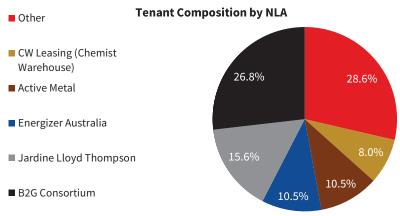
Financial Summary

Gross Passing Income:	$3,308,539	$582/m²
Gross Market Income:	$3,286,555	$578/m²
Adopted Outgoings:	$425,831	$75/m²
Net Passing Income:	$2,882,709	$507/m²
Net Market Income:	$2,860,724	$503/m²
Capital Expenditure (over 10 years + TV):	$1,660,470	$292/m²
Adopted Outstanding Incentives:		$1,070,235
Weighted Average Lease Term (by Income):		3.76 years
Weighted Average Lease Term (by Area):		3.70 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Discount Rate:	6.25%
Allowances for Expiries Occurring within:	24
Allowances for Capex Occurring within:	24
Net Passing Rent ($/sqm pa) - Office Only:	$459 /m²
Net Market Rent ($/sqm pa) - Office Only:	$450 /m²
Net Compound Growth Rates (Office):	3.59%
Net Compound Growth Rates (Retail):	2.88%
Outgoings Compound Growth Rate:	2.34%
Adopted Net Incentive Range (10 yr Office):	20.0% to 26.0%
Adopted Net Incentive Range (10 yr Retail):	10.0% to 12.5%

Comments Upon Sale

The 100% leasehold stratum interest in the property was advertised 'for sale' via an Expressions of Interest campaign which closed 22 April 2021. The property sold for a net Purchase Price of $52,000,000 (excluding GST), this being a gross price of minus the outstanding incentives liability which is on the vendors account. The net price is based on a forecast estimate of outstanding incentives as at 30 June 2021. Our analysis assumes/adopts the break clause in the lease after year 5 to B2G Consortium (Level 4 Suite 2 & Level 5) in 2026, however we note the tenant has signed a 9 year lease until 2030.

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Sales Analysis

68 Waterloo Rd, Macquarie Park NSW 2113

AMP Capital to Private Domestic Investor for a Sales Price of $106,500,000

Valuation Advisory, NSW

Property Description

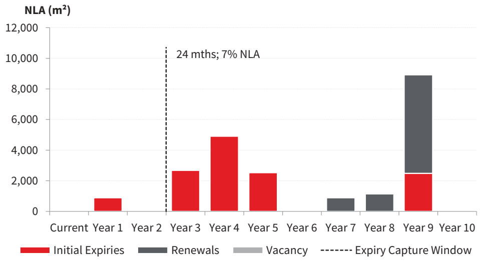
68 Waterloo Road comprises a 'B' grade commercial office and warehouse building located in the metropolitan office market of Macquarie Park. The property has dual frontage to Waterloo Road and Giffnock Avenue and is located within 600 metres of the Macquarie Shopping Centre and Metro Station. The total Net Lettable Area (NLA) of 13,486sqm is inclusive of ground floor and four upper levels of office accommodation, warehousing and one level of basement car parking. The total NLA can be apportioned as 10,489 sqm of office and 2,997sqm of warehouse.
The major tenant is Karl Storz Endoscopy Australia who occupy 18.4% by NLA on a 10 year lease expiring 2029. The property has a current NABERS Energy rating of 6 Star and Water rating of 4 Star.

Sales Details		**Analysis**	
Sales Price:	$106,500,000	Initial Yield (Passing Income):	4.8%
Contract Date:	Mar-21	Initial Yield (Fully Leased):	4.9%
Settlement Date:	Apr-21	Equivalent Yield (Face Rents):	5.3%
Rate ($/m²):	$7,897 /m²	IRR:	6.0%

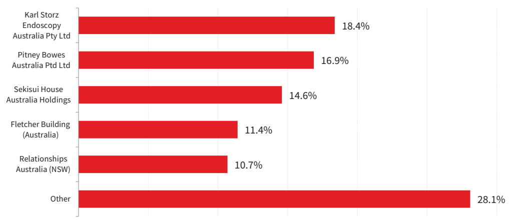
Physical Details		
Net Lettable Area:	Total	13,486 m²
	Office	10,489 m²
	Warehouse	2,997 m²
Current Vacancy (% Total NLA):		0.00%
Typical Floor-plates:		1,540 - 2,970 m²
Car Parking:		402 bays (1:34 ratio)
Site Area:		14,840 m²
NABERS:		Energy 6 Star

Financial Summary		
Gross Passing Income:	$6,583,748	$488/m²
Gross Market Income:	$7,171,093	$532/m²
Adopted Outgoings:	$1,432,030	$106/m²
Net Passing Income:	$5,151,718	$382/m²
Net Market Income:	$5,739,063	$426/m²
Capital Expenditure (over 10 years + TV):	$6,166,279	$457/m²
Adopted Outstanding Incentives:	$0	$0
Weighted Average Lease Term (by Income):		3.91 years
Weighted Average Lease Term (by Area):		4.26 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions	
Terminal Yield:	5.375%
Allowances for Expiries Occurring within:	24
Allowances for Capex Occurring within:	24
Net Passing Rent ($/sqm pa) - Office Only:	$358 /m²
Net Market Rent ($/sqm pa) - Office Only:	$390 /m²
Net Compound Growth Rates (Office):	3.47%
Net Compound Growth Rates (Warehouse):	3.47%
Outgoings Compound Growth Rate:	2.06%
Adopted Net Incentive Range (10 yr Office):	24.0% - 30.0%
Adopted Net Incentive Range (10 yr Warehouse):	24.0% - 30.0%

Comments Upon Sale

The property was for sale via an 'on-market' Expressions of Interest Campaign which closed in February 2021. Incentives of circa $2 mil are on the vendors account.

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Sales Analysis

The Centurion

27-31 Argyle Street, Parramatta NSW

Dyldam to Confidential Purchaser for a Sale Price of $74,000,000 **Valuation Advisory**

Property Description

27-31 Argyle Street, Parramatta known as 'The Centurion' comprises a 10 storey, B Grade commercial office building completed in early 2006. The property is located on the corner of Argyle Street and O'Connell Street within the southern precinct of the Parramatta CBD. While the property is located in the Parramatta CBD, it is situated in a relatively isolated commercial pocket on the south western periphery.

The building consists of a ground floor commercial space comprising 414 square metres, one (1) level of above ground car parking (known as level 2) and two (2) levels of ground/lower ground parking (known as Level 1 and lower ground) as well as nine (9) upper levels of office accommodation. The building provides a total NLA of approximately 10,339 square metres and 120 secure car parking spaces.

The property has a NABERS Energy rating of 3.5 Stars.

Sales Details

Sales Price:	$74,000,000
Contract Date:	October 2020
Settlement Date:	December 2020
Rate ($/m²):	$7,116/m²

Analysis

Initial Yield (Passing Income):	4.5%
Initial Yield (Fully Leased):	4.5%
Equivalent Yield (Face Rents):	5.6%
IRR:	6.5%

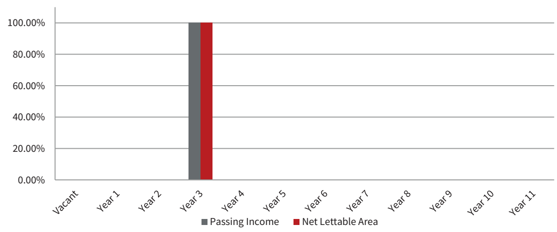
Physical Details

Net Lettable Area:	Total	10,399m²
	Office	10,399m²
	Retail	N/A
	Other	N/A
Current Vacancy (% Total NLA):		0 sqm (0.00%)
Typical Floor-plates:		807m² - 1,395m²
Car Parking (Ratio):		120 (1:87 m²)
Site Area:		2,525m²
NABERS:		3.5 Star (Energy)

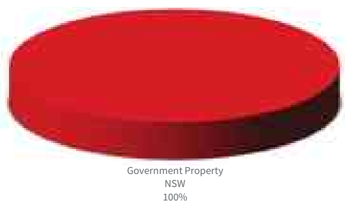
Financial Summary

Gross Passing Income:	$4,213,141	$405 /sqm
Gross Market Income:	$5,937,023	$571 /sqm
Adopted Outgoings:	$908,258	$87 /sqm
Net Passing Income:	$3,304,883	$318 /sqm
Net Market Income:	$5,028,765	$484 /sqm
Capital Expenditure (over 10 years):	$7,824,242	$752 /sqm
Adopted Outstanding Incentives:	$0	$0 /sqm
Weighted Average Lease Term (by Income):		2.75 years
Weighted Average Lease Term (by Area):		2.75 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Terminal Yield:	6.25%
Discount Rate:	6.63%
Allowances for Expiries Occurring within:	36 months
Allowances for Capex Occurring within:	36 months
Average Net Passing Rent - Office only	$287/m²
Average Net Market Rent - Office only (Face)	$446/m²
Compound Growth Rates (Prime Office):	3.34%
Outgoings Compound Growth Rate:	2.09%
Adopted Incentive Range (Prime Office):	22.0% -27.5%

Comments Upon Sale

The property sold on market and was supported by underbidding. We understand there were four (4) underbidders for the property.

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Sales Analysis

657 Pacific Highway, St Leonards NSW 2065

Lederer Group to Elegant Property Group for a Sales Price of $34,000,000

Valuation Advisory, NSW

Property Description

657 Pacific Highway, St Leonards is a nine (9) storey B-grade commercial office building, originally constructed circa 1970 and extensively refurbished in 2014. The building comprises ground floor lobby and retail space, seven upper levels of office accommodation in addition to part floor office space on the rooftop level (Level 8). The subject also incorporates basement parking over three levels for 40 single (income producing) car spaces.

