

CIRCULAR DATED 18 February 2021

THIS CIRCULAR IS ISSUED BY GL LIMITED (“COMPANY”). THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF W CAPITAL MARKETS PTE. LTD. TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE 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 and/or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein) held through CDP (as defined herein), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for this Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser, the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

The SGX-ST (as defined herein) assumes no responsibility for the correctness of any of the statements made, reports contained, opinions expressed or advice given in this Circular.



GL LIMITED

(Continued in Bermuda as an exempted company)
(Company Registration No.: 27568)

CIRCULAR TO SHAREHOLDERS

in relation to the

VOLUNTARY CONDITIONAL CASH OFFER

by



DBS Bank Ltd.

(Incorporated in the Republic of Singapore)
(Company Registration No.: 196800306E)

for and on behalf of

GUOCOLEISURE HOLDINGS LIMITED

(Incorporated in the Cayman Islands)
(Company Registration No.: 369672)

to acquire all the Offer Shares (as defined herein)

Independent Financial Adviser to the Independent Directors



W CAPITAL MARKETS PTE. LTD.

(Company Registration No.: 201813207E)
(Incorporated in the Republic of Singapore)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT ACCEPTANCES SHOULD BE RECEIVED BY THE CLOSE OF OFFER AT 5.30 P.M. (SINGAPORE TIME) ON 4 MARCH 2021, OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN).

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DEFINITIONS

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

“Accepting Shareholders”	:	Shall have the meaning ascribed to it in Section 2.5 of the Letter to Shareholders in the Offer Document, which is reproduced in Section 2.1 of this Circular
“Announcement Date”	:	15 January 2021, being the date of the Offer Announcement
“Appraised Assets”	:	The GLH Real Property Portfolio and the Molokai Ranch Real Property Portfolio
“Auditors”	:	KPMG LLP
“Bermuda Companies Act”	:	The Companies Act of 1981 of Bermuda, as amended, supplemented or modified from time to time
“Board”	:	The board of directors of the Company
“Business Day”	:	A day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore
“Bye-laws”	:	The bye-laws of the Company as amended, supplemented or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 18 February 2021 in relation to the Offer, enclosing, <i>inter alia</i> , the IFA Letter
“Closing Date”	:	5.30 p.m. (Singapore time) on 4 March 2021 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
“Commencement Date”	:	4 February 2021, being the date of despatch or publication of the Offer Document
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Company”	:	GL Limited
“CPF”	:	Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS

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“DBS”	:	DBS Bank Ltd.
“Directors”	:	The directors of the Company as at the Latest Practicable Date, and “Director” means any one of them
“FAA”	:	Form of Acceptance and Authorisation for Offer Shares in respect of the Offer, which is applicable to Shareholders whose Shares are deposited with CDP and forms part of the Offer Document
“FAT”	:	Form of Acceptance and Transfer for Offer Shares in respect of the Offer, which is applicable to Shareholders whose Shares are registered in their own names in the Register and are not deposited with CDP and forms part of the Offer Document
“FY2018”	:	Financial year ended 30 June 2018
“FY2019”	:	Financial year ended 30 June 2019
“FY2020”	:	Financial year ended 30 June 2020
“GAL”	:	GuocoLeisure Assets Limited
“GGL”	:	Guoco Group Limited
“GLH Real Property Portfolio”	:	The Group’s significant real estate assets located in London, United Kingdom
“Group”	:	The Company and its subsidiaries
“IFA” or “W Capital Markets”	:	W Capital Markets Pte. Ltd., the independent financial adviser to the Independent Directors in connection with the Offer
“IFA Letter”	:	The letter dated 18 February 2021 from the IFA to the Independent Directors in respect of the Offer as set out in Appendix A to this Circular
“Independent Directors”	:	The Directors of the Company who are considered independent for the purposes of the Offer, namely, Mr. Paul Jeremy Brough, Ms. Chua Kheng Yeng, Jennie, Mr. Teo Lai Wah Timothy and Ms. Lim Suat Jien
“Interested Person”	:	As defined in Note on Rule 24.6 of the Code and read with Note on Rule 23.12 of the Code, an interested person, in relation to a company, is: (a) a director, chief executive officer, or Substantial Shareholder of the company; (b) the immediate family of a director, the chief executive officer, or a Substantial Shareholder (being an individual) of the company;

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- (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 Undertaking”** : The irrevocable undertaking received by the Offeror pursuant to which GAL undertook (i) to tender all of its Shares in acceptance of the Offer, and (ii) to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror
- “Latest Practicable Date”** : 8 February 2021, 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 the trading of securities
- “Molokai Ranch Real Property Portfolio”** : The Group’s significant real estate assets located in Central and West Molokai, Hawaii
- “Non-Independent Directors”** : Mr. Kwek Leng Hai and Mr. Chew Seong Aun
- “Offer”** : The voluntary conditional cash offer made by DBS for and on behalf of the Offeror for 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 the Offeror on the Announcement Date
- “Offer Document”** : The document dated 4 February 2020, 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.

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“Offer Price”	:	S\$0.70 in cash for each Offer Share
“Offer Shares”	:	All Shares, including those Shares owned, controlled, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror
“Offeror”	:	GuocoLeisure Holdings Limited
“Offeror Securities”	:	Ordinary shares in the capital of the Offeror, equity share capital of the Offeror and other securities which carry substantially the same rights in the Offeror, and convertible securities, warrants, options and derivatives in respect of such shares or securities
“Overseas Shareholders”	:	Shareholders whose addresses are outside Singapore as shown in the Register or, as the case may be, in the records of CDP
“Reference Period”	:	The period commencing on 15 October 2020, being the date falling three months prior to the Announcement Date, and ending on the Latest Practicable Date
“Register”	:	The register of holders of Shares, as maintained by the Registrar
“Registrar”	:	M & C Services Private Limited located at 112 Robinson Road, #05-01, Singapore 068902
“Relevant Acceptance Forms”	:	The FAA and/or the FAT (as the case may be)
“Relevant Securities”	:	(a) Shares; (b) Options; (c) other securities which carry voting rights in the Company; and (d) convertible securities, warrants, options, awards or derivatives in respect of any Shares or securities which carry voting rights in the Company
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore
“SGXNET”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“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 and paid-up ordinary shares in the share capital of the Company (excluding treasury shares)

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“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	The Supplementary Retirement Scheme
“SRS Investors”	:	Investors who purchase Shares pursuant to SRS
“Substantial Shareholder”	:	A person who has an interest in not less than five per cent. (5%) of the total number of issued voting Shares
“Valuation Reports”	:	The valuation reports issued by the Valuers in respect of the Appraised Assets in connection with the Offer, as set out in Appendix E to this Circular
“Valuers”	:	The Valuers are Savills Advisory Services Limited and CBRE, Inc., being the independent valuers commissioned by the Company to conduct valuations of the Appraised Assets in connection with the Offer

Units and currencies

“US\$”	:	United States dollar, being the lawful currency of the United States of America
“S\$”	:	Singapore dollars, being the lawful currency of Singapore
“£” or “GBP”	:	British Pounds Sterling, being the lawful currency of the United Kingdom
“%” or “per cent.”	:	Per centum or percentage

Acting in Concert. Unless otherwise defined, the expression “**acting in concert**” shall have the same meaning as ascribed to it in the Code.

Announcements and notices. References to the making of an announcement or the giving of notice by the Company shall include the release of an announcement by the Company or its agents, for and on behalf of the Company, to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified to the SGX-ST simultaneously.

Capitalised Terms in Extracts. Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Bye-laws are set out in this Circular within quotes and italics, and capitalised terms used within these reproduced statements and not defined herein shall bear the same meanings as attributed to them in the Offer Document, the IFA Letter and the Bye-laws respectively.

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

Expressions. Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing a single gender shall, where applicable, include any or all genders. References to

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persons shall, where applicable, include corporations.

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

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

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

Total number of Shares and Percentage as at the Latest Practicable Date. In this Circular, the total number of Shares is a reference to a total of 1,368,063,633 Shares in issue as at the Latest Practicable Date (excluding treasury shares), unless the context otherwise requires. Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Circular are based on 1,368,063,633 Shares in issue as at the Latest Practicable Date (excluding treasury shares). As at the Latest Practicable Date, the Company does not hold any treasury shares.

Legal Counsel. For the purposes of this Circular, Lee & Lee has been appointed as the legal counsel to the Company as to Singapore law in relation to the Offer.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “potential”, “strategy”, “forecast”, “possible”, “probable” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA guarantees any future performance or event, or undertakes any obligation to update publicly or revise any forward-looking statements, 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.

INDICATIVE TIMETABLE

Date of despatch of the : **4 February 2021**
Offer Document

Date of despatch of this : **18 February 2021**
Circular

Closing Date : **5.30 p.m. (Singapore time) on 4 March 2021** or such later date(s) as may be announced from time to time by or on behalf of the Offeror

Date of settlement of : Subject to the Offer becoming or being declared unconditional in all
consideration for valid respects in accordance with its terms and to the receipt by the Offeror
acceptances of the Offer from Accepting Shareholders of valid acceptances and all relevant
documents required by the Offeror which are complete in all respects
and in accordance with the instructions given in the Offer Document
and in the Relevant Acceptance Forms, and in the case of a Depositor,
the receipt by the Offeror of a confirmation satisfactory to it that the
number of Offer Shares tendered by the Depositor in acceptance of the
Offer are standing to the credit of the "Free Balance" of the Depositor's
Securities Account at the relevant time, then pursuant to Rule 30 of the
Code:

- (i) in the case of Accepting Shareholders holding Offer Shares in scrip form, remittances in the form of S\$ crossed cheques for the aggregate Offer Price in respect of their Offer Shares validly tendered in acceptance of the Offer will be despatched to the Accepting Shareholders (or their designated agents, or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) by ordinary post, at the risk of the Accepting Shareholders; or
- (ii) in the case of Accepting Shareholders who are Depositors, payment of the aggregate Offer Price in respect of their Offer Shares validly tendered in acceptance of the Offer will be credited directly into their designated bank account for Singapore Dollars via CDP's Direct Crediting Service ("**DCS**") on the payment date. In the event an Accepting Shareholder who is a Depositor is not subscribed to CDP's DCS, any monies to be paid shall be credited to such Accepting Shareholder's Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions¹ (Cash Ledger and Cash Distributions are defined therein), or in such other manner as they may have agreed with CDP for payment of any cash distribution,

¹ The CDP Operation of Securities Account with the Depository Terms and Conditions may be accessed via the link below:
https://api2.sgx.com/sites/default/files/2021-01/CDP%20Securities%20Account%20Conditions%20%28w.e.f.%2018%20January%202021%29_0.pdf

INDICATIVE TIMETABLE

in each case, as soon as practicable and in any case:

- (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 such date; or
- (b) in respect of acceptances of the Offer which are complete and valid in all respects and are received **after** the date on which 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.