The subject is situated on the northern alignment of Pacific Highway, approximately 20 metres west of the intersection with Christie Street. Access to the St Leonards railway station is via 'The Forum' mixed use office, retail and residential complex, which adjoins the subject to the west.

The property provides a total net lettable area of 3,548 square metres and has a NABERS Energy Rating of 2.5 stars.

Sales Details		**Analysis**	
Sales Price:	$34,000,000	Initial Yield (Passing Income):	2.1%
Contract Date:	August 2020	Initial Yield (Fully Leased):	5.3%
Settlement Date:	September 2020	Equivalent Yield (Face Rents):	5.2%
Rate ($/m²):	$9,583 /m²	IRR:	6.2%

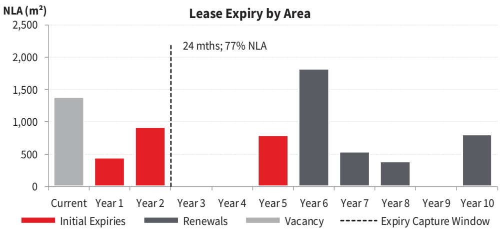
Physical Details

Net Lettable Area:	Total	3,548 m²
	Office	2,763 m²
	Retail	785 m²
	Other	-
Current Vacancy (% Total NLA):		39.09%
Typical Floor-plates:		460 m²
Car Parking (Ratio):		89
Site Area:		659 m²
NABERS:		2.5 Star

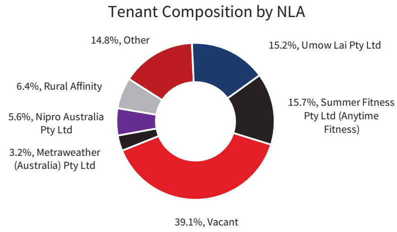
Financial Summary

Gross Passing Income:	$1,410,395	$398/m²
Gross Market Income:	$2,690,325	$758/m²
Adopted Outgoings:	$686,931	$194/m²
Net Passing Income:	$723,464	$204/m²
Net Market Income:	$2,003,394	$565/m²
Capital Expenditure (over 10 years + TV):	$1,446,757	$408/m²
Adopted Outstanding Incentives:	$337,950	$95/m²
Weighted Average Lease Term (by Income):		1.24 years
Weighted Average Lease Term (by Area):		1.36 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Terminal Yield:	5.50%
Discount Rate:	6.50%
Allowances for Expiries Occurring within:	24 months
Allowances for Capex Occurring within:	24 months
Net Passing Rent ($/sqm pa) - Office Only:	$247 /m²
Net Market Rent ($/sqm pa) - Office Only:	$498 /m²
Gross Compound Growth Rates (Office):	3.54%
Gross Compound Growth Rates (Retail):	3.01%
Outgoings Compound Growth Rate:	2.35%
Adopted Gross Incentive Range (10 yr Office):	22%-27%
Adopted Grossncentive Range (10 yr Retail):	10%

Comments Upon Sale

The property sold to the applicant off-market. We have been notified that the outstanding incentives were on the purchaser's account. The property sold with a vacancy of 39.09% or 1,387m² of total NLA. The property was purchased by an offshore developer who own 100 Christie Street to the rear of the property at Sergeants Lane.

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Sales Analysis

60 Pacific Highway, St Leonards NSW

AMP Capital to EG Funds Management for a Sale Price of $33,800,000

Valuations and Advisory, North Sydney

Property Description

The property comprises a three level commercial office building incorporating two (2) basement levels of car parking, ground floor foyer and three retail suites, and two upper office levels, with roof top plant facilities. The building is of reinforced concrete construction, having rendered blue board external walls with metal sheet cladding and aluminium framed windows to the northern and western facades.

The property occupies a prominent corner position opposite the Royal North Shore Hospital and in close proximity to St Leonard's Railway Station. The property provides a site area of 1,313 square metres.

Sales Details

Sales Price:	$33,800,000
Sale Date:	July 2020
Settlement Date:	August 2020
Rate per sqm:	$11,571 /sqm

Analysis

Initial Yield (Passing Income):	5.4%
Initial Yield (Fully Leased):	5.4%
Equivalent Yield (Face Rents):	5.2%
IRR:	6.4%

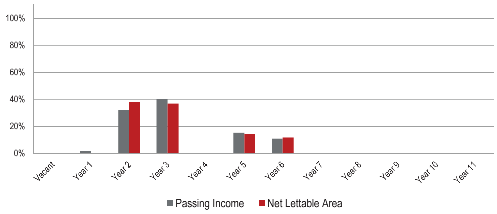
Physical Details

Net Lettable Area:	Total	2,921 sqm
	Office	1,850 sqm
	Retail	1,071 sqm
Current Vacancy (% Total NLA):		(0.00%)
Typical Floor-plates:		750 - 1,100 sqm
Car Parking (Ratio):		60 (1:49 sqm)
Site Area:		1,313 sqm
NABERS:		Not rated

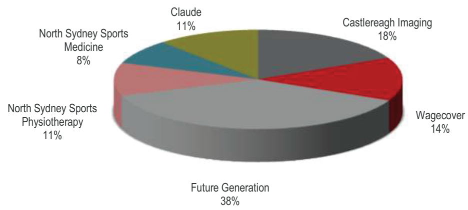
Financial Summary

Gross Passing Income:	$2,210,470	$757 /sqm
Gross Market Income:	$2,247,749	$770 /sqm
Adopted Outgoings:	$401,870	$138 /sqm
Net Passing Income:	$1,808,600	$619 /sqm
Net Market Income:	$1,845,879	$632 /sqm
Capital Expenditure (over 10 years):	$886,164	$303 /sqm
Adopted Outstanding Incentives:	$0	$0 /sqm
Weighted Average Lease Term (by Income):		3.04 years
Weighted Average Lease Term (by Area):		3.03 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Adopted Core Cap Rate:	5.25%
Terminal Yield:	5.50%
Allowances for Expiries Occurring within:	24 months
Allowances for Capex Occurring within:	24 months
Net Passing Rent ($/sqm pa) - Office only:	$520 /sqm
Net Market Rent ($/sqm pa) - Office only:	$527 /sqm
Compound Growth Rates (Office):	3.74%
Compound Growth Rates (Retail):	2.71%
Outgoings Compound Growth Rate:	1.99%
Adopted Gross Incentive Range (Office):	22.0% - 27.0%
Adopted Gross Incentive Range (Retail):	15.0%

Comments Upon Sale

The property was sold via an off-market, Expressions of Interest campaign noting that it was marketed and negotiated during the Covid-19 pandemic. A 12 month rental guarentee was provided over the vacant carparking spaces at $385 per space per month.

The property is zoned B3 commercial Core under the Lane Cove Local Environmental Plan 2009 and also benefits from an FSR of 5:1 and 36m height limit.

The property originally sold in 2018 for $21,300,000 with a vacancy rate of approximately 63% of total NLA.

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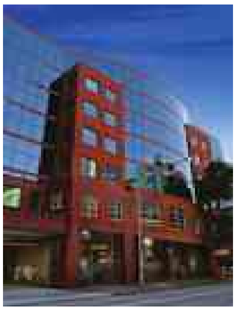
Sales Analysis

9 Wentworth Street, Parramatta NSW

Charter Hall to Mayringroup for Sale Price of $62,600,000

Valuation Advisory, NSW



Property Description

9 Wentworth Street, Parramatta comprises a 7-level, B Grade commercial office building constructed in 1988. The building is located in the southern precinct of the Parramatta Central Business District (CBD) in close proximity to Parramatta Railway Station and Bus Interchange.

The property comprises a total net lettable area (NLA) of 7,651 sqm which includes 7,194sqm of office accommodation across levels 1-7, 457sqm of ground floor office/retail accommodation and 91 basement car spaces. We note that 69 of the car parking spaces are operated by a car parking operator.

The property has a 5 Star NABERS energy rating and 4 Star NABERS water rating.

The property was 94% occupied at the date of sale, with the three major tenants being: the Commonwealth of Australia (62% NLA), Australian Business Academy (16% NLA) and Australian College of Nursing (16% NLA). We note the ground floor retail/office is currently vacant, however is subject to a Heads of Agreement due to commence in April 2020. We have included the Heads of Agreement in our analysis of the sale.

Sales Details

Sales Price:	$62,600,000
Contract Date:	November 2019
Settlement Date:	December 2019
Rate ($/m²):	$8,182/m²

Analysis

Initial Yield (Passing Income):	4.8%
Initial Yield (Fully Leased):	5.7%
Equivalent Yield (Face Rents):	5.7%
IRR:	6.1%

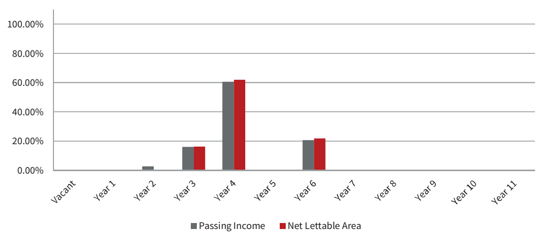
Physical Details

Net Lettable Area:	Total	7,651m²
	Office	7,194m²
	Retail	457m²
	Other	
Current Vacancy (% Total NLA):		0 sqm (0.00%)
Typical Floor-plates:		100m²
Car Parking (Ratio):		91 (1:84 m²)
Site Area:		1,627m²
NABERS:		5 Star Energy

Financial Summary

Gross Passing Income:	$4,361,255	$570 /sqm
Gross Market Income:	$4,580,036	$599 /sqm
Adopted Outgoings:	$816,660	$107 /sqm
Net Passing Income:	$2,997,339	$392 /sqm
Net Market Income:	$3,763,376	$492 /sqm
Capital Expenditure (over 10 years):	$2,709,146	$354 /sqm
Adopted Outstanding Incentives:	$2,043,998	$267 /sqm
Weighted Average Lease Term (by Income):		3.84 years
Weighted Average Lease Term (by Area):		3.94 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area

Main Assumptions

Adopted Core Cap Rate:	5.875%
Terminal Yield:	6.25%
Discount Rate:	6.50%
Long Term Vacancy Allowance:	0.00%
Allowances for Expiries Occurring within:	24 months
Allowances for Capex Occurring within:	24 months
Compound Growth Rates (Prime Office):	3.65%
Outgoings Compound Growth Rate:	2.04%
Adopted Incentive Range (Office):	20.00%-23.00% Net

Comments Upon Sale

The property was offered to market via an international expressions of interest campaign.