Please refer to paragraph 2 of Appendix 1 to the Offer Document for further information.

LETTER TO SHAREHOLDERS

GL LIMITED

(Continued in Bermuda as an exempted company)
(Company Registration No.: 27568)

Board of Directors:

Mr. Kwek Leng Hai
Mr. Paul Jeremy Brough
Ms. Chua Kheng Yeng, Jennie
Mr. Teo Lai Wah Timothy
Ms. Lim Suat Jien
Mr. Chew Seong Aun

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

18 February 2021

To: The Shareholders of GL Limited

Dear Sir / Madam

VOLUNTARY CONDITIONAL CASH OFFER BY THE OFFEROR FOR THE OFFER SHARES

1. INTRODUCTION

- 1.1. Offer Announcement.** On 15 January 2021, DBS announced, for and on behalf of the Offeror, that the Offeror intends to make a voluntary conditional cash offer for all the Shares in accordance with Section 139 of the SFA and the Code.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com and on the Company's corporate website at www.gl-grp.com/voluntary-conditional-offer.

- 1.2. Offer Document.** Shareholders should by now have 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 on pages 9 and 11 of the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer contained in the Offer Document carefully.**

The Offer Document is available on the website of the SGX-ST at www.sgx.com and on the Company's corporate website at www.gl-grp.com/voluntary-conditional-offer.

- 1.3. Independent Financial Adviser.** W Capital Markets has been appointed as the independent financial adviser to 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 Company, the Offer, the advice of the IFA to the Independent Directors and the recommendation of the Independent Directors with regard to 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 on whether to accept

LETTER TO SHAREHOLDERS

or reject the Offer. 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 and/or other professional adviser immediately.

2. THE OFFER

2.1. Terms of the Offer. The Offer is made by DBS, for and on behalf of the Offeror, on the terms set out in Section 2 of the Letter to Shareholders in the Offer Document, extracts of which are set out below. Unless otherwise defined, 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. *The Offeror 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, including those Shares owned, controlled, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (“**Concert Parties**”) in connection with the Offer (“**Offer Shares**”).*

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

*For each Offer Share: S\$0.70 in cash (the “**Offer Price**”).*

2.4 No Encumbrances. *The Offer Shares are to be acquired (i) fully paid, (ii) 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 (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter 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, the “**Distributions**” and each, a “**Distribution**”) on or after the 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 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 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:*

LETTER TO SHAREHOLDERS

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 Offer Share and the Offeror shall pay the Accepting Shareholder the unadjusted Offer Price for each 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 shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for 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 withdrawn) pursuant to the Offer and/or otherwise acquiring or agreeing to acquire Shares other than through valid acceptances of the Offer from the Commencement Date in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties before or during the Offer, will result in the Offeror and its Concert Parties holding such number of Shares carrying not less than 90 per cent. of the voting rights attributable to all the Shares in issue (excluding treasury shares) as at the close of the Offer (the “**Minimum Acceptance Condition**”).*

The Offeror reserves the right to reduce the Minimum Acceptance Condition to a level which is more than 50 per cent. of the total number of Shares or waive the Minimum Acceptance Condition, subject to the consent of the SIC. In the event that the SIC consents to the Minimum Acceptance Condition being waived or revised, (i) the revised Offer will remain open for at least 14 days following the posting of the written notification to Shareholders of such waiver or revision, and (ii) Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within eight days of the posting of such notification.

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

2.2. Warranty. The Offer is subject to a warranty as set out in Section 3 of the Letter to Shareholders in the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“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 Announcement Date and thereafter attaching

LETTER TO SHAREHOLDERS

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 Announcement Date.”

- 2.3. Details of the Offer.** The further details of the Offer are set out in Section 4 of the Letter to Shareholders in the Offer Document and Appendix 1 to the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“4. DETAILS OF THE OFFER

Appendix 1 to this Offer Document sets out further details on: (i) the duration of the Offer; (ii) the settlement of the consideration for the Offer; (iii) the requirements relating to the announcement of the level of acceptances of the Offer; and (iv) the right of withdrawal of acceptances of the Offer.

...

APPENDIX 1 – DETAILS OF THE OFFER

1. DURATION OF THE OFFER

1.1 First Closing Date. *The Offer is open for acceptance by Shareholders for at least 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 4 March 2021 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.*

1.2 Subsequent Closing Date(s). *If the Offer is extended and:*

1.2.1 *is not unconditional as to acceptances as at the date of such extension, the announcement of the extension must state the next Closing Date; or*

1.2.2 *is unconditional as to acceptances as at the date of such extension, the announcement of the extension need not state the next Closing Date but may state that the Offer will remain open until further notice. In such a case, the Offeror must give Shareholders at least 14 days’ prior notice in writing before it may close the Offer.*

1.3 No Obligation to Extend Offer. *The Offeror is not obliged to extend the Offer if the Minimum Acceptance Condition is not fulfilled by the Closing Date.*

1.4 Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances. *In order to give Shareholders who have not accepted the Offer the opportunity to accept the Offer after the Offer has become or is declared unconditional as to acceptances, the Offer will remain open for a period (“Rule 22.6 Period”) of not less than 14 days after the date on which it would otherwise have closed.*

LETTER TO SHAREHOLDERS

*This requirement does not apply if, before the Offer has become or is declared unconditional as to acceptances, the Offeror has given Shareholders at least 14 days' notice in writing ("**Shut-Off Notice**") that the Offer will not be open for acceptance beyond a specified Closing Date, provided that:*

1.4.1 *the Offeror may not give a Shut-Off Notice in a competitive situation; and*

1.4.2 *the Offeror may not enforce a Shut-Off Notice, if already given, in a competitive situation.*

For these purposes, the SIC would normally regard a "competitive situation" to have arisen when either (i) a firm intention to make a competing offer for the Company has been announced, whether or not subject to any preconditions; or (ii) the SIC determines that a competitive situation has arisen.

*If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **Paragraph 4.2.1** of this **Appendix 1**, the Rule 22.6 Period will run from the date of such confirmation (if given) or the date on which the Offer would otherwise have closed, whichever is later.*

1.5 **Final Day Rule.** *The Offer (whether revised or not) will not be capable:*

1.5.1 *of becoming or being declared unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the Commencement Date; or*

1.5.2 *of being kept open after 5.30 p.m. (Singapore time) on the 60th day after the Commencement Date unless the Offer has previously become or been declared to be unconditional as to acceptances,*

*provided that the Offeror may extend the Offer beyond such 60-day period with the SIC's prior consent ("**Final Day Rule**"). The SIC will normally grant such permission if a competing offer has been announced.*

1.6 **Revision.** *Pursuant to Rule 20.1 of the Code, the terms of the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of despatch of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.*

2. SETTLEMENT

2.1 **When Settlement is Due for All Shareholders.** *Subject to the Offer becoming or being declared unconditional in all respects in accordance with its terms and to the receipt by the Offeror from Accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Offer Document and in the Relevant Acceptance Forms, and in the case of a depositor, the receipt by the Offeror of a confirmation satisfactory to it that the number of Offer Shares tendered by the depositor in acceptance of the Offer are standing to the credit of the "Free Balance"*

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of the depositor's Securities Account at the relevant time, then pursuant to Rule 30 of the Code:

2.1.1 *in the case of Accepting Shareholders holding Offer Shares in scrip form, remittances in the form of S\$ crossed cheques for the aggregate Offer Price in respect of their Offer Shares validly tendered in acceptance of the Offer will be despatched to the Accepting Shareholders (or their designated agents, or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) by ordinary post, at the risk of the Accepting Shareholders; or*

2.1.2 *In the case of Accepting Shareholders who are depositors, payment of the aggregate Offer Price in respect of their Offer Shares validly tendered in acceptance of the Offer will be credited directly into their designated bank account for Singapore Dollars via CDP's Direct Crediting Service ("**DCS**") on the payment date. In the event an Accepting Shareholder who is a depositor is not subscribed to CDP's DCS, any monies to be paid shall be credited to such Accepting Shareholder's Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distributions are defined therein), or in such other manner as they may have agreed with CDP for payment of any cash distribution,*

in each case, as soon as practicable and in any case:

- (i) 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 such date; or*
- (ii) in respect of acceptances of the Offer which are complete and valid in all respects and are received **after** the date on which 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.*

3. ANNOUNCEMENTS

3.1 **Timing and Contents.** *Pursuant to Rule 28.1 of the Code, by 8.00 a.m. (Singapore time) on the Market Day ("**Relevant Day**") immediately after the day on which the Offer is due to expire, or the Offer becomes or is declared to be unconditional as to acceptances, or the Offer is revised or extended, the Offeror will announce and simultaneously inform the SGX-ST of the total number of Shares (as nearly as practicable):*

3.1.1 *for which valid acceptances of the Offer have been received;*

3.1.2 *held by the Offeror and any of its Concert Parties prior to the commencement of the Offer period; and*

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3.1.3 *acquired or agreed to be acquired by the Offeror and any of its Concert Parties during the Offer period,*

and will specify the respective percentages of the total number of Shares represented by such numbers.

3.2 **Suspension.** *Under Rule 28.2(a) of the Code, if the Offeror is unable, within the time limit, to comply with any of the requirements in **Paragraph 3.1** of this **Appendix 1**, the SIC will consider requesting the SGX-ST to suspend dealings in the Shares until the relevant information is given.*

3.3 **Valid Acceptances for Offer Shares.**

3.3.1 *Under Rule 28.1 of the Code and subject to **Section 17.1** of the Letter to Shareholders in this Offer Document, in computing the number of Offer Shares represented by acceptances, the Offeror will, at the time of making an announcement, take into account acceptances which are valid in all respects.*

3.3.2 *Acceptances of the Offer will only be treated as valid for the purposes of the Minimum Acceptance Condition if the relevant requirements of Note 2 on Rule 28.1 of the Code are met.*

3.4 **Announcements.** *In this Offer Document, references to the making of any announcement or the giving of a notice by the Offeror include the release of an announcement by DBS or advertising agents for and on behalf of the Offeror to the press or the delivery of or transmission by telephone, facsimile, SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.*

4. RIGHT OF WITHDRAWAL OF ACCEPTANCES

4.1 **Acceptances Irrevocable.** *Except as expressly provided in this Offer Document and the Code, acceptances of the Offer shall be irrevocable.*

4.2 **Right of Withdrawal of Shareholders.** *A Shareholder who has accepted the Offer may withdraw his acceptance:*

4.2.1 *immediately if the Offer has become or been declared to be unconditional as to acceptances but the Offeror fails to comply with any of the requirements set out in **Paragraph 3.1** of this **Appendix 1** by 3.30 p.m. (Singapore time) on the Relevant Day. Subject to Rule 22.9 of the Code in relation to the Final Day Rule, the Offeror may terminate this right of withdrawal not less than eight (8) days after the Relevant Day by confirming (if that be the case) that the Offer is still unconditional as to acceptances and by complying with Rule 28.1 of the Code and the requirements set out in **Paragraph 3.1** of this **Appendix 1**;*

4.2.2 *after 14 days from the first Closing Date of the Offer, if the Offer has not by then become unconditional as to acceptances. Such entitlement to withdraw*

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may be exercisable until the Offer becomes or is declared to be unconditional as to acceptances; and

4.2.3 immediately if a competing offer for the Shares becomes or is declared to be unconditional as to acceptances. This right of withdrawal also applies in the converse situation, i.e. if the Offer becomes or is declared to be unconditional as to acceptances, a Shareholder who has accepted a competing offer may likewise withdraw his acceptance for such offer immediately.

4.3 **Procedures for Withdrawal of Acceptances.** To withdraw his acceptance under the Offer:

4.3.1 an Accepting Shareholder holding Offer Shares which **are not deposited with** CDP must give written notice to the Offeror at GuocoLeisure Holdings Limited c/o M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; and

4.3.2 an Accepting Shareholder holding Offer Shares which **are deposited with** CDP must give written notice to the Offeror at GuocoLeisure Holdings Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

In relation to the Offer, a notice of withdrawal shall be effective only if signed by the Accepting Shareholder or his agent duly appointed in writing and evidence of whose appointment is produced in a form satisfactory to the Offeror within the same notice and when actually received by the Offeror.”

2.4. Closing Date. The Offer will close at **5.30 p.m. (Singapore time) on 4 March 2021** or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

3. PROCEDURES FOR ACCEPTANCE

The procedures for acceptance of the Offer are set out in Section 5 of the Letter to Shareholders in the Offer Document and Appendix 2 to the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“1. PROCEDURES FOR ACCEPTANCE

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

...

APPENDIX 2 – PROCEDURES FOR ACCEPTANCE OF THE OFFER

1.1 Depositors

1.1.1 Depositors whose Securities Accounts are credited with Offer Shares. If you have Offer Shares standing to the credit of the “Free Balance” of your

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Securities Account, you should receive this Offer Document together with a FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, by submitting a request to CDP via phone (+ 65 6535 7511) or email services (asksgx@sgx.com) or by post to The Central Depository (Pte) Limited at 11 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138589. Electronic copies of the FAA may also be obtained from the website of the SGX-ST at www.sgx.com.

Acceptance. If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:

(i) complete the FAA in accordance with the provisions and instructions in this Offer Document and the FAA (which provisions and instructions shall be deemed to form part of the terms and conditions of the Offer). In particular, you must state in **Part C** of the enclosed FAA or the relevant section in the electronic form of the FAA, the number of Offer Shares in respect of which you wish to accept the Offer. Please note that:

(a) if you:

(I) do not specify such number; or

(II) specify a number which exceeds the number of Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date,

you shall be deemed to have accepted the Offer in respect of all the Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date); and

(b) if:

(I) at the time of verification by CDP of the FAA on the Date of Receipt, **Paragraph 1.1.1(i)(a)(II)** of this **Appendix 2** is applicable in respect of the FAA;

(II) there are, at such time of verification and/or at any subsequent time before 5.30 p.m. (Singapore time) on the Closing Date, outstanding settlement instructions with CDP to receive further Offer Shares into the "Free Balance" of your Securities Account ("**Unsettled Buy Position**"); and

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(III) *the Unsettled Buy Position will settle such that the Offer Shares in the Unsettled Buy Position are transferred to the “Free Balance” of your Securities Account at any time during the period the Offer is open, up to 5.30 p.m. on the Closing Date (“Settled Offer Shares”),*

*then you shall be deemed to have accepted the Offer in respect such number of Settled Offer Shares representing the balance number of Offer Shares inserted in **Part C** of the FAA which has not yet been accepted pursuant to **Paragraph 1.1.1(i)(a)(II)** of this **Appendix 2**, or all Settled Offer Shares, whichever is less; and*

(ii) *submit the FAA:*

(a) *in the physical form enclosed after signing the FAA in accordance with this **Appendix 2** and the instructions printed on the FAA and delivering the completed and signed FAA (no part may be detached or otherwise mutilated) by post, in the enclosed pre-addressed envelope at your own risk, to GuocoLeisure Holdings Limited c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address; or:*

(b) *in electronic form via SGX-ST’s Investor Portal at investors.sgx.com (in respect of individual and joint-alt account holders only). Depositors who are corporations or joint-and account holders cannot submit their FAA in electronic form and should sign the enclosed FAA per its/their signing mandate and where appropriate, affix its common seal to the FAA in accordance with its constitution or relevant constitutive documents,*

in each case so as to arrive NOT LATER than 5.30 p.m. (Singapore time) on the Closing Date. Settlement of the consideration under the Offer is subject to the receipt of confirmation satisfactory to the Offeror that the Offer Shares to which the FAA relates are credited to the “Free Balance” of your Securities Account and such settlement cannot be made until the Offer is unconditional in all respects in accordance with its terms and all relevant documents have been properly completed and submitted in accordance with this Offer Document and the instructions contained in the FAA.

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If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Offer Document and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Offer Document and FAA to be sent to the purchaser or transferee.

*If you are a depository agent, you may accept the Offer via Electronic Acceptance. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf and such Electronic Acceptances must be submitted **not later than 5.30 p.m. (Singapore time) on the Closing Date**. Such Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and this Offer Document as if the FAA had been completed and delivered to CDP.*

1.1.2 Depositors whose Securities Accounts will be credited with Offer Shares.

If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Offer Document together with a FAA. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, by submitting a request to CDP via phone (+ 65 6535 7511) or email services (asksgx@sgx.com) or by post to The Central Depository (Pte) Limited at 11 North Buona Vista Drive, #01-19/20 The Metropolis Tower 2, Singapore 138589. Electronic copies of the FAA may also be obtained from the website of the SGX-ST at www.sgx.com.

Acceptance. *If you wish to accept the Offer in respect of such Offer Shares, you should, **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares:*

- (i) *complete and sign the FAA in accordance with **Paragraph 1.1.1** of this **Appendix 2** and the instructions printed on the FAA; and*
- (ii) *submit the FAA:*
 - (a) *in the physical form enclosed after signing the FAA in accordance with **Paragraph 1.1.1** of this **Appendix 2** and the instructions printed on the FAA and delivering the completed and signed FAA (no part may be detached or otherwise mutilated) by post, in the enclosed pre-addressed envelope at your own risk, to GuocoLeisure Holdings Limited c/o The Central Depository (Pte) Limited at Robinson Road Post Office, P.O. Box 1984, Singapore 903934. If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address; or*

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(b) in electronic form via SGX-ST's Investor Portal at investors.sgx.com (in respect of individual and joint-alt account holders only). Depositors who are corporations or joint-and account holders cannot submit their FAA in electronic form and should sign the enclosed FAA per its/their signing mandate and where appropriate, affix its common seal to the FAA in accordance with its constitution or relevant constitutive documents,

in each case so as to arrive NOT LATER than 5.30 p.m. (Singapore time) on the Closing Date. Settlement of the consideration under the Offer is subject to the receipt of confirmation satisfactory to the Offeror that the Offer Shares to which the FAA relates are credited to the "Free Balance" of your Securities Account and such settlement cannot be made until all relevant documents have been properly completed and submitted in accordance with this Offer Document and the instructions contained in the FAA.

Rejection. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been or will not be, credited to the "Free Balance" of your Securities Account (for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected. None of CDP, DBS, the Registrar and/or the Offeror accepts any responsibility or liability in relation to such rejections, including the consequences thereof.

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the "Free Balance" of your Securities Account is not credited with such Offer Shares by 5.00 p.m. (Singapore time) on the Date of Receipt or 5.30 p.m. (Singapore time) on the Closing Date (if the FAA is received by CDP on the Closing Date), save where you had indicated the number of Offer Shares you wish to tender in acceptance of the Offer in **Part C** of the FAA and there is an Unsettled Buy Position on or subsequent to the time of verification by CDP of the FAA on the Date of Receipt which settles on or before 5.30 p.m. (Singapore time) on the Closing Date. If an Unsettled Buy Position does not settle on or before 5.30 p.m. (Singapore time) on the Closing Date, your acceptance in respect of such Offer Shares will be rejected. None of CDP, DBS, the Registrar and the Offeror accepts any responsibility or liability in relation to such a rejection, including the consequences thereof.

1.1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares. If you have Offer Shares credited to the "Free Balance" of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the "Free Balance" of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the "Free Balance" of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the "Free Balance" of your Securities Account has been credited with such

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additional number of Offer Shares purchased. The provisions set out above shall apply in the same way to your acceptance of the Offer.

- 1.1.4 FAAs received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FAAs received by CDP on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.
- 1.1.5 General.** No acknowledgement will be given by CDP for submissions of FAAs. All communications, notices, documents, payments and remittances to be delivered or sent to you will be sent by ordinary post at your own risk to your address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify such number in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service; or (ii) through the CDP Phone Service using SMS OTP, under the option "To check your securities balance".
- 1.1.6 Blocked Balance.** Upon receipt of the signed original of the FAA which is complete and valid in all respects, CDP will take such measures as it may consider necessary or expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the consideration for such Offer Shares, in the event of the Offer becoming or being declared to be unconditional in all respects in accordance with its terms (including, without limitation, earmarking or blocking the Offer Shares in respect of which you have accepted the Offer and/or transferring them to the "Blocked Balance" of your Securities Account). Such Offer Shares will be held in the "Blocked Balance" until the consideration for such Offer Shares has been despatched to you, in the event the Offer becomes or is declared to be unconditional in all respects in accordance with its terms.
- 1.1.7 Notification.** If you have accepted the Offer in accordance with the provisions contained in this **Appendix 2** and the FAA, upon the Offer becoming or being declared to be unconditional in all respects in accordance with its terms and the Offeror's despatch of the consideration for the Offer Shares in respect of which you have accepted the Offer, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the aggregate Offer Price in respect of the Offer Shares validly tendered in acceptance of the Offer which will be credited directly into your designated bank account for Singapore Dollars via CDP's DCS as soon as practicable and in any event:
- (i) 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 unconditional in all respects in accordance with its terms, within seven (7) Business Days of that date; or

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- (ii) *in respect of acceptances of the Offer which are complete and valid in all respects and are received after the date on which the Offer becomes or is declared 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.*

In the event you are not subscribed to CDP's DCS, any monies to be paid shall be credited to your Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distributions are defined therein), or in such other manner as they may have agreed with CDP for payment of any cash distribution.