The reported headline sale price was $64.25 million while the reported net figure after deduction of outstanding lease incentives was $62.6 million. We have undertaken our analysis of the sale based on the net sales price.

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Sales Analysis

JLL | Achieve Ambitions

80 George Street, Parramatta

Diamond Genest Pty Ltd to Pengton No.1 Pty Ltd for a Gross Sale Price of $82,380,000

Valuations and Advisory, NSW

Property Description

80 George Street, Parramatta comprises a B Grade commercial office tower located within Mid-City Precinct of the Parramatta Central Business District (CBD). The property enjoys a prominent corner position at the intersection of George Street and Horwood Place.

The property was completed in late 1988 and provides 10 levels of office accommodation, ground floor retail and two (2) levels of underground car parking for 99 spaces. The property has a total Net Lettable Area (NLA) of 7,903sqm with floorplates ranging between 1,068sqm (levels 2-6) and 260sqm (Levels 7-10).

The building has a NABERS rating of 4.5 Stars (energy).

The property was 95% leased at the date of sale with the major tenant's being Westpac Banking Corporation, Hays Recruitment and Pacific Smiles (occupying some 56% of NLA combined).

Sales Details

Sales Price (Gross Price):	$82,380,000
Contract Date:	September 2019
Settlement Date:	November 2019
Rate per sqm:	$10,092 /sqm

Analysis

Initial Yield (Passing Income):	4.8%
Initial Yield (Fully Leased):	5.2%
Equivalent Yield (Face Rents):	5.2%
IRR:	6.5%

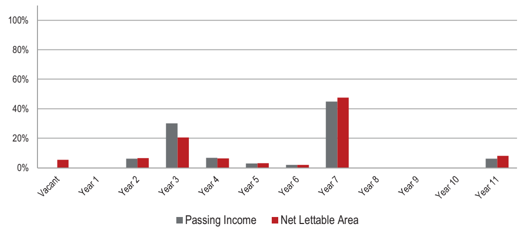
Physical Details

Net Lettable Area:	Total	8,163 sqm
	Office	7,458 sqm
	Retail	705 sqm
Current Vacancy (% Total NLA):		446.9 sqm (5.47%)
Typical Floor-plates:		1,068 sqm
Car Parking (Ratio):		99 (1:82 sqm)
Site Area:		1,731 sqm
NABERS:		4.5 Star (energy)

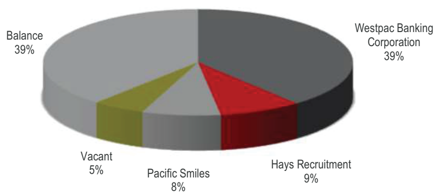
Financial Summary

Gross Passing Income:	$4,906,902	$601 /sqm
Gross Market Income:	$5,355,076	$656 /sqm
Adopted Outgoings:	$919,286	$113 /sqm
Net Passing Income:	$3,987,616	$489 /sqm
Net Market Income:	$4,435,790	$543 /sqm
Capital Expenditure (over 10 years):	$4,417,386	$541 /sqm
Adopted Outstanding Incentives:	$0	$0 /sqm
Weighted Average Lease Term (by Income):		4.98 years
Weighted Average Lease Term (by Area):		5.22 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Adopted Core Cap Rate:	5.25%
Terminal Yield:	5.50%
Discount Rate:	6.50%
Long Term Vacancy Allowance:	0.00%
Allowances for Expiries Occurring within:	24 months
Allowances for Capex Occurring within:	24 months
Compound Growth Rates (Prime Office):	3.62%
Compound Growth Rates (Prime Retail):	3.06%
Outgoings Compound Growth Rate:	2.06%
Adopted Incentive Range (Prime Office):	17.5%- 25.0%(Net)
Adopted Incentive Range (Prime Retail):	10.0% (Gross)

Comments Upon Sale

We understand that the sales price of $82.380m is a gross price that includes outstanding incentives. Our analysis of the sale has been undertaken on a gross price basis as we do not have visibility into the amount of outstanding incentives at the time of analysis.

The sale reflects an equivalent yield of 5.2% which is considered a strong result for the Parramatta CBD.

The site is underdeveloped based on current planning controls which was one consideration in the outcome achieved.

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Sales Analysis

1-3 Fitzwilliam Street, Parramatta NSW

Raffles Education Corporation to Wentruth Pty Ltd for a Gross Sales Price of $80,000,000

Valuations and Advisory, NSW

Property Description

1-3 Fitzwilliam Street, Parramatta comprises a six (6) storey, A Grade commercial office building located within the Southern Precinct of the Parramatta Central Business District (CBD) directly opposite Parramatta Train Station and Bus Interchange.

The property was completed in late 1988 and provides six (6) levels of office accommodation, ground floor retail and two (2) levels of underground car parking for 102 spaces. The property has a total Net Lettable Area (NLA) of 9,677sqm. Floorplates range between 1,300sqm- 1,600sqm and are generally irregular in shape, owing to the triangular shaped allotment the property is situated on.

The building is currently NABERS exempt.

The property was 97.6% leased at the date of sale with the major tenant's being Education Centre of Australia and the City of Parramatta Council (occupying some 64% of NLA combined). The property sold with a WALE (by income) of 2.85 years.

Sales Details

Sales Price (Gross):	$80,000,000
Contract Date:	September 2019
Settlement Date:	November 2019
Rate per sqm:	$8,267 /sqm

Analysis

Initial Yield (Passing Income):	5.2%
Initial Yield (Fully Leased):	5.4%
Equivalent Yield (Face Rents):	5.6%
IRR:	6.6%

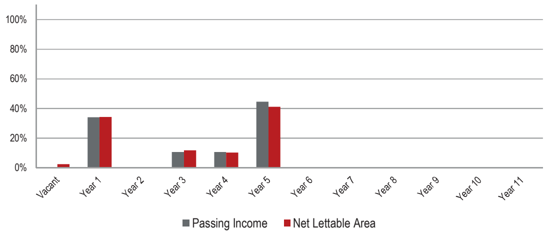
Physical Details

Net Lettable Area:	Total	9,677 sqm
	Office	9,009 sqm
	Retail	668 sqm
Current Vacancy (% Total NLA):		228 sqm (2.36%)
Typical Floor-plates:		1,300sqm - 1,600sqm
Car Parking (Ratio):		102 (1:95 sqm)
Site Area:		2,049 sqm
NABERS:		Exempt

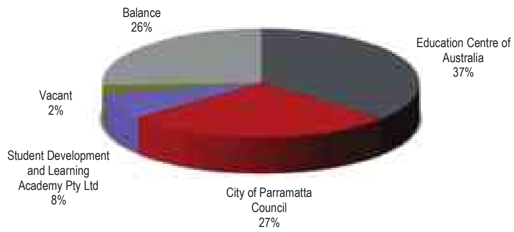
Financial Summary

Gross Passing Income:	$5,026,542	$519 /sqm
Gross Market Income:	$5,560,047	$575 /sqm
Adopted Outgoings:	$870,930	$90 /sqm
Net Passing Income:	$4,155,612	$429 /sqm
Net Market Income:	$4,689,117	$485 /sqm
Capital Expenditure (over 10 years):	$4,047,688	$418 /sqm
Adopted Outstanding Incentives:	$0	$0 /sqm
Weighted Average Lease Term (by Income):		2.85 years
Weighted Average Lease Term (by Area):		2.82 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Adopted Core Cap Rate:	5.50%
Terminal Yield:	5.75%
Discount Rate:	6.50%
Long Term Vacancy Allowance:	0.00%
Allowances for Expiries Occurring within:	24 months
Allowances for Capex Occurring within:	24 months
Compound Growth Rates (Prime Office):	3.62%
Compound Growth Rates (Prime Retail):	3.35%
Outgoings Compound Growth Rate:	2.06%
Adopted Incentive Range (Prime Office):	17.5% - 25.0% (Net)
Adopted Incentive Range (Prime Retail):	10.0% (Gross)

Comments Upon Sale

In February 2019, the 100% freehold interest in 1-3 Fitzwilliam Street, Parramatta was brought to market by Colliers International and Cushman & Wakefield via an International Expressions of Interest Campaign.

We understand the reported sales price of $80m is a gross price with circa $1.5m of incentives to be adjusted at settlement. We have analysed the sale on a Gross Price basis as exact details of the outstanding incentives were not available.

While the property currently has an Floor Space Ratio (FSR) of 6:1 under the Parramatta Environmental Plan 2011, the property has potential development upside under the Draft Parramatta CBD Development Controls which has indicated a FSR of 10:1 may be applicable to the site.

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Sales Analysis

9 George Street, Parramatta

Hadley Green Investment Group to City of Brisbane Investment Corporation for Sale Price of $44,300,000 **Valuation Advisory, NSW**

Property Description

A modern eight storey B-grade commercial building completed in 2003 located on the fringe of the metropolitan office market of Parramatta.

It incorporates seven upper office levels, ground floor retail and 43 car parking spaces. The property features rectangular-shaped floorplates averaging 804m² in size and the office floors generally enjoy good natural light provisions.

The building is 69.4% occupied and major tenants include Property NSW and Westpac Banking Corporation.

The property is situated on the northern side of George Street, within the metropolitan market of Parramatta.

The land is zoned B4 Mixed Use with an FSR of 6:00 and a height limit of 54 metres.

Sales Details

Sales Price:	$44,300,000
Contract Date:	December 2018
Settlement Date:	February 2019
Rate ($/m²):	$7,970/m²

Analysis

Initial Yield (Passing Income):	3.64%
Initial Yield (Fully Leased):	5.94%
Equivalent Yield (Face Rents):	5.50%
IRR:	5.87%

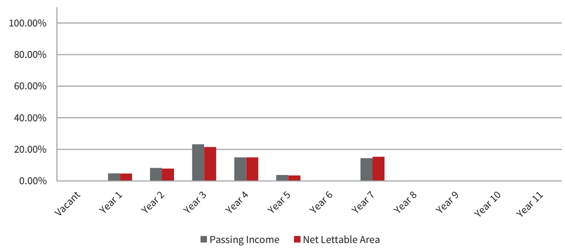
Physical Details

Net Lettable Area:	Total	5,559m²
	Office	5,366m²
	Retail	193m²
	Other	N/A
Current Vacancy (% Total NLA):		1,696 m²
Typical Floor-plates:		800m²
Car Parking (Ratio):		40 (1:139 m²)
Site Area:		1,412m²
NABERS:		3 Star Energy

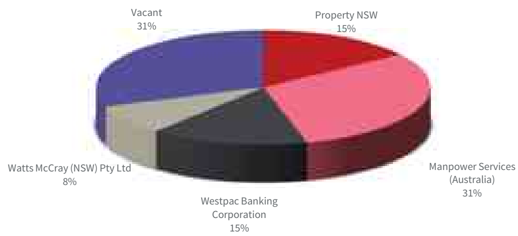
Financial Summary

Gross Passing Income:	$2,333,038	$420 /sqm
Gross Market Income:	$3,328,504	$599 /sqm
Adopted Outgoings:	$719,578	$129 /sqm
Net Passing Income:	$1,613,460	$290 /sqm
Net Market Income:	$2,608,926	$469 /sqm
Capital Expenditure (over 10 years):	$3,018,321	$543 /sqm
Adopted Outstanding Incentives:	$0	$0 /sqm
Weighted Average Lease Term (by Income):		2.39 years
Weighted Average Lease Term (by Area):		3.09 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Terminal Yield:	6.00%
Allowances for Expiries Occurring within:	24 months
Allowances for Capex Occurring within:	24 months
Compound Growth Rates (Prime Office):	3.79%

Comments Upon Sale

The property sold off market Q1 2019. We note that the incentives were paid out in full by the vendor. The purchaser took on the current 30.5% vacancy with no rent/incentive guarantees and was also required to refurbish the vacant space (if need be). They did however receive a makegood payment from one of the vacant tenants to offset some of the

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Sales Analysis

JLL | Achieve Ambitions

2-6 Cavill Avenue, Ashfield NSW

Barana Properties (No.6) Pty Ltd to Shayher Developments Pty Ltd for a Sale Price of $63,300,000

Valuations and Advisory, NSW

Property Description

2-6 Cavill Avenue, Ashfield comprises two, five storey commercial office buildings completed in 1984 and 1987 and refurbished in 2002. Each building comprises two basement levels of parking, a ground floor entry foyer and office and four (4) upper levels of office accommodation. The net lettable area (NLA) across both buildings totals approximately 10,596.9 sqm with 275 marked basement car spaces and 10 on grade car spaces. The complex creates an office park environment incorporating attractive paved and landscaped areas. 2 Cavill Avenue has achieved a 5 Star NABERS energy rating while 4-6 Cavill Avenue has achieved a 4.5 Star NABERS energy rating.

The property is situated on the western side of Cavill Avenue and benefits from a prominent corner location with three (3) street frontages to Cavill Avenue, Liverpool Road (Hume Highway) and Thomas Street at Ashfield. Ashfield is located approximately 10 kilometres west of the Sydney GPO and approximately 16 kilometres east of the Parramatta Central Business District (CBD).

Sales Details

Sales Price:	$63,300,000
Contract Date:	August 2019
Settlement Date:	September 2019
Rate per sqm:	$5,973 /sqm

Analysis

Initial Yield (Passing Income):	5.5%
Initial Yield (Fully Leased):	5.5%
Equivalent Yield (Face Rents):	5.7%
IRR:	6.6%

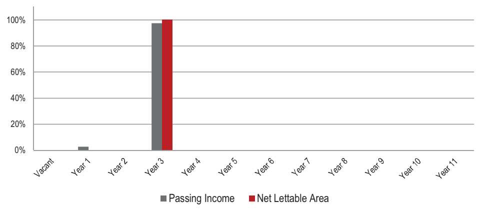
Physical Details

Net Lettable Area:	Total	10,597 sqm
	Office	10,597 sqm
	Retail	N/A
	Other	N/A
Current Vacancy (% Total NLA):		0 sqm (0.00%)
Typical Floor-plates:		100 sqm
Car Parking (Ratio):		285 (1:37 sqm)
Site Area:		8,424 sqm
NABERS: 2 Cavill Avenue		5.0 Stars
NABERS: 4-6 Cavill Avenue		4.5 Stars

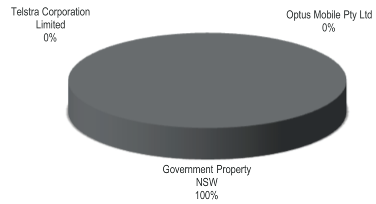
Financial Summary

Gross Passing Income:	$5,011,135	$473 /sqm
Gross Market Income:	$5,923,074	$559 /sqm
Adopted Outgoings:	$725,816	$68 /sqm
Net Passing Income:	$3,486,954	$329 /sqm
Net Market Income:	$4,398,893	$415 /sqm
Capital Expenditure (over 10 years):	$7,281,909	$687 /sqm
Adopted Outstanding Incentives:	$0	$0 /sqm
Weighted Average Lease Term (by Income):		2.46 years
Weighted Average Lease Term (by Area):		2.50 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Adopted Core Cap Rate:	5.75%
Terminal Yield:	6.25%
Discount Rate:	6.75%
Long Term Vacancy Allowance:	0.00%
Allowances for Expiries Occurring within:	36 months
Allowances for Capex Occurring within:	36 months
Compound Growth Rates (Prime Office):	3.57%
Compound Growth Rates (Prime Retail):	3.31%
Outgoings Compound Growth Rate:	2.31%
Adopted Incentive Range (Prime Office):	17.5%-25.0% Net
Adopted Incentive Range (Prime Retail):	N/A

Comments Upon Sale

The property was brought to market in May 2019 via an International Expressions of Interest Campaign by Knight Frank who were appointed as the exclusive sales agents for the property.

The property benefits from flexible B4 - Mixed Use Zoning under the current planning instrument which permits a variety of uses including commercial and residential. We understand that the purchaser (Shayher Developments Pty Ltd) intends to redevelop the site into into a mixed use residential development in the future.

At the date of sale, the building was 100% leased to Government Property NSW. We understand that the vendor provided a rental guarantee as the tenant had exercised their 12 month option period from 1 March 2021 under the existing leases.

The property was previously purchased in July 2015 for $47,000,000.

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Sales Analysis

91 Phillip Street, Parramatta NSW

One Managed Investment Funds Limited to a Blackrock advised offshore institution as part of a global separate managed account for a Sale Price of $56,630,000

Valuations and Advisory, NSW

Property Description

Erected upon the land is a 9 storey office building completed in 1985. The building comprises a ground cafe and commercial suite and 7 upper levels of office accommodation (Levels 2 to 8) with typical floor plates of approximately 970 square metres (albeit for Levels 2-3 providing 430 square metres floor plates) configured around a central services core including three passenger lifts servicing all levels and male and female bathrooms on all floors. Above ground car parking is provided over 4 levels (Ground Floor to Level 3).

The property is located in a prominent corner position at the intersection of Phillip Street and Smith Street, approximately 450 metres north of the Parramatta railway station and bus interchange. The property provides a site area of 2,193 sqm within an area zoned B3 Commercial Core and with a maximum FSR of 10:1 under the Parramatta Local Environmental Plan 2011.