1.1.8 Return of Offer Shares. *In the event the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, CDP will transfer the aggregate number of Offer Shares in respect of which you have accepted the Offer and tendered for acceptance under the Offer to the "Free Balance" of your Securities Account as soon as possible but in any event within 14 days from the lapse or withdrawal of the Offer.*

1.1.9 No Existing Securities Account. *If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA will be rejected.*

1.2 Scrip Holders

1.2.1 Shareholders whose Shares are not deposited with CDP. *If you hold Offer Shares which are not deposited with CDP ("in scrip form"), you should receive this Offer Document together with a FAT. If you do not receive a FAT, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from the Receiving Agent, at its office located at 112 Robinson Road, #05-01, Singapore 068902 or request for a copy of the FAT to be sent to an address in Singapore by ordinary post at your own risk by emailing or calling DBS at GLoffer@dbs.com or + (65) 6878 6212 respectively. Electronic copies of the FAT may also be obtained on the website of the SGX-ST at www.sgx.com.*

1.2.2 Acceptance. *If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:*

- (i) *complete the FAT in accordance with the provisions and instructions in this Offer Document and the FAT (which provisions and instructions shall be deemed to form part of the terms and conditions of the Offer). In particular, you must state in **Part A** of the FAT, the number of Offer Shares in respect of which you wish to accept the Offer and state in **Part B** of the FAT, the share certificate number(s) of the relevant share certificate(s). If you:*

- (a) *do not specify a number in **Part A** of the FAT; or*

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(b) specify a number in **Part A** of the FAT which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the FAT,

you shall be deemed to have accepted the Offer in respect of the total number of Offer Shares represented by the share certificate(s) accompanying the FAT;

(ii) sign the FAT in accordance with this **Appendix 2** and the instructions printed on the FAT; and

(iii) deliver:

(a) the completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);

(b) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Receiving Agent relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Offer Document and the FAT;

(c) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or a person authorised by it); and

(d) any other relevant document(s),

either:

(I) **by hand**, to GuocoLeisure Holdings Limited c/o M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902; or

(II) **by post**, in the enclosed pre-addressed envelope at your own risk, to GuocoLeisure Holdings Limited c/o M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902,

in each case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date. If the completed and signed FAT is

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delivered by post to the Offeror, please use the enclosed pre-addressed envelope at your own risk, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the above address. Settlement of the Offer Price for such Offer Shares cannot be made until the Offer is unconditional in all respects in accordance with its terms and all relevant documents have been properly completed and delivered.

1.2.3 Receipt. *No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) and/or any other accompanying document(s) will be given by the Offeror, DBS or the Receiving Agent.*

1.2.4 Risk of Posting. *All communications, certificates, notices, documents, payments and remittances to be delivered or sent to you (or your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) will be sent by ordinary post to your respective addresses as they appear in the records of the Registrar (or for the purposes of payments only, to such address as may be specified in the FAT) at your sole risk.*

1.2.5 Return of Offer Shares. *In the event the Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the FAT, the share certificate(s) and any other accompanying document(s) will be returned to you by ordinary post to your relevant address as it appears in the records of the Registrar (or in the case of joint shareholders, to the joint Accepting Shareholder first-named in the Register) at your own risk as soon as possible but, in any event, within 14 days of the lapse or withdrawal of the Offer.*

1.2.6 FATs received on Saturday, Sunday and public holidays. *For the avoidance of doubt, FATs received by the Receiving Agent on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.*

2. GENERAL

2.1 Disclaimer and Discretion. *The Offeror, DBS, the Registrar/Receiving Agent and/or CDP will be entitled, in their sole and absolute discretion, to reject or treat as valid any acceptance of the Offer through the FAA and/or the FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Offer Document and the Relevant Acceptance Forms or which is otherwise incomplete, incorrect, unsigned or invalid in any respect. If you wish to accept the Offer, it is your responsibility to ensure that the FAA and/or the FAT, as the case may be, is properly completed in all respects and that the FAA and/or the FAT, as the case may be, should be submitted with original signature(s) and that all required documents, where applicable, are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror, DBS, the Registrar/Receiving Agent and/or*

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CDP accepts any responsibility or liability for such a decision, including the consequences of such a decision. The Offeror and DBS each reserves the right to treat acceptances of the Offer as valid if received by or on behalf of any of them at any place or places determined by them otherwise than as stated in this Offer Document and in the FAA and/or the FAT, as the case may be, or if made otherwise than in accordance with the provisions of this Offer Document and in the FAA and/or the FAT, as the case may be.

- 2.2 Scrip and Scripless Offer Shares.** *If you hold some Offer Shares in scrip form and others with CDP, you should complete a FAT for the former and a FAA for the latter in accordance with the respective procedures set out in this **Appendix 2** and the Relevant Acceptance Forms if you wish to accept the Offer in respect of such Offer Shares.*
- 2.3 Deposit Time.** *If you hold Offer Shares in scrip form, the Offer Shares may not be credited into your Securities Account with CDP in time for you to accept the Offer by way of the FAA if you were to deposit your share certificate(s) with CDP after the Commencement Date and ending on the Closing Date (both dates inclusive). If you wish to accept the Offer in respect of such Offer Shares held in scrip form, you should complete a FAT and follow the procedures set out in **Paragraph 1.2** of this **Appendix 2**.*
- 2.4 Correspondences.** *All communications, certificates, notices, documents and remittances to be delivered or sent to you (or in the case of scrip holders, your designated agent or, in the case of joint Accepting Shareholders who have not designated any agent, to the one first named in the records of CDP or the Registrar, as the case may be) will be sent by ordinary post to your respective mailing addresses as they appear in the records of CDP or the Registrar, as the case may be, at the risk of the person entitled thereto (or for the purposes of remittances only, to such different name and addresses as may be specified by you in the FAA and/or the FAT, as the case may be, at your own risk).*
- 2.5 Evidence of Title.** *Submission of the duly completed FAA (in any manner permitted in the FAA or the electronic form of the FAA) and/or delivery of the duly completed and signed FAT, as the case may be, and/or together with the relevant share certificate(s) and/or other documents of title (where applicable) and/or other relevant document(s) required by the Offeror, DBS, CDP and/or the Registrar/Receiving Agent, to the Offeror, DBS, CDP and/or the Registrar/Receiving Agent, as the case may be, shall be conclusive evidence in favour of the Offeror, CDP and/or the Registrar/Receiving Agent, as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates. The Offeror, DBS, CDP and/or the Receiving Agent shall be entitled to assume the accuracy of any information and/or documents submitted together with any FAA and/or FAT, as the case may be, and shall not be required to verify or question the validity of the same.*
- 2.6 Loss in Transmission.** *The Offeror, DBS, the Registrar/Receiving Agent and/or CDP, as the case may be, shall not be liable for any loss in transmission of the FAA and/or the FAT.*

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- 2.7 Risk and Delays in relation to Electronic Submission of the FAA.** *If you submit the electronic form of the FAA, you accept the risk of defects or delays caused by failure or interruption of electronic systems, and you agree to hold CDP, the Offeror and/or DBS harmless against any losses directly or indirectly caused by such failure or interruption of electronic systems.*
- 2.8 Acceptances Irrevocable.** *Your completion, execution and/or submission, as the case may be, of the FAA and/or the FAT shall constitute your irrevocable acceptance of the Offer, on the terms and subject to the conditions contained in this Offer Document and the FAA and/or the FAT. Except as expressly provided in this Offer Document and the Code, the acceptance of the Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable and any instructions or subsequent FAA(s) and/or FAT(s) received by CDP and/or the Registrar/Receiving Agent, as the case may be, after the FAA and/or the FAT, as the case may be, has been received shall be disregarded.*
- 2.9 Personal Data Privacy.** *By completing, submitting and/or delivering a Relevant Acceptance Form, each person: (i) consents to the collection, use and disclosure of his personal data by CDP, Securities Clearing and Computer Services (Pte) Ltd, CPF Board, the Registrar/Receiving Agent, the Offeror, DBS and the Company (the “**Relevant Parties**”) for the purpose of facilitating his acceptance of the Offer, and in order for the Relevant Parties to comply with any applicable laws, listing rules, regulations and/or guidelines; (ii) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable laws, regulations and/or guidelines; and (iii) agrees that he will indemnify the Relevant Parties in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.*
- 2.10 Liability.** *You agree that none of the Offeror, DBS, CDP and/or the Receiving Agent shall be liable for any action or omission in respect of the FAA, FAT and/or any information and/or documents submitted therewith. You agree to indemnify, hold harmless and at their respective request defend, the Offeror, DBS, CDP and/or the Receiving Agent and their respective affiliates, directors, officers, employees and agents (“**Indemnified Parties**”) against (i) any claim, demand, action or proceeding made or initiated against; and/or (ii) all losses, damages, costs and expenses (including all legal costs and expenses) suffered or incurred by, any of the Indemnified Parties as a result of or in relation to the FAA, FAT and/or any information and/or documents submitted therewith.”*

4. INFORMATION ON THE OFFEROR

Section 6 of the Letter to Shareholders in the Offer Document sets out certain information on the Offeror, extracts of which are set out below. Additional information on the Offeror extracted from Appendix 3 to the Offer Document is set out in Appendix C to this Circular. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

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“6. INFORMATION ON THE OFFEROR

6.1 The Offeror. *The Offeror is a special purpose vehicle incorporated in the Cayman Islands on 23 December 2020 and is a private exempted company limited by shares. The Offeror is a wholly-owned subsidiary of GGL. As at the Latest Practicable Date, GGL has an interest in 1,007,906,134 Shares, representing 73.67 per cent. of the Shares (on the basis that there are no treasury shares), held directly by GAL, a wholly-owned subsidiary of GGL. The Offeror’s principal activity is that of investment holding. The Offeror has not carried on any business since its incorporation, except for matters in connection with making the Offer.*

6.2 Share Capital. *As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US\$1.00 comprising of one ordinary share held by GGL.*

6.3 Directors. *As at the Latest Practicable Date, the Directors are Ms Cynthia Cheng and Mr Wong Sau Kwong, who are also respectively the General Counsel and the Financial Controller of GGL.*

Appendices 3 and 4 to this Offer Document sets out additional information on the Offeror and GGL respectively.”

5. IRREVOCABLE UNDERTAKING

Section 8 of the Letter to Shareholders in the Offer Document sets out certain information relating to the Irrevocable Undertaking received by the Offeror, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“8. IRREVOCABLE UNDERTAKING

8.1 GAL. *As at the Latest Practicable Date, the Offeror has received an irrevocable undertaking from GAL (the “**Irrevocable Undertaking**”) dated 15 January 2021, pursuant to which GAL has undertaken (i) to tender all of its Shares in acceptance of the Offer (the “**Undertaking Shares**”), and (ii) to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror.*

8.2 Termination or Lapse of Irrevocable Undertaking. *The Irrevocable Undertaking will terminate or lapse on the date on which the Offer is withdrawn.*

8.3 No Other Undertakings. *Save for the Irrevocable Undertaking, as at the Latest Practicable Date, neither the Offeror nor any Concert Party has received any undertakings from any other party to accept or reject the Offer.*

8.4 Available for Inspection. *A copy of the Irrevocable Undertaking is available for inspection at the offices of the Registrar at 112 Robinson Road, #05-01, Singapore 068902 during normal business hours upon prior appointment with the Registrar at +65 6227 6660, until the date on which the Offer closes, lapses or is withdrawn in accordance with its terms.”*

6. REASONS AND BENEFITS FOR THE OFFER

The full text of the reasons and benefits for the Offer has been extracted from Section 9 of the Letter to Shareholders in the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“9. REASONS AND BENEFITS FOR THE OFFER

9.1 Greater management flexibility to navigate a challenging and unprecedented operating environment. *The Offeror is making the Offer with a view to privatising and delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under either Section 102 or Section 103 of the Companies Act (the “Compulsory Acquisition”). The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company and optimise capital resources amidst a challenging and unprecedented operating environment driven by the COVID-19 pandemic and Brexit as well as low oil and gas prices.*

9.1.1 The Company faces a challenging and unprecedented operating environment driven by COVID-19 and Brexit. *The ongoing COVID-19 pandemic has had an adverse impact on the global economy and has significantly affected the performance of the Company’s core businesses. In the Company’s main market of the United Kingdom (“UK”), the disruption of the pandemic is compounded by the impact of Brexit.*

The pandemic has caused unprecedented and severe disruptions to the hospitality sector in the UK. As the Company’s main business is in the hotel sector of the UK, its operations were significantly impacted by pandemic driven restrictions which resulted in most of the Company’s hotels being closed during 1H FY21, contributing to a decline in the Company’s revenue of 90 per cent. in comparison to 1H FY20, resulting in a net loss for 1H FY21 of US\$19.8m which would have been significantly larger if not for other operating income of US\$26.5m which mainly comprised payments arising from insurance claims relating to UK hotel business disruption and government grants relating to the pandemic. This followed a 27 per cent. decline in hotel segment revenue in FY2020 in comparison to FY2019.

The pandemic continues to significantly curtail demand for UK hotel rooms, with renewed government-imposed lockdowns commencing in January 2021 resulting in the closure of the Company’s hotels. Given this, it is likely the Company’s UK hotels will continue to face a difficult operating environment in 2021. Further uncertainties are driven by a post-Brexit environment that may materially impact business travel and retail tourism².

² Financial figures and explanatory statements pertaining to the financial performance and business operations of the Company have been sourced from the Company’s unaudited and audited financial statements for 1H FY21 and FY2020 respectively and its annual report for FY2020, as disclosed on SGXNET.

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9.1.2 *The Company's Oil and Gas business has been affected by low oil and gas prices. The Company's oil and gas business relies on royalty income from its entitlement to Bass Strait's oil and gas production in Australia. This royalty income has declined given lower crude oil and gas prices impacted by the ongoing pandemic. This contributed to a 90 per cent. decline in the Company's revenue in 1H FY21 in comparison to 1H FY20 and followed a 14 per cent. decline in oil and gas segment revenue in FY2020 in comparison to FY2019².*

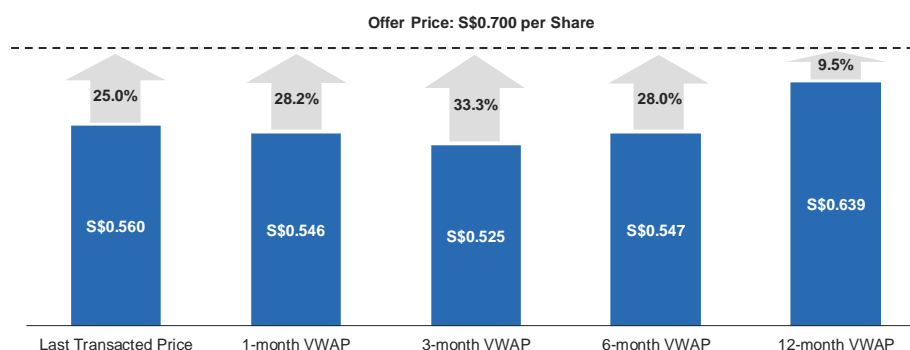
9.1.3 *The Company did not declare a dividend for FY2020. The Company did not declare a dividend for FY2020 considering a bleak economic outlook and the need to conserve cash to meet its operational requirements².*

9.2 *Opportunity for Shareholders to realise their investment at a premium without incurring brokerage fees.*

9.2.1 *The Offer represents an opportunity for Shareholders to realise their investment at a premium amidst a challenging and unprecedented operating environment for the Company.*

9.2.2 *As set out in Section 12 of this Letter to Shareholders in this Offer Document, the Offer Price represents a premium of approximately:*

- (i) *25.0 per cent. over the last transacted price (the "Last Transacted Price") per Share of S\$0.560 on 14 January 2021 (being the last full Market Day on which the Shares were transacted on prior to the release of the Offer Announcement (the "Last Trading Day")); and*
- (ii) *28.2 per cent., 33.3 per cent., 28.0 per cent. and 9.5 per cent. over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and twelve (12)-month periods, respectively, up to and including the Last Trading Day.*



Notes:

- (1) *The S\$ figures (other than the Offer Price) are rounded to the nearest three (3) decimal*

² Financial figures and explanatory statements pertaining to the financial performance and business operations of the Company have been sourced from the Company's unaudited and audited financial statements for 1H FY21 and FY2020 respectively and its annual report for FY2020, as disclosed on SGXNET.

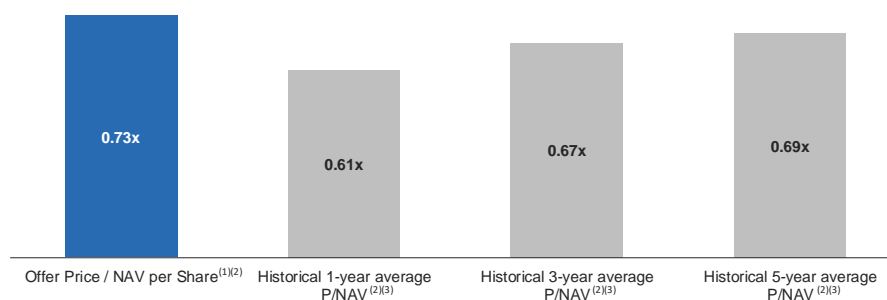
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places and computed on data sourced from Bloomberg L.P. up to and including the Last Trading Day.

(2) The respective premia are rounded to the nearest one (1) decimal place.

9.2.3 *The Offer Price implies a price to net asset value multiple (“P/NAV”) of 0.73 times, which exceeds the Company’s historical averages.*

The P/NAV multiple implied by the Offer Price of 0.73 times represents a premium of 19.7 per cent., 9.0 per cent. and 5.8 per cent to the historical 1-year, 3-year, 5-year average P/NAV multiple of the Shares.



Notes:

(1) Based on the reported NAV per Share as at 31 December 2020, converted to Singapore dollars at an exchange rate of 1 USD: 1.3218 SGD.

(2) Multiples shown in the chart above are rounded to the nearest two (2) decimal places.

(3) The historical average P/NAV is computed daily up to and including the Last Trading Day and reflects the market capitalisation of the Shares at the end of each trading day divided by total common equity (net assets) for the last reported financial quarter or period, as sourced from Capital IQ and Company filings. Total common equity has been translated to Singapore dollars at the prevailing historical USD:SGD exchange rate as at the end of each respective financial quarter or period.

9.3 *Opportunity for Shareholders who may otherwise find it difficult to exit their investment in the Company due to low trading liquidity. The historical trading liquidity of the Shares on the SGX-ST has been low. The average daily trading volume of the Shares over the twelve (12)-, six (6)-, three (3)- and one (1)-month periods up to and including the Last Trading Day are detailed in the table below.*

	One-month	Three-month	Six-month	Twelve-month
Average daily trading volume as a percentage of total number of Shares ⁽¹⁾⁽²⁾	0.004%	0.003%	0.003%	0.010%

Notes:

(1) The average daily trading volume is based on data extracted from Bloomberg L.P. as at the Last Trading Day and calculated using the daily total volume of Shares traded divided by the total number of Shares (excluding those held by the trust established by the Company for the GL Limited Executives’ Share Options Scheme).

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(2) The percentage figures are rounded to the nearest three (3) decimal places.

9.4 Only Offer capable of turning unconditional or succeeding. *Given that GAL, holding Shares representing approximately 73.67 per cent. of the issued share capital of the Company, has, as at the Latest Practicable Date 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 is not permitted under the Code to make another general offer for the Company for 12 months following the lapse of the Offer.*

9.5 Costs of maintaining listing status. *In maintaining its listed status, the Company incurs compliance and other costs associated with the requirements of being listed. 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 its listed status and focus its resources on its operational matters amidst a challenging and unprecedented operating environment.”*

7. THE OFFEROR'S INTENTIONS FOR THE COMPANY

The full text of the Offeror's intentions for the Company has been extracted from Section 10 of the Letter to Shareholders in the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extracts below carefully and note the Offeror's future plans for the Company.**

“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, in connection with or as a result of the Offer, (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

Section 11 of the Offer Document sets out the intentions of the Offeror relating to the listing status of the Company and compulsory acquisition, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document. **Shareholders are advised to read the extracts below carefully and note the matters relating to compulsory acquisition and listing status and trading suspensions.**

“11. LISTING STATUS AND COMPULSORY ACQUISITION

11.1 Listing Status and Trading Suspension. Under Rule 1105 of the Listing Manual, upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and its Concert Parties to above 90 per cent. 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 per cent. of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that where the Offeror succeeds in garnering acceptances exceeding 90 per cent. 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 per cent., the SGX-ST will suspend trading of the Shares only at the close of the Offer. 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 referred to in **Section 11.1(i)** of this Letter to Shareholders in this Offer Document above.

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of Shares (excluding preference shares, convertible equity securities and 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 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the listed 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 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

In the event acceptances of the Offer result in the Free Float Requirement not being met and/or trading of Shares on the SGX-ST is suspended pursuant to Rules 724, 1105 or 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. In such event, the Offeror intends to delist the Company from the Official List of the SGX-ST.

11.2 Compulsory Acquisition. In the event that the Offeror (i) receives valid acceptances pursuant to the Offer from the Commencement Date in respect of not less than 90 per cent. of the total number of Shares; or (ii) acquires Shares whether through valid acceptances of the Offer or otherwise such that the Offeror holds 95 per cent. or more

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of the total number of Shares, the Offeror intends to exercise its right under either Section 102 or Section 103 of the Companies Act to effect the Compulsory Acquisition.”