Sales Details

Sales Price:	$56,630,000
Contract Date:	October 2018
Settlement Date:	November 2018
Rate per sqm:	$9,292 /sqm

Analysis

Initial Yield (Passing Income):	5.1%
Initial Yield (Fully Leased):	5.1%
Equivalent Yield (Face Rents):	5.5%
IRR:	6.7%

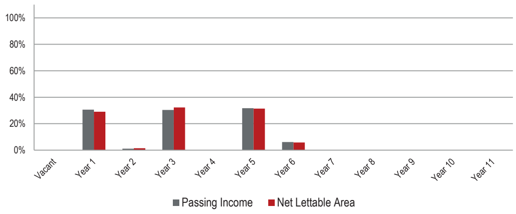
Physical Details

Net Lettable Area:	Total	6,094 sqm
	Office	6,007 sqm
	Retail	87 sqm
Current Vacancy (% Total NLA):		0 sqm (0.00%)
Typical Floor-plates:		970 sqm
Car Parking (Ratio):		120 (1:51 sqm)
Site Area:		2,193 sqm
NABERS:		4.5 Star Energy

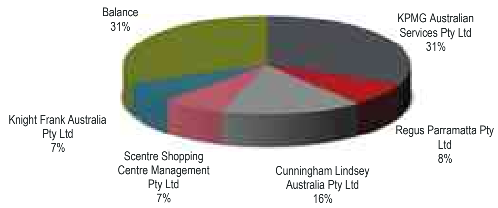
Financial Summary

Gross Passing Income:	$3,698,967	$607 /sqm
Gross Market Income:	$4,115,013	$675 /sqm
Adopted Outgoings:	$810,971	$133 /sqm
Net Passing Income:	$2,887,996	$474 /sqm
Net Market Income:	$3,304,042	$542 /sqm
Capital Expenditure (over 10 years):	$3,099,988	$509 /sqm
Adopted Outstanding Incentives:	$626,174	$103 /sqm
Weighted Average Lease Term (by Income):		2.83 years
Weighted Average Lease Term (by Area):		2.86 years

Lease Expiry Profile by Lettable Area & Passing Income



Major Tenants By Area



Main Assumptions

Adopted Core Cap Rate:	5.50%
Terminal Yield:	5.75%
Discount Rate:	6.75%
Long Term Vacancy Allowance:	0.00%
Allowances for Expiries Occurring within:	12 months
Allowances for Capex Occurring within:	12 months
Compound Growth Rates (Office):	3.67%
Compound Growth Rates (Retail):	3.67%
Outgoings Compound Growth Rate:	2.34%
Adopted Incentive Range (Office):	17.5% - 20.0% net
Adopted Incentive Range (Retail):	10.0% net

Comments Upon Sale

The property has been sold on-market following an EOI campaign which closed 8 August 2018. Exchange occurred in October 2018 with settlement in November 2018.

We have been advised that the purchaser has taken on a number of outstanding incentives to existing tenants, which we confirm we have reflected within our analysis.

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Our Ref : V/2022/54/CORP/1

7 January 2022

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Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 221 AND 223 PASIR PANJANG ROAD
HARBOUR VIEW GARDENS
SINGAPORE 118582 AND 118584

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 13 March 2017 (Our Reference: 2017/190B/PTE/KH) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the abovementioned parties is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	A newly completed 5-storey residential development (total 57 apartments) with basement and mechanical car park, swimming pool and communal facilities, known as Harbour View Gardens
Legal Description	:	Lot 1789M Mukim 3
Tenure	:	Estate in fee simple
Land Area	:	1,784.0 sm or thereabouts, subject to government's re-survey
Gross Floor Area	:	Approximately 4,398.3 sm, as provided and subject to final survey
Strata Floor Area	:	Approximately 3,919.0 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $59,742,157.
Date of Temporary Occupation Permit	:	22 September 2021
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 1.4 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the residential development comprising 57 units of apartments with basement/ mechanical carpark, swimming pool and communal facilities.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

savills

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation : **(A)** **Land Value**

Market Value **$44,300,000**

(Singapore Dollars Forty-Four Million and Three Hundred Thousand Only)

:

(B) **Gross Development Value Of The 5-Storey Residential Development (Total 57 Units)**

Market Value* **$75,900,000**

(Singapore Dollars Seventy-Five Million and Nine Hundred Thousand Only)

**Subject to Vacant Possession & Free From All Encumbrances*

Prepared by:

Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Licensed Appraiser No. AD041-2009803I
Managing Director

Vera Sham
Licensed Appraiser No. AD041-2009803I
Director

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/X/CORP/5

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

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Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 344 RIVER VALLEY ROAD
RV ALTITUDE
SINGAPORE 238385

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 12 February 2019 (Our Reference: 2018/3221A/PTE/CN) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the abovementioned parties is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed 21-storey residential development (total 140 apartments) with swimming pool, basement carpark and communal facilities known as RV Altitude, currently under construction
Legal Description	:	Lot 99606T Town Subdivision 21
Tenure	:	Estate in fee simple
Land Area	:	2,675.4 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 8,240.2 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 7,317.0 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $200,256,644.
Expected Date of Temporary Occupation Permit	:	Circa December 2022
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 2.8 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the proposed residential development comprising 140 units of apartments with swimming pool, basement carpark and communal facilities, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation : **(A)** **<u>Land Value</u>**

Market Value **$144,100,000**
(Singapore Dollars One Hundred Forty-Four Million and One Hundred Thousand Only)

:

(B) **<u>Gross Development Value Of The Proposed Residential Development (Total 140 units) Subject To Satisfactory Completion</u>**

Market Value* **$220,500,000**
(Singapore Dollars Two Hundred Twenty Million and Five Hundred Thousand Only)

**Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:

Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng	**Vera Sham**
Licensed Appraiser No. AD041-2009803I	**Licensed Appraiser No. AD041-2009803I**
Managing Director	**Director**

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards: The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.

Valuation Basis: The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.

The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.

Currency of Valuation: Values are reported in Singapore currency unless otherwise stated.

Confidentiality: Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.

Copyright: Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.

Limitation of Liability: The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.

Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).

Validity Period: This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.

Titles: A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.

Planning Information: Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.

Other Statutory Regulations: Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.

Site Condition: We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon

Condition of Property: While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.

Source of Information: Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.

Floor Areas: We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.

Plans: Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.

Tenant: No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.

Reinstatement Cost: Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.

Attendance in Court: Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/6

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

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F : (65) 6536 8611

Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 5 DERBYSHIRE ROAD
FYVE DERBYSHIRE
SINGAPORE 309461

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 12 February 2019 (Our Reference: 2019/3221C/PTE/CN) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the abovementioned parties is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed 19-storey residential development (total 71 apartments) with swimming pool, basement car park and communal facilities known as Fyve Derbyshire, currently under construction
Legal Description	:	Lots 1418K and 2832M, Town Subdivision 18
Tenure	:	Estate in fee simple
Land Area	:	1,734.9 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 5,469.9 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 4,877.7 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $122,042,607.
Expected Date of Temporary Occupation Permit	:	Circa May 2024
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 2.8 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the proposed residential development comprising 71 units of apartments with swimming pool, basement carpark and communal facilities, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation : **(A)** **<u>Land Value</u>**

Market Value **$79,100,000**
(Singapore Dollars Seventy-Nine Million and One Hundred Thousand Only)

:

(B) **<u>Gross Development Value Of The Proposed 19-Storey Residential Development (Total 71 Units) Subject To Satisfactory Completion</u>**

Market Value* **$123,700,000**
(Singapore Dollars One Hundred Twenty-Three Million and Seven Hundred Thousand Only)

**Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:
Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng	**Vera Sham**
Licensed Appraiser No. AD041-2009803I	**Licensed Appraiser No. AD041-2009803I**
Managing Director	**Director**

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/8

Savills Valuation And
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Reg No : 200402411G

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Singapore 049712

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Savills.com

7 January 2022

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 386 DUNEARN ROAD
DUNEARN 386
SINGAPORE 289599

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 22 January 2018 (Our Reference: 2018/115/PTE/CN) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

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With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed 5-storey residential development (total 35 apartments) with surface car park, swimming pool and communal facilities, known as Dunearn 386, currently at its final stage of construction
Legal Description	:	Lot 7050X Mukim 17
Tenure	:	Estate in fee simple
Land Area	:	1,784.0 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 2,747.36 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 2,506.32 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $61,361,633.
Expected Date of Temporary Occupation Permit	:	Circa June 2022
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 1.4 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

386 Dunearn Road
Dunearn 386
Singapore 289599
Our Ref: V/2022/54/CORP/8

Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the proposed residential development comprising 35 units of apartments with surface carpark, swimming pool and communal facilities, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation	**:**	**31 December 2021**
Valuation	**:**	**(A)** <u>**Land Value**</u> **Market Value** **$40,800,000** (Singapore Dollars Forty Million and Eight Hundred Thousand Only)
	:	**(B)** <u>**Gross Development Value Of The Proposed 5-Storey Residential Development (Total 35 Units) Subject To Satisfactory Completion**</u> **Market Value*** **$63,700,000** (Singapore Dollars Sixty-Three Million and Seven Hundred Thousand Only) **Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:
Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng	**Vera Sham**
Licensed Appraiser No. AD041-2009803I	**Licensed Appraiser No. AD041-2009803I**
Managing Director	**Director**

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/11

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T : (65) 6836 6888
F : (65) 6536 8611

Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 223 GUILLEMARD ROAD
MORI
SINGAPORE 399738

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 10 February 2021 (Our Reference: 2021/1545/CORP) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the abovementioned parties is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Land with the benefit of grant of written permission for the proposed reaction of a part 5/ part 8-storey residential flat with attic (total 137 apartments) and car park at 1st storey and basement, swimming pool, and communal facilities, to be known as Mori. The property is ready for re-development.
Legal Description	:	Lots 1472P, 1473T, 1474A, 1475K, 1661M, 1662W, 1663V, 1664P, 1665T, 1666A, 1667K, 1668N, 1669X, 1670K and 1671N, Mukim 25
Tenure	:	Estate in fee simple
Land Area	:	3,449.6 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 9,658.8 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 9,848.4 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $165,262,593.
Expected Date of Temporary Occupation Permit	:	Circa December 2024
Master Plan Zoning (2019 Edition)	:	Residential/ Institution at gross plot ratio 2.8 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

223 Guillemard Road
Mori
Singapore 399738
Our Ref: V/2022/54/CORP/11

Basis of Valuation	:	1) Land Value; and
		2) Gross Development Value of the proposed part 5/part 8-storey residential development (total 137 units) with carpark, swimming pool, and communal facilities, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation : **(A)** **<u>Land Value</u>**

Market Value **$98,500,000**

(Singapore Dollars Ninety-Eight Million and Five Hundred Thousand Only)

:

(B) **<u>Gross Development Value Of The Proposed Part 5-/ Part 8-Storey Residential Development (Total 137 Units) Subject To Satisfactory Completion</u>**

Market Value* **$191,900,000**

(Singapore Dollars One Hundred Ninety-One Million and Nine Hundred Thousand Only)

**Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:

Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Licensed Appraiser No. AD041-2009803I
Managing Director

Vera Sham
Licensed Appraiser No. AD041-2009803I
Director

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards: The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.