9. FINANCIAL ASPECTS OF THE OFFER

Section 12 of the Letter to Shareholders in the Offer Document sets out certain information on the financial aspects of the Offer, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“12. FINANCIAL ASPECTS OF THE OFFER

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

	Benchmark Price ⁽¹⁾⁽²⁾	Premium of the Offer Price over the Benchmark Price ⁽³⁾
	(S\$)	(%)
<i>Last Transacted Price per Share as quoted on the SGX-ST on 14 January 2021, being the Last Trading Day</i>	<i>0.560</i>	<i>25.0%</i>
<i>VWAP of the Shares as transacted on the SGX-ST for the one (1)-month period up to and including the Last Trading Day</i>	<i>0.546</i>	<i>28.2%</i>
<i>VWAP of the Shares as transacted on the SGX-ST for the three (3)-month period up to and including the Last Trading Day</i>	<i>0.525</i>	<i>33.3%</i>
<i>VWAP of the Shares as transacted on the SGX-ST for the six (6)-month period up to and including the Last Trading Day</i>	<i>0.547</i>	<i>28.0%</i>
<i>VWAP of the Shares as transacted on the SGX-ST for the twelve (12)-month period up to and including the Last Trading Day</i>	<i>0.639</i>	<i>9.5%</i>

Notes:

(1) *Based on data extracted from Bloomberg L.P. as at 14 January 2021.*

(2) *Computed based on the Share prices rounded to the nearest three (3) decimal places.*

(3) *Percentages rounded to the nearest one (1) decimal place.”*

10. DISCLOSURE OF HOLDINGS AND DEALINGS

Section 13 of the Letter to Shareholders in the Offer Document and Appendix 6 to the Offer Document set out certain information relating to disclosure of holdings and dealings, extracts of

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which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“13. DISCLOSURES OF HOLDINGS AND DEALINGS

13.1 Holdings and Dealings of Company Securities. Based on the latest information available to the Offeror and save as set out in this Offer Document (including **Appendix 6** to this Offer Document), as at the Latest Practicable Date none of the Offeror, its directors and its Concert Parties:

13.1.1 own, control or have agreed to acquire any Company Securities; and

13.1.2 has dealt for value in any Company Securities in the period commencing three (3) months prior to the Announcement Date up to the Latest Practicable Date (such period, the “**Relevant Period**”).

13.2 Other Arrangements. To the best of the Offeror’s knowledge and save as set out in this Offer Document (including **Section 8** of the Letter to Shareholders in this Offer Document and **Appendix 6** to this Offer Document), none of the Offeror and its Concert Parties has, as at the Latest Practicable Date, in respect of any Company Securities:

13.2.1 entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Code with any person, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to any Company Securities which may be an inducement to deal or refrain from dealing in Company Securities;

13.2.2 received any irrevocable commitment (other than the Irrevocable Undertaking) to accept the Offer in respect of any Company Securities;

13.2.3 granted any security interest in respect of any Company Securities in favour of any other person, whether through a charge, pledge or otherwise;

13.2.4 borrowed any Company Securities from any other person (excluding those which have been on-lent or sold); or

13.2.5 lent any Company Securities to any other person.

...

APPENDIX 6 – DISCLOSURES

1. HOLDINGS OF COMPANY SECURITIES BY THE OFFEROR AND ITS CONCERT PARTIES (BEING PARTIES ACTING OR DEEMED TO BE ACTING IN CONCERT WITH THE OFFEROR)

The table below sets out the number of Company Securities held by the Offeror and its Concert Parties as at the Latest Practicable Date. Based on the latest information available to the Offeror as at the Latest Practicable Date and save as disclosed below, none of the Offeror, its directors and its Concert Parties owns, controls or has agreed to acquire any Company Securities as at the Latest Practicable Date.

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1.1 HOLDINGS OF COMPANY SECURITIES (SHARES) BY THE OFFEROR AND ITS CONCERT PARTIES

No.	Name	Direct Interest		Deemed Interest ⁽²⁾	
		No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
1.	GAL	1,007,906,134	73.67	-	-
2.	GGL ⁽³⁾	-	-	1,007,906,134	73.67
3.	Kwek Leng Hai ⁽⁴⁾	300,000	0.02	-	-
4.	GuoLine Overseas Limited ("GOL") ⁽⁵⁾	1,415,000	0.10	1,007,906,134	73.67
5.	GuoLine Capital Assets Limited ("GCAL") ⁽⁶⁾	-	-	1,009,321,134	73.78
6.	HL Management Co Sdn Bhd ("HLMC")	3,235,000	0.24	-	-
7.	Hong Leong Company (Malaysia) Berhad ("HLCM") ⁽⁷⁾	-	-	1,012,556,134	74.01
8.	HL Holdings Sdn Bhd ("HLH") ⁽⁸⁾	-	-	1,012,556,134	74.01
9.	Hong Leong Investment Holdings Pte. Ltd. ("HLIH") ⁽⁹⁾	-	-	1,024,135,125	74.86
10.	Quek Leng Chan ⁽¹⁰⁾	735,000	0.05	1,012,556,134	74.01
11.	Tan Lim Heng ⁽¹¹⁾	1,100,000	0.08	-	-
12.	Quek Kon Sean ⁽¹²⁾	10,200,000	0.75	-	-
13.	Soon Seong Keat ⁽¹³⁾	170,000	0.01	-	-
14.	Chin Min Yann ⁽¹⁴⁾	2,600	n.m. ⁽¹⁹⁾	-	-
15.	Lim Chew Yan ⁽¹⁵⁾	220,605	0.02	-	-
16.	Dato' Tan Ang Meng ⁽¹⁶⁾	13,952	n.m. ⁽¹⁹⁾	-	-
17.	Song Kian Koo ⁽¹⁷⁾	30,000	n.m. ⁽¹⁹⁾	-	-
18.	Peh Yeow Beng Lawrence ⁽¹⁸⁾	25,000	n.m. ⁽¹⁹⁾	-	-

Notes:

- (1) Calculated based on 1,368,063,633 Shares and on the basis that there are no treasury shares and rounded to the nearest two (2) decimal places.
- (2) The deemed interest arises by virtue of Section 4 of the SFA.
- (3) GGL's deemed interest arises from its interest in GAL.
- (4) Kwek Leng Hai is a director of GGL.
- (5) GOL's deemed interest arises from its interest in GAL.
- (6) GCAL's deemed interest arises from its interest in GOL.
- (7) HLCM's deemed interest arises from its interest in GCAL and HLMC.
- (8) HLH's deemed interest arises from its interest in HLCM.
- (9) HLIH's deemed interest arises from its interest in HLCM and other deemed interest arises by

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virtue of Section 4 of the SFA.

- (10) Quek Leng Chan's deemed interest arises from his interest in HLH.
- (11) Tan Lim Heng is a director of a fellow subsidiary of the Offeror.
- (12) Quek Kon Sean is a director of an upstream holding company of the Offeror and fellow subsidiaries of the Offeror.
- (13) Soon Seong Keat is a director of the fellow subsidiaries of the Offeror.
- (14) Chin Min Yann is a director of the fellow subsidiaries of the Offeror.
- (15) Lim Chew Yan is a director of the fellow subsidiaries of the Offeror.
- (16) Dato' Tan Ang Meng is a director of a fellow subsidiary of the Offeror.
- (17) Song Kian Koo is a director of the fellow subsidiaries of the Offeror.
- (18) Peh Yeow Beng Lawrence is an independent director of a fellow subsidiary of the Offeror.
- (19) n.m. means not meaningful.

1.2 HOLDINGS OF COMPANY SECURITIES BY CONCERT PARTIES AS A RESULT OF OPTIONS GRANTED OVER THE SHARES BY A CONCERT PARTY OF THE OFFEROR

No.	Name	No. of Shares under the Options ⁽¹⁾	% ⁽²⁾	Exercise Period of Company Securities	Exercise / Conversion Price of Company Securities
1.	Quek Kon Sean ⁽³⁾	900,000	0.07	From 17 December 2018 up to 27 May 2023	S\$0.834
2.	Soon Seong Keat ⁽⁴⁾	900,000	0.07	From 17 December 2018 up to 27 May 2023	S\$0.834
3.	Lim Chew Yan ⁽⁵⁾	900,000	0.07	From 17 December 2018 up to 27 May 2023	S\$0.834

Notes:

- (1) Options over the Shares were granted by a fellow subsidiary of HLCM.
- (2) Calculated based on 1,368,063,633 Shares and on the basis that there are no treasury shares and rounded to the nearest two (2) decimal places.
- (3) Quek Kon Sean is a director of an upstream holding company of the Offeror and fellow subsidiaries of the Offeror.
- (4) Soon Seong Keat is a director of the fellow subsidiaries of the Offeror.
- (5) Lim Chew Yan is a director of the fellow subsidiaries of the Offeror.

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2. **DEALINGS IN COMPANY SECURITIES BY THE OFFEROR AND ITS CONCERT PARTIES DURING THE RELEVANT PERIOD**

The table below sets out the dealings in Company Securities for value by the Offeror and its Concert Parties during the Relevant Period. Based on the latest information available to the Offeror as at the Latest Practicable Date and save as disclosed below, none of the Offeror, its directors and its Concert Parties has dealt for value in any Company Securities during the Relevant Period.

No.	Name	Date	No. of Shares in respect of the Dealing	Nature of Dealings	Average Transaction Price per Share (S\$)
1.	GAL	29 October 2020	2,400	Purchase of Shares	0.48271
2.	GAL	30 October 2020	1,600	Purchase of Shares	0.48188
3.	GAL	02 November 2020	8,300	Purchase of Shares	0.48819
4.	GAL	03 November 2020	42,300	Purchase of Shares	0.48855
5.	GAL	04 November 2020	60,700	Purchase of Shares	0.47247
6.	GAL	05 November 2020	18,400	Purchase of Shares	0.47003
7.	GAL	06 November 2020	52,200	Purchase of Shares	0.48758
8.	GAL	09 November 2020	74,200	Purchase of Shares	0.47837
9.	GAL	11 November 2020	100,000	Purchase of Shares	0.50000
10.	GAL	13 November 2020	39,600	Purchase of Shares	0.49753
11.	GAL	15 January 2021	6,324,000	Purchase of Shares	0.70000
12.	GAL	18 January 2021	1,282,000	Purchase of Shares	0.69500
13.	GAL	18 January 2021	27,500,000	Purchase of Shares	0.70000
14.	GAL	19 January 2021	3,711,800	Purchase of Shares	0.70000

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11. CONFIRMATION OF FINANCIAL RESOURCES

Section 14 of the Letter to Shareholders in the Offer Document sets out certain information on the confirmation of financial resources, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts below shall have the same meanings as those defined in the Offer Document.

“14. CONFIRMATION OF FINANCIAL RESOURCES

*DBS, 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 Undertaking Shares to be tendered by GAL pursuant to the Irrevocable Undertaking and for which payment will be waived, as described in **Section 8.1** of the Letter to Shareholders in this Offer Document.”*

12. OVERSEAS SHAREHOLDERS

- 12.1 Availability of Offer.** The availability of the Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdiction.

Overseas Shareholders should refer to Section 15 of the Letter to Shareholders in the Offer Document, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts 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 or a 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, or where it may not be expedient to do so, the Offeror and DBS 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

LETTER TO SHAREHOLDERS

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 Company at www.gl-grp.com and the website of the SGX-ST at www.sgx.com. Copies of this Offer Document and the Relevant Acceptance Forms accompanying this Offer Document shall be available during normal business hours at the office of the Company's share registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902.