Valuation Basis: The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report.

The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.

Currency of Valuation: Values are reported in Singapore currency unless otherwise stated.

Confidentiality: Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.

Copyright: Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.

Limitation of Liability: The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.

Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).

Validity Period: This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.

Titles: A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.

Planning Information: Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.

Other Statutory Regulations: Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.

Site Condition: We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon

Condition of Property: While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.

Source of Information: Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.

Floor Areas: We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.

Plans: Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.

Tenant: No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.

Reinstatement Cost: Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.

Attendance in Court: Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/2

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T : (65) 6836 6888
F : (65) 6536 8611

Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 120 GRANGE ROAD
120 GRANGE
SINGAPORE 249600

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 20 February 2017 (Our Reference: 2017/190A/CORP/CN) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the abovementioned parties is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed 15-storey residential development (total 56 apartments) with swimming pool, gym, BBQ, roof terrace and carpark known as 120 Grange, currently under construction
Legal Description	:	Lots 879A Town Subdivision 24
Tenure	:	Estate in fee simple
Land Area	:	1,466.0 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 3,078.6 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 3,100.0 sm provided and subject to final survey
0		
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $83,499,608.
Expected Date of Temporary Occupation Permit	:	Circa August 2022
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 2.1 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

Basis of Valuation	:	1) Land Value; and
		2) Gross Development Value of the proposed residential development comprising 56 units of apartments with swimming pool, gym, BBQ, roof terrace and carpark, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation : **(A)** **Land Value**

Market Value **$66,900,000**
(Singapore Dollars Sixty-Six Million and Nine Hundred Thousand Only)

:

(B) **Gross Development Value Of The Proposed 15-Storey Residential Development (Total 56 Units) Subject To Satisfactory Completion**

Market Value* **$103,400,000**
(Singapore Dollars One Hundred Three Million and Four Hundred Thousand Only)

**Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:
Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng	**Vera Sham**
Licensed Appraiser No. AD041-2009803I	**Licensed Appraiser No. AD041-2009803I**
Managing Director	**Director**

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/3

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T : (65) 6836 6888
F : (65) 6536 8611

Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 828 UPPER BUKIT TIMAH ROAD
BUKIT 828
SINGAPORE 678155

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 11 April 2017 (Our Reference: 2017/532/OCBC/CT) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

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With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed 6-storey with attic residential development (total 34 apartments) with swimming pool, sky terrace and basement mechanical car park, known as Bukit 828, currently at its final stage of construction
Legal Description	:	Lots 99979X PT, 99980K, 99981N, 99982X, 99983L, Mukim 14
Tenure	:	Estate in fee simple
Land Area	:	952.8 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 2,620.2 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 2,337.2 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $41,955,641.
Expected Date of Temporary Occupation Permit	:	Circa June 2022
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 2.5 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the proposed residential development comprising 34 units of apartments with swimming pool, sky terrace and basement mechanical carpark, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation	**:**	**31 December 2021**
Valuation	**:**	**(A)** <u>**Land Value**</u> **Market Value** **$24,800,000** (Singapore Dollars Twenty-Four Million and Eight Hundred Thousand Only)
	:	**(B)** <u>**Gross Development Value Of The Proposed 6-Storey Residential Development (Total 34 Units) Subject To Satisfactory Completion**</u> **Market Value*** **$43,900,000** (Singapore Dollars Forty-Three Million and Nine Hundred Thousand Only) **Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:

Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng	**Vera Sham**
Licensed Appraiser No. AD041-2009803I	**Licensed Appraiser No. AD041-2009803I**
Managing Director	**Director**

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/9

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

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F : (65) 6536 8611

Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 15-25 (ODD NOS.) LORONG KISMIS
VIEW AT KISMIS
SINGAPORE 598008/10/12 & 596187/88/89

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic/ latest information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the abovementioned parties is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed six blocks of 5-storey residential flats (total 186 apartments and 2 shops) with swimming pool, basement car park and communal facilities, known as View at Kismis, currently under construction
Legal Description	:	Lots 4373K and 656A Mukim 5
Tenure	:	99-years commencing 31 May 2019
Land Area	:	9,321.6 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 14,355.3 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 13,198.1 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $221,698,461.
Expected Date of Temporary Occupation Permit	:	Circa March 2023
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 1.4 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the proposed residential development comprising 186 apartments and 2 shops with swimming pool, basement carpark and communal facilities, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation :

(A) **<u>Land Value</u>**
Market Value **$139,200,000**
(Singapore Dollars One Hundred Thirty-Nine Million and Two Hundred Thousand Only)

:

(B) **<u>Gross Development Value Of The Proposed 5-Storey Residential Development (Total 186 Apartments & 2 Shops) Subject to Satisfactory Completion</u>**
Market Value* **$241,800,000**
(Singapore Dollars Two Hundred Forty-One Million and Eight Hundred Thousand Only)

**Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:

Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Licensed Appraiser No. AD041-2009803I
Managing Director

Vera Sham
Licensed Appraiser No. AD041-2009803I
Director

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/4

7 January 2022

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T : (65) 6836 6888
F : (65) 6536 8611

Savills.com

Dear Sir

DESKTOP VALUATION OF 20 GUILLEMARD CRESCENT
ARENA RESIDENCES SINGAPORE 399915

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 27 November 2017 (Our Reference: 2017/2063/CORP/CN) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the abovementioned parties is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed two blocks of 14-storey residential development (total 98 apartments) with swimming pool, clubhouse, function room, gym, tennis court, BBQ, children's playground, basement car park, known as Arena Residences, currently at its final stage of construction
Legal Description	:	Lots 2411V, 2409P, 2413T, 2415K, 97545P, 2417X, 7647V, 7649T,97544V, Mukim 25
Tenure	:	Estate in fee simple
Land Area	:	2,431.1 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 7,569.7 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 6,931.8 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $113,009,405.
Expected Date of Temporary Occupation Permit	:	Circa 31 August 2022
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 2.8 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Basis of Valuation	:	1) Land Value; and

2) Gross Development Value of the proposed residential development comprising 98 units of apartments with swimming pool, basement carpark and communal facilities, assuming satisfactory completion.

Methods of Valuation : Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation : **(A)** **Land Value**

Market Value **$70,600,000**
(Singapore Dollars Seventy Million and Six Hundred Thousand Only)

(B) **Gross Development Value Of The Proposed 14-Storey Residential Development (Total 98 Units) Subject To Satisfactory Completion**

Market Value* **$135,800,000**
(Singapore Dollars One Hundred Thirty-Five Million and Eight Hundred Thousand Only)

**Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:
Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Licensed Appraiser No. AD041-2009803I
Managing Director

Vera Sham
Licensed Appraiser No. AD041-2009803I
Director

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/10/10

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T : (65) 6836 6888
F : (65) 6536 8611

Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 27 MOULMEIN RISE
NEU AT NOVENA
SINGAPORE 308140

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 10 August 2018 (Our Reference: 2018/2074/CORP/CN) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

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With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed 17-storey residential development (total 87 apartments) with swimming pool, sky terrace, basement car park and communal facilities known as Neu at Novena, currently under construction
Legal Description	:	Lots 527T and 1072P, Town Subdivision 29
Tenure	:	Estate in fee simple
Land Area	:	2,062.3 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 6,689.3 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 5,977.6 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $165,680,986.
Expected Date of Temporary Occupation Permit	:	Circa March 2024
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 2.8 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the proposed residential development comprising 87 units of apartments with swimming pool, basement carpark and communal facilities, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation : **(A)** **Land Value**

Market Value **$107,100,000**
(Singapore Dollars One Hundred Seven Million And One Hundred Thousand Only)

:

(B) **Gross Development Value Of The Proposed 17-Storey Residential Development (Total 87 Units) Subject To Satisfactory Completion**

Market Value* **$167,100,000**
(Singapore Dollars One Hundred Sixty-Seven Million and One Hundred Thousand Only)

**Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:

Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng	**Vera Sham**
Licensed Appraiser No. AD041-2009803I	**Licensed Appraiser No. AD041-2009803I**
Managing Director	**Director**

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
Validity Period:	This valuation represents our opinion of value as at the date of valuation. The assessed value may change significantly and unexpectedly over a short period arising from general market movement, possible changes in market forces and circumstances in relation to the property. Savills disclaim all responsibility and accept no liability should the valuation report be relied upon after the expiration of 3 months from the date of valuation, or such earlier date if the addressee of the report becomes aware of any factors that may have an effect on the valuation and has not made known such information to Savills.
Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/7

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

T : (65) 6836 6888
F : (65) 6536 8611

Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 30 FARRER ROAD
WILSHIRE RESIDENCES
SINGAPORE 268832

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 12 February 2019 (Our Reference: 2018/3221A/PTE/CN) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

This confidential document is for the sole use of persons directly provided with it by Savills Valuation And Professional Services (S) Pte Ltd. Use by, or reliance upon this document by anyone other than the abovementioned parties is not authorised by us and we are not liable for any loss arising from such unauthorised use or reliance. This document should not be reproduced without our prior written authority.