The Offer or any revisions to the Offer may be made by announcement on the website of the Company at www.gl-grp.com and the website of the SGX-ST at www.sgx.com, in which case the Offer or any revision to the Offer shall be deemed to have been made and communicated to all Shareholders notwithstanding the failure by any particular Shareholder to receive this Offer Document or to see any announcement relating to the Offer.

For the avoidance of doubt, the Offer is made 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. Shareholders (including 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 GuocoLeisure Holdings Limited c/o M & C Services Private Limited (if he is a scrip holder) at 112 Robinson Road, #05-01, Singapore 068902 or The Central Depository (Pte) Limited (if he is a depositor) at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588. Alternatively, Shareholders (including Overseas Shareholders) may (subject to compliance with applicable laws) email or call DBS at GLOffer@db.com or + (65) 6878 6212 respectively (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 DBS, 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

LETTER TO SHAREHOLDERS

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, DBS, 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 DBS 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 Company at www.gl-grp.com and 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.”*

12.2 Copies of Circular. Where there are potential and/or any restrictions on sending this Circular and/or any related documents to any overseas jurisdictions, or where it may not be expedient to do so, the Company reserves the right not to send this Circular and/or any related documents to such overseas jurisdictions. Any affected Overseas Shareholder may, nevertheless, obtain copies of this Circular during normal business hours up to the Closing Date, from the offices of the Registrar at 112 Robinson Road, #05-01, Singapore 068902, download a copy of this Circular from the website of the SGX-ST at www.sgx.com, or make a request to the Registrar for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

13. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

Section 16 of the Letter to Shareholders in the Offer Document sets out information relating to CPFIS Investors and SRS Investors, extracts of which are set out below. Unless otherwise defined, all terms and expressions used in the extracts 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.

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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' INTERESTS

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

15. ADVICE AND RECOMMENDATIONS

15.1 General. Shareholders should read and carefully consider the recommendations of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer dated 4 February 2021 in their entirety before deciding whether to accept or reject the Offer. The IFA Letter is reproduced in Appendix A to this Circular.

15.2 Independence of Directors.

The Non-Independent Directors, Mr. Kwek Leng Hai and Mr. Chew Seong Aun are respectively also the Executive Chairman and Executive Director of GGL, the sole shareholder of the Offeror.

Accordingly, the Non-Independent Directors are parties acting in concert with the Offeror under the Code and would face an irreconcilable conflict of interest that would render them inappropriate to join the Independent Directors in making a recommendation on the Offer to the Shareholders.

The SIC has ruled that the Non-Independent Directors are exempted from making a recommendation to Shareholders in respect of the Offer. The Non-Independent Directors must, nonetheless, 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.

All of the Independent Directors consider themselves independent for the purposes of making a recommendation on the Offer.

15.3 Advice of the IFA to the Independent Directors

(a) **IFA.** W Capital Markets has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Offer. Shareholders should read and consider carefully 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 accept or reject the Offer. The IFA's advice is set out in its letter dated 18 February 2021, which is set out in Appendix A to this Circular.

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- (b) **Advice of the IFA.** Based on the IFA's evaluation and assessment of the financial terms of the Offer, the IFA has made its recommendation in respect of the Offer as set out in Section 9 of the IFA Letter and reproduced in italics below. The recommendation set out below should be considered and read by Shareholders in conjunction with, and in the context of, the full text of the IFA Letter. Shareholders should read the following extract in conjunction with, and in the context of, the full text of the IFA Letter. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter.

“9. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS

In arriving at our recommendation in respect of the Offer to the Independent Directors, we have taken into account a range of factors which we consider, based on available information as at the Latest Practicable Date, to be pertinent and have significant bearing on our assessment of the Offer. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

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

- (a) *The Offer Price to NAV per Share and the discount of the Offer Price to NAV per Share as at 31 December 2020 are 0.73 times and 26.8% respectively;*
- (b) *The Offer Price to RNAV per Share and the discount of the Offer Price to RNAV per Share as at 31 December 2020 are 0.66 times and 33.8% respectively;*
- (c) *The discount of the Offer Price to the SOTP Value per Share as at 31 December 2020 is in the range of 38.6% to 47.0%; and*
- (d) *The Offer Price is at a discount of 1.4% and 0.5% to the closing price of the Shares as at the Latest Practicable Date of S\$0.710 and the VWAP of the Shares for the period between the Offer Announcement Date and the Latest Practicable Date of S\$0.704 respectively.*

*In view of the above, we are of the opinion that the Offer is **NOT FAIR**.*

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

- (a) *The Group recorded a net loss for FY2020 of US\$26.7 million and a net loss for the 6 months ended 31 December 2020 of US\$19.8 million. Net cash used in operating activities in HY2021 was US\$7.2 million;*
- (b) *While the Offer Price represents a discount of 26.8% to the NAV per Share as at 31 December 2020, the discount is within the range of discounts and lower than the average discounts to NAV at which the Shares had traded at over the 2-year period up to and including the Last Trading Day of 34.9%;*
- (c) *The Offer Price is at a premium of approximately 25.0% to the closing price of the Shares on the Last Trading Day;*

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- (d) *The Offer Price is at a premium of approximately 28.2%, 33.4%, 27.5% and 9.4% to the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Last Trading Day respectively;*
- (e) *The Shares are thinly traded during the Relevant Period prior to the Offer Announcement Date. Trading liquidity of the Shares during the 12-month period up to and including the Last Trading Day has been low with an average daily trading volume of between approximately 41,500 Shares and 130,400 Shares representing between 0.011% and 0.034% of the free float of the Company;*
- (f) *The P/RNAV as implied by the Offer Price of 0.66 times is above the range of the P/RNAV of the Selected Hospitality Comparable Companies of 0.29 times to 0.60 times;*
- (g) *The P/NAV as implied by the Offer Price of 0.73 times is within the range of the weighted average P/NAV of the Comparable Companies of between 0.23 times to 1.70 times, and above the mean and median weighted average P/NAV of the Comparable Companies of 0.70 times and 0.63 times respectively;*
- (h) *The P/RNAV as implied by the Offer Price of 0.66 times is within the range of P/RNAV of the Precedent Hotel Transactions of 0.52 times to 0.95 times. The P/NAV as implied by the Offer Price of 0.73 times is within the range of the P/NAV of the Precedent Hotel Transactions of 0.52 times to 1.62 times;*
- (i) *The P/NAV as implied by the Offer Price of 0.73 times is within the range of the P/NAV of the Precedent Privatisation Transactions of 0.28 times to 2.81 times;*
- (j) *The premium of the Offer Price to the VWAP of the Shares for the Last Trading Day, 1-month, 3-month, 6-month, 12-month is within the range of the premia for the Precedent Privatisation Transactions although it is below the mean and the median premia for the Precedent Privatisation Transactions for the respective periods;*
- (k) *The Company had, in its latest results announcement dated 13 January 2021 disclosed that the Group expects the UK hotels to continue to face a difficult operating environment into year 2021 due to renewed lockdown with tiered restrictions being imposed by the UK government starting January 2021 as a result of a record number of COVID-19 cases due to a new COVID-19 variant; and*
- (l) *As at the date of the Offer Document, a concert party of the Offeror, GuocoLeisure Assets Limited, owns 73.67% of the Shares of the Company and has irrevocably undertaken to accept the Offer. It is therefore highly unlikely that there will be a competing offer from any third party.*

*In view of the above, we are of the opinion that the Offer is **REASONABLE**.*

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date and subject to the qualifications made herein, we are of the opinion that the financial terms of the Offer are NOT FAIR BUT REASONABLE. On balance of the above factors, we advise the Independent Directors to recommend that Shareholders ACCEPT the Offer, unless Shareholders are able to obtain a

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price higher than the Offer Price on the open market, after taking into account the brokerage and related costs in connection with open market transactions.

Our opinion is addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Offer. The recommendation made by the Independent Directors to the Shareholders in relation to the Offer shall remain the responsibility of the Independent Directors.

In rendering our opinion and providing our recommendation, we did not have regard to the specific objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder and we neither assume any responsibility for, nor hold ourselves as advisers to any person other than the Independent Directors. 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 portfolio or objectives should consult his/her stock broker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately and not to rely upon our opinion as the sole basis for deciding whether or not to accept the Offer."

15.4 Recommendations of the Independent Directors. The Independent Directors, having considered carefully the terms of the Offer and the advice given by W Capital Markets in the IFA Letter, concur with the advice of the IFA in respect of the Offer as set out in Section 15.3 of this Circular and in the IFA Letter. Accordingly, the Independent Directors recommend that Shareholders ACCEPT the Offer. Shareholders who wish to realise their investments in the Company can also choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after taking into account the brokerage and related costs in connection with open market transactions).

15.5 No regard to specific objectives. Shareholders are advised to read the terms and conditions of the Offer Document carefully. Shareholders are advised to read the full text of the IFA Letter set out in Appendix A to this Circular and other relevant information set out in this Circular carefully before deciding whether to accept or reject the Offer. Shareholders should note that the IFA's advice to the Independent Directors and the recommendation of the Independent Directors should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer.

Shareholders should note that trading of the Shares is subject to, *inter alia*, the performance and prospects of the Company, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by the IFA to the Independent Directors in respect of the Offer does not and cannot take into account the future trading activities or patterns or price levels that may be established beyond the Latest Practicable Date.

In rendering the advice and the recommendations above, both the IFA and the Independent Directors have not had regard to the general or specific investment objectives, financial situation, tax status, risk profiles, unique needs and constraints or other particular circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in the context of his Shares should consult his stockbroker, bank manager, solicitor, accountant, tax adviser and/or other professional adviser immediately.

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SHAREHOLDERS ARE ADVISED TO READ THE FULL TEXT OF THE IFA LETTER WHICH IS SET OUT IN APPENDIX A TO THIS CIRCULAR CAREFULLY.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who **wish to accept the Offer** must do so not later than **5.30 p.m. (Singapore time) on the Closing Date** or such later date(s) as may be announced from time to time by or on behalf of the Offeror, abiding by the procedures for the acceptance of the Offer as set out in respectively Appendix 2 to the Offer Document and in the accompanying FAA and/or FAT.

Acceptances should be completed and returned as soon as possible and, in any event, so as to be received on behalf of the Offeror:

- (i) by CDP (in respect of the FAA); or
- (ii) by the Registrar (in respect of the FAT),

as the case may be, not later than 5.30 p.m. (Singapore time) on the Closing Date or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

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

17. CONSENTS

W Capital Markets, named as the IFA, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter as set out in Appendix A to this Circular, and all references to the IFA's name, in the form and context in which they appear in this Circular.