With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Proposed two blocks of 12-storey residential flats (total 85 apartments) with swimming pool, basement carpark and communal facilities known as Wilshire Residences, currently under construction
Legal Description	:	Lot 2652A Mukim 2
Tenure	:	Estate in fee simple
Land Area	:	3,635.3 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 6,572.2 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 6,146.8 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $158,416,687.
Expected Date of Temporary Occupation Permit	:	Circa February 2023
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 1.6 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.

Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the proposed 12-storey residential development total 85 units with swimming pool, basement carpark and communal facilities, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation	**:**	**31 December 2021**
Valuation	**:**	**(A)** <u>**Land Value**</u> **Market Value** **$110,300,000** (Singapore Dollars One Hundred Ten Million and Three Hundred Thousand Only)
	:	**(B)** <u>**Gross Development Value Of The Proposed 12-Storey Residential Development (Total 85 Units) Subject to Satisfactory Completion**</u> **Market Value*** **$171,000,000** (Singapore Dollars One Hundred Seventy-One Million Only) **Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:
Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Licensed Appraiser No. AD041-2009803I
Managing Director

Vera Sham
Licensed Appraiser No. AD041-2009803I
Director

CN/VS/ha

LIMITING CONDITIONS

Our valuations are subject to the following limiting conditions unless otherwise stated in our valuation report.

Valuation Standards:	The valuation is carried out in accordance with the Valuation Standards and Practice Guidelines published by the Singapore Institute of Surveyors and Valuers, and/or International Valuation Standards and/or RICS Valuation Standards, subject to variations to comply with local laws, customs and practices.
Valuation Basis:	The valuation is carried out on a basis appropriate to the specific purpose of valuation, in accordance with the relevant definitions, assumptions and qualifications outlined in the valuation report. The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted. Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
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Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
Other Statutory Regulations:	Our valuation assumes that the property and any improvements thereon comply with all relevant statutory regulations. We have assumed that the property has been or will be issued with a Temporary Occupation Permit, Certificate of Fitness, Certificate of Statutory Completion or Temporary Occupation License by the competent authority.
Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
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Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

Our Ref : V/2022/54/CORP/12

7 January 2022

Savills Valuation And
Professional Services (S) Pte Ltd
Reg No : 200402411G

30 Cecil Street
#20-03 Prudential Tower
Singapore 049712

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F : (65) 6536 8611

Savills.com

Roxy-Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sir

DESKTOP VALUATION OF 10A, 10B & 11 INSTITUTION HILL
SINGAPORE 239664/65/66

We thank Roxy-Pacific Holdings Limited ("Client") for the instruction to carry out a desktop valuation to advise on the market value as at 31 December 2021 of the above property for voluntary offer purpose.

As agreed, this valuation is premised on the basic information as per our last valuation report dated 29 March 2021 (Our Reference: 2021/1237/PTE) and the updated information as furbished by your goodselves. No site inspection, title searches, soil test, etc. is carried out. Should the given information be different, a re-valuation is required.

"Market Value is the estimated amount for which a property 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".

The definition of market value is consistent with that as advocated by Singapore Institute of Surveyors and Valuers and is also in line with the Royal Institution of Chartered Surveyors (RICS) Standards and Guidelines and International Valuation Standards Council.

Savills Valuation And Professional Services (S) Pte Ltd has relied upon property data supplied by the Client which we assume to be true and accurate. We take no responsibility for inaccurate client supplied data and subsequent conclusions related to such data. We also accept no responsibility for subsequent changes in information.

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With the outbreak of the Coronavirus Disease 2019 (COVID-19) and the prevailing uncertainty in the global economy, it is difficult to predict the future impact that COVID-19 might have on the real estate market. In view of the foregoing, our opinions and assessments are based on the information provided and prevailing market data as at the date of this valuation report.

Brief details of the property are summarized as follows:

Type of Property	:	Development site with grant of provisional permission for the proposed erection of a 10-storey residential flat (total 72 units) with surface and basement car parks, swimming pool and common facilities at roof terrace, at approved gross plot ratio 3.02
Legal Description	:	Lots 99458P, 99470L and 99474V Town Subdivision 21
Tenure	:	999-years lease from 1 July 1841
Land Area	:	1,328.5 sm or thereabouts, subject to government's re-survey
Proposed Gross Floor Area	:	Approximately 4,017.37 sm, as provided and subject to final survey
Proposed Saleable Floor Area	:	Approximately 3,644.0 sm provided and subject to final survey
Total Development Cost (Given)	:	We understand that the total development cost, including marketing cost, financing cost and 7% GST (if applicable) is around $98,273,248.
Construction Period	:	From September 2022 to August 2025
Master Plan Zoning (2019 Edition)	:	Residential at gross plot ratio 2.8 The official Master Plan Zoning, Road/ Drainage/ MRT Interpretation Plans and other legal requisitions have not been applied for and/or made available to us.
Basis of Valuation	:	1) Land Value; and 2) Gross Development Value of the proposed residential development comprising 72 units of apartments/ penthouses with carpark, swimming pool and communal facilities, assuming satisfactory completion.
Methods of Valuation	:	Direct Comparison Method/ Residual Method

Having regard to the foregoing and having taken into account the prevailing market conditions around the date of valuation, we are pleased to re-value the subject property subject to vacant possession and free from all encumbrances as follow: -

Material Date Of Valuation : **31 December 2021**

Valuation : **(A)** **<u>Land Value</u>**

Market Value **$61,200,000**

(Singapore Dollars Sixty-One Million and Two Hundred Thousand Only)

:

(B) **<u>Gross Development Value Of The Proposed 10-Storey Residential Development (Total 72 Units) Subject To Satisfactory Completion</u>**

Market Value* **$108,800,000**

(Singapore Dollars One Hundred Eight Million and Eight Hundred Thousand Only)

**Subject to Issuance of Temporary Occupation Permit and Certificate of Statutory Completion*

Prepared by:

Savills Valuation And Professional Services (S) Pte Ltd

Cynthia Ng
Licensed Appraiser No. AD041-2009803I
Managing Director

Vera Sham
Licensed Appraiser No. AD041-2009803I
Director

CN/VS/ha

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	The opinion expressed in the valuation report applies strictly in accordance with the terms and for the purpose expressed therein. The assessed values need not be applicable in relation to some other assessment.
Currency of Valuation:	Values are reported in Singapore currency unless otherwise stated.
Confidentiality:	Our valuation is confidential and strictly for the use of the addressee of the valuation report only and for the specific purpose(s) stated. Savills disclaim all responsibility and will accept no accountability, obligation or liability to any third parties.
Copyright:	Neither the whole nor any part of the valuation report or any reference to it may be included in any published document, statement, circular or be published in any way, nor in any communication with any third parties, without prior written approval from Savills, including the form and context in which it may appear.
Limitation of Liability:	The liability of Savills and its employees is only limited to the party to whom the valuation report is addressed. No responsibility to any third parties for unauthorized use and reliance is accepted.
	Any liability arising from the valuers' negligence, breach of contract or otherwise in connection with this engagement shall be limited to the fees received by Savills under this engagement. Savills do not accept liability for any indirect or consequential losses (such as opportunity cost and loss of profits).
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Titles:	A brief on-line title search on the property has been carried out only. We are not obliged to inspect and/or read the original title or lease documents, unless they are made available by the client. The valuation shall therefore assume, unless informed to the contrary, that there are no further restrictive covenants, easements or encumbrances not disclosed by this brief title search which may have an effect on the market value. We assume the title of the property is good and marketable and free from all encumbrances, restrictions and other legal impediments.
Planning Information:	Information relating to town planning is obtained from the current Singapore Master Plan which is assumed to be accurate. We do not normally carry out legal requisitions on road, MRT, LRT, drainage and other government proposals, unless specifically requested and Savills is properly reimbursed. In the event that legal requisitions are conducted by our clients which reveal that the information is materially different from the town planning information outlined in the valuation report and/or property is affected by public scheme(s), this report should then be referred back to Savills for review on possible amendment.
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Site Condition:	We do not undertake site investigations to ascertain the suitability of the ground conditions and services for the existing or any new development, nor do we carry out any environmental or geotechnical surveys. We have assumed that these aspects are satisfactory and where new development is proposed, no extraordinary expenses or delays will be incurred during the construction period. We have assumed that the load bearing capacity of the site is sufficient to support the building constructed or to be construction thereon
Condition of Property:	While due care is exercised in the course of inspection to note any building defects, no structural survey or testing of the services or facilities are carried out nor have we inspected the unexposed or inaccessible portions of the building. As such, we are unable to comment if the building is free from defect, rot, infestation, asbestos or other hazardous material. Our valuation assumes that the building would not have any defects requiring significant capital expenditure and complies with all relevant statutory requirements.
Source of Information:	Where it is stated in the valuation report that the information has been provided to the valuer by the sources listed, this information is presumed to be reliable. Savills takes no responsibility for inaccurate data supplied and subsequent conclusions related to such data. Where information is given without reference to another party in the report, it shall be taken that this information has been obtained or gathered through our best efforts and to our best knowledge. Processed data inferences therefrom shall be taken as the valuer's opinion and shall not be freely quoted without acknowledgement.
Floor Areas:	We have assumed that information contained in the surveyed or architectural floor plans is accurate and has been prepared in accordance with the prevailing Professional Property Practice Guidelines. In the absence of such plans, the floor area is estimated based on available secondary information and such estimates do not provide the same degree of accuracy or certainty. In the event that there is a material variance in areas, we reserve the right to review our valuation.
Plans:	Plans included in the valuation report are for identification purposes only and should not be relied upon to define boundaries or treated as certified copies of areas or other particulars contained therein. All location plans are obtained from OneMap. While we have endeavoured to ensure the maps are updated, we do not vouch for the accuracy of the map and shall not be responsible if it is otherwise.
Tenant:	No enquiries on the financial standing of actual or prospective tenants have been made. Where property is valued with the benefit of lettings, it is assumed that the tenants are capable of meeting their obligations under the lease and there are no arrears of rent or undisclosed breaches of covenant.
Reinstatement Cost:	Our opinion of the reinstatement cost for fire insurance purpose is provided only for guidance and must not be relied upon as the basis for insurance cover. We advise that we are not quantity surveyors and our estimate of the construction cost is based upon published sources. We recommend that verification of the insurance replacement cost be sought from a qualified quantity surveyor, if considered appropriate.
Attendance in Court:	Savills or its employees are not obliged to give testimony or to appear in court or any other tribunal or to any government agency with regards to this valuation report or with reference to the property in question unless prior arrangement has been made and Savills are properly reimbursed.

VPC Alliance (KL) Sdn Bhd (192837-V)
(formerly known as Vigers (KL) Sdn Bhd)
Board Registration:V(1) 0009
International Property Consultants, Valuers & Estate Agents

Suite 1701,17th Floor Wisma Chuang,
34, Jalan Sultan Ismail,
50250 Kuala Lumpur,
Malaysia.

Tel : 603-2148 8968
Fax : 603-2141 2933, 2148 2968
Email : vpcakl@vpc.com.my
Website : www.vpc.com.my

VPC ASIA PACIFIC
In association with CLUTTONS

Our Ref: VPC/V/002/22

11th January 2022

M/s Roxy – Pacific Holdings Limited
50 East Coast Road
#B1-18 Roxy Square
Singapore 428769

Attention: Ms Shermin Chan

Dear Sirs

CERTIFICATE OF VALUATION OF A COMMERCIAL DEVELOPMENT COMPRISES OF 2 BLOCKS OF 35 AND 43 STOREY SERVICE APARTMENT BUILDINGS (TOTALLING 723 UNITS) WITH 6 STOREY ELEVATED CAR PARKS, TWO LEVELS RETAIL PODIUM AND 4 BASEMENT LEVELS CAR PARK HELD UNDER GERAN 80225 LOT NO. 20085 SECTION 41, CITY AND DISTRICT OF KUALA LUMPUR AND STATE OF WILAYAH PERSEKUTUAN KUALA LUMPUR (WISMA INFINITUM, JALAN DEWAN SULTAN SULAIMAN, OFF JALAN SULTAN ISMAIL, 50300 KUALA LUMPUR) (collectively referred to as the 'subject'property)

We thank your for your instructions to provide a Certificate of Valuation to advise on the Market Value of the abovementioned subject property for Voluntary Offer purpose.

This Valuation has been made in conformity with the Malaysian Valuation Standards laid down by the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia and International Valuation Standards, with information being sourced from publicly available resources as well as certain proprietary information procured from client and based on present market conditions.

The Subject Property was inspected on 5th January 2022. The material date of valuation is as at 31st December 2021. All the information supplied by the client and other sources listed is believed to be reliable and no responsibility is accepted should the information not prove to be so.

The basis of valuation is the Market Value which is defined as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

We have conducted title search of the title document at the Wilayah Land Office in Kuala Lumpur. ***Based on our title search on 7th January 2022, the details of title are believed and deemed to be correct, this should not be deemed to be legal advice provided to our client, given either expressly or by implication and VPC Alliance (KL) Sdn Bhd will assume no responsibility or liability in the interpretation of the registered proprietor's legal title of the property.***

Having regard to the information provided and investigations on relevant data with some adjustments made to the sale evidences, identified as Wisma Infinitum, and taking into account the prevailing market conditions around the material date of valuation, we are of our opinion that the **Market Value** of the freehold interest in the Subject Property, in its existing Planning Approvals, with the benefit of vacant possession and free from encumbrances is as follows:

A. Gross Development Value (GDV)
(ON THE ASSUMPTION THE WHOLE DEVELOPMENT IS ISSUED WITH CERTIFICATE OF COMPLETION AND COMPLIANCE)

This value can be further breakdown as follows:

Tower	Type	Unit	Market Value
Block A (The Colony)	Service Apartment	423	RM398,097,416/-
Block B (The Luxe)	Service Apartment	300	RM300,728,669/-
Commercial		31	RM52,178,450/-
TOTAL			**RM751,004,535/-**

RM751,004,535/-.
(Ringgit Malaysia: Seven Hundred Fifty One Million Four Thousand And Five Hundred Thirty Five Only.)

B. Land Value
RM112,600,000/-.
(Ringgit Malaysia: One Hundred And Twelve Million And Six Hundred Thousand Only.)

Description of the Subject Property is attached herewith.

Yours faithfully,
VPC ALLIANCE (KL) SDN BHD

JAMES WONG KWONG ONN
FRISM, BA(Hons), FPEPS, MRICS
Registered Valuer (V-217)
Malaysia

VPC ASIA PACIFIC

VALUATION SUMMARY

Property Address	:	Wisma Infinitum, No. 18, Jalan Dewan Sultan Sulaiman, 50300 Kuala Lumpur.
Type of Property	:	Newly completed two blocks of 35 storey and 43 storey service apartment/ SOHO building known as Block A (The Colony) comprises of 423 service apartment unit and Block B (The Luxe) comprises of 300 service apartment unit above 6 levels podium car park, 2 levels retails shop consists of 31 lots and 4 basement levels car park. (Note: Block A (The Colony) and part of the retail podium has been issued with Certificate of Completion and Compliance (CCC) on 24th September 2021 whilst Block B (The Luxe) is expected to obtain the CCC by March 2022)
Master Title No.	:	Geran 80225, Lot No. 20085, Section 41, City and District of Kuala Lumpur and State of Wilayah Persekutuan Kuala Lumpur. Individual strata titles will be issued for the development upon satisfactory completed.
Surveyed Land Area	:	5,620 square metres (60,494 square feet)
Category of Land Use	:	Building
Tenure	:	Freehold
Registered Owner	:	Macly Equity Sdn Bhd
Express Condition	:	Tanah ini hendaklah digunakan untuk bangunan perdagangan bagi tujuan ruang perdagangan dan SOHO sahaja. *(Translation: This land herein shall be used for commercial building solely for retails and SOHO only.)*
Restrictions-In-Interest	:	Nil.
Encumbrances	:	Charged to United Overseas Bank (Malaysia) Bhd vide Presentation No. PDSC 30898/2014 dated 25th August 2014.
Endorsement	:	Nil.
Gross Floor Area (as per approved plan)	:	1,105,864.61 square feet (102,737 square metres)
Net Floor Area	:	619,861 square feet (57,586 square metres) • *504 service apartments with total net floor area of 404,240 square feet have been sold at RM447,880,014.90.*
Total Development Cost (provided by client)	:	The total development cost including land cost, marketing costs, financing cost and 6% SST (if applicable) is around RM633,424,117. (As at 31 December 2021, a total of RM393,126,110.26 has been billed/paid for the construction cost)

Zoning	:	As per Kuala Lumpur City Plan 2020, the Subject Property is zoned for City Centre Commercial use, with a plot ratio of 1:8.
Basis of Valuation	:	a) Gross Development Value (GDV) upon completion and issued with Certificate of Completion and Compliance i) 423 units of Tower A (The Colony) ii) 300 units of Tower B (The Luxe) iii) 31 commercial units. b) Land Value
Method of Valuation	:	a) Comparison Method (for Gross Development Value) b) Residual Method (for Land Value)

Method of Valuation

(a) Comparison Method of Valuation : To determine the Gross Development Value

In arriving at the Market Value of the Gross Development Value (GDV), we have adopted the Comparison Method of Valuation.

This method entails comparing recorded transactions of similar service apartment units and commercial/ retail units in Kuala Lumpur with adjustments made for location, quality and finishes of the building, design and size of the building, title conditions, time factor and other relevant factors.

(b) Residual Method of Valuation: To determine the Market Value of the land

In arriving at the Market Value of the land, we have adopted the Residual Method of Valuation, as the Subject Property is an on-going service apartment development.

The Residual Method of Valuation involves estimating the Gross Development Value of Block A (The Colony) and Block B (The Luxe) as completed. The Gross Development Value is arrived based on the selling prices of serviced apartments and commercial/ retail lots. From the Gross Development Value, the Gross Development Cost and Developer's Profit is deducted to arrive at the Residual Value. The Gross Development Cost includes the construction costs, financing, legal and marketing costs and contingencies. The Residual Value is then discounted to take into account the development period. We have estimated that it will take another 1 year (12 months) for the units to be sold.

We have not cross checked with any other Method of Valuation, i.e. Comparison Method of Valuation, as it is an on-going condominium development and it is not possible to compare with another on-going condominium development.

Market Value Conclusion

Having regard to the information provided and investigations on relevant data, we are of our opinion that the **Market Value** of the freehold interest in the Subject Property, identified as Wisma Infinitum, with Planning Approval, in its existing physical condition with the benefit of vacant possession and free from encumbrances is as follows:

(a) Gross Development Value (GDV)
RM751,004,535/-.
(Ringgit Malaysia: Seven Hundred Fifty One Million Four Thousand And Five Hundred Thirty Five Only.)

(b) Land Value
RM112,600,000/-.
Ringgit Malaysia: One Hundred And Twelve Million And Six Hundred Thousand Only.)