Savills Advisory Services Limited, named as the Valuer in the Valuation Report for the GLH Real Property Portfolio, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Valuation Report for the GLH Real Property Portfolio as set out in Appendix E to this Circular, its recommendations and/or opinions, and all references to its name in the form and context in which they appear in this Circular.

CBRE, Inc., named as the Valuer in the Valuation Report for the Molokai Ranch Real Property Portfolio, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name in this Circular, the Valuation Report for the Molokai Ranch Real Property Portfolio as set out in Appendix E to this Circular and all references to its name in the form and context in which they appear in this Circular.

With the exception of the Valuation Reports, the Valuers do not accept any responsibility for any part of the Offeree Circular or any other information issued by the Company or any other person in connection with the Offer. The Valuation Reports refer to the position at the date it was originally issued and, as at the Latest Practicable Date, the Valuers have not taken and will not be taking any action to update the Valuation Reports.

M & C Services Private Limited, named as the Registrar, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all the references

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to its name in the form and context in which they appear in this Circular.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's corporate office at 1 Wallich Street, #15-02 Guoco Tower, Singapore 078881, during normal business hours from the date of this Circular up to and including the Closing Date:

- (a) the Bye-laws of the Company;
- (b) the annual reports of the Company for FY2018, FY2019 and FY2020, which include the audited consolidated financial statements of the Group for FY2018, FY2019 and FY2020;
- (c) the Offer Announcement;
- (d) the Offer Document;
- (e) the Irrevocable Undertaking;
- (f) the IFA Letter as set out in Appendix A to this Circular;
- (g) the Valuation Reports in respect of the Appraised Assets as set out in Appendix E to this Circular; and
- (h) the letters of consent referred to in Section 17 of this Circular.

19. DIRECTORS' RESPONSIBILITY STATEMENT

The recommendations of the Independent Directors in respect of the Offer ("**Recommendations**") are the responsibility of the Independent Directors, and the Independent Directors jointly and severally accept responsibility and have taken all reasonable care to ensure that their opinions expressed in respect of the Recommendations are fair.

The Directors (including any who may have delegated detailed supervision of the preparation of this Circular) jointly and severally accept responsibility for the accuracy of the information given in this Circular (save for (a) the IFA Letter (for which the IFA takes responsibility); (b) the Valuation Reports (for which the respective Valuers take responsibility); (c) the information extracted from the Offer Announcement and the Offer Document; and (d) the information relating to the Offeror) and confirm that they have taken all reasonable care to ensure that the facts stated in this Circular are accurate and all opinions expressed (save for the Recommendations) in this Circular are fair, and no material facts in relation to the Company and its subsidiaries in the context of the Offer have been omitted from this Circular.

Where any information in this Circular (other than the IFA Letter for which the IFA takes responsibility and the Valuation Reports for which the respective Valuers take responsibility) has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source (including, without limitation, the Offer Announcement and the Offer Document), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case

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may be, reflected or reproduced in this Circular.

20. ADDITIONAL INFORMATION

The attention of the Shareholders is also drawn to the Appendices which form part of this Circular.

Yours faithfully

For and on behalf of the Board of Directors of
GL LIMITED

TEO LAI WAH TIMOTHY
Independent Director

**APPENDIX A – LETTER FROM THE IFA TO
THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER**



W CAPITAL MARKETS PTE. LTD.

Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street
#43-01 OCBC Centre
Singapore 049513

18 February 2021

The Directors of GL Limited who are deemed independent for the purposes of the Offer

Mr Paul Jeremy Brough	-	Independent Non-Executive Director
Ms Chua Kheng Yeng, Jennie	-	Independent Non-Executive Director
Mr Teo Lai Wah Timothy	-	Independent Non-Executive Director
Ms Lim Suat Jien	-	Independent Non-Executive Director

Dear Sir/Mdm,

**VOLUNTARY CONDITIONAL CASH OFFER BY GUOCOLEISURE HOLDINGS LIMITED
("OFFEROR") FOR THE SHARES (AS DEFINED HEREIN)**

*Unless otherwise defined or the context otherwise requires, all capitalised terms defined in the circular dated 18 February 2021 ("**Circular**") issued by GL Limited (the "**Company**", and together with its subsidiaries, the "**Group**") shall have the same meanings herein.*

1. INTRODUCTION

On 15 January 2021 ("**Offer Announcement Date**"), DBS Bank Ltd, for and on behalf of the Offeror announced that the Offeror intends to make a voluntary conditional cash offer (the "**Offer**") for all the issued ordinary shares (the "**Shares**") in the capital of GL Limited.

The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) pursuant to the Offer and/or otherwise acquiring or agreeing to acquire Shares other than through valid acceptances of the Offer from the Commencement Date in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (as defined in the Offer Document) before or during the Offer, will result in the Offeror and its Concert Parties holding such number of Shares carrying not less than 90 per cent. of the voting rights attributable to all the Shares in issue (excluding treasury shares) as at the close of the Offer (the "**Minimum Acceptance Condition**").

The Offeror reserves the right to reduce the Minimum Acceptance Condition to a level which is more than 50 per cent. of the total number of Shares or waive the Minimum Acceptance Condition, subject to the consent of the SIC. In the event that the SIC consents to the Minimum Acceptance Condition being waived or revised, (i) the revised Offer will remain open for at least 14 days following the posting of the written notification to Shareholders of such waiver or revision, and (ii) Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within eight days of the posting of such notification. **Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.**

On 4 February 2021, the Offeror announced that the notification of electronic dissemination of the Offer Document and related documents dated 4 February 2021 issued by the Offeror, setting out, *inter-alia*, the address and instructions for the electronic retrieval of the Offer Document containing the terms and conditions of the Offer has been despatched to Shareholders.

In connection with the Offer, W Capital Markets Pte. Ltd. ("**W Capital Markets**") has been appointed by the Company as the IFA to advise the Independent Directors who will be making a recommendation to the Shareholders in relation to the Offer ("**Recommendation**"). This IFA Letter is addressed to the Independent Directors and sets out, *inter alia*, our views and assessment on the financial terms of the Offer and our opinion thereon, and forms part of the Circular to be despatched to Shareholders in relation to the Offer.

2. TERMS OF REFERENCE

We have been appointed to advise the Independent Directors in relation to the Recommendation. We have confined our evaluation to the financial terms of the Offer and we are not required to evaluate or comment on the commercial risks and/or merits (if any) of the Offer or the future prospects of the Company, and we have not made such evaluations or comments. Such evaluations or comments, if any, remain the responsibility of the Directors and management ("**Management**") of the Company although we may draw upon their views 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 have not been instructed or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Offer. In this regard, we are not addressing the relative merits of the Offer as compared to any alternative transaction previously considered by the Company or which otherwise may have been available to the Company currently or in the future.

In the course of our evaluation, we have held discussions with the Directors, Management and/or their professional advisers and have examined and relied to a considerable extent on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and/or the professional advisers of the Company, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, 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 on the assurance of the Directors (including any who may have delegated detailed supervision of the preparation of the Circular) who jointly and severally accept responsibility for the accuracy of the information given in the Circular (save for (a) this IFA Letter; (b) the Valuation Reports; (c) the information extracted from the Offer Announcement and the Offer Document; and (d) the information relating to the Offeror) and confirm that they have taken all reasonable care to ensure that the facts stated in the Circular are accurate and that no material facts in relation to the Company and its subsidiaries in the context of the Offer have been omitted from the Circular. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the reliability of the information.

We have not made any independent appraisal of the assets and liabilities (including, without limitation, hotels, property and equipment and development properties) of the Group nor have we evaluated the solvency of the Group. As such, we have relied on the disclosures and representations made by the Company on the values of the assets and liabilities and profitability of the Group and no representation or warranty, expressed or implied, is made

and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

We have relied on the independent valuation reports (the “**Valuation Reports**”) prepared for the purpose of the Offer, provided by Savills Advisory Services Limited (“**Savills**”) and CBRE, Inc. (“**CBRE**”) (collectively, the “**Independent Valuers**”), in relation to our financial assessment of the Offer in Section 8 of this IFA Letter. We are not experts in the evaluation or appraisal of the assets or liabilities concerned and we have placed sole reliance on these Valuation Reports for such asset appraisals and have not independently verified the contents thereof. By its very nature, valuation work will be subjective and dependent on the exercise of the Independent Valuer’s judgement. In particular, we do not assume any responsibility for the valuations contained in the Valuation Reports.

Our views as set out in this IFA Letter are based upon the prevailing market, economic, industry and other conditions (if applicable) as well as information and representations provided to us by the Company and its representatives, as at the Latest Practicable Date (or “**LPD**”). Such conditions may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to their consideration of the Offer, which may be released or published by or on behalf of the Company or the Offeror after the Latest Practicable Date.

Our opinion is limited to the fairness and reasonableness, from a financial point of view of the Offer and our terms of reference do not require us to evaluate or comment on the commercial rationale for the Offer, and/or associated risk and merits. We have not received or relied on any financial projections or forecasts in respect of the Company, the Group, or any part or division of any of the foregoing and our terms of reference do not require us to comment or express an opinion on the financial impact or potential impact on current or future financial performance or prospects or earnings potential of the Company and/or the Group arising from the Offer or otherwise (including without limitation any implications or uncertainties arising from the COVID-19 pandemic).

Our terms of reference also do not require us to evaluate or comment on the merits of the statements or opinion stated in any research reports on the Company and/or the Group, including any other reports issued by any other party. We have accordingly not made such evaluation or comments, although we may draw upon their views to the extent deemed necessary or appropriate by us in arriving at our opinion as set out in this IFA Letter.

In rendering our opinion, we have not had regard to any general or specific investment objectives, financial situation, tax position, risk profile, tax status or positions or particular needs and constraints or other particular circumstances of any Shareholder and do not assume any responsibility for, nor hold ourselves out as advisers to, any person other than the Independent Directors. As each Shareholder would have different investment objectives and profiles, the Independent Directors may wish to advise any Shareholder who may require specific advice in relation to his specific investment portfolio to consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other appropriate professional advisers.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and expressed no views, whether expressed or implied, on the contents of the Circular (other than this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer and their advice and recommendation to the Shareholders in respect thereof. The recommendations made to the Shareholders in relation to the Offer remain the responsibility of the Independent Directors.

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 following paragraphs have been extracted from Section 2 of the Offer Document and are set out in italics. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. Shareholders are advised to read the entire Offer Document including relevant sections, as extracted below, carefully.

“2. TERMS OF THE OFFER

2.1 Offer. *The Offeror 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, including those Shares owned, controlled, or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (“**Concert Parties**”) in connection with the Offer (“**Offer Shares**”).*

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

<i>For each Offer Share: S\$0.70 in cash (the “Offer Price”)</i>

2.4 No Encumbrances. *The Offer Shares are to be acquired (i) fully paid, (ii) 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 (iii) together with all rights, benefits and entitlements attached thereto as at the Announcement Date and thereafter 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, the “**Distributions**” and each, a “**Distribution**”) on or after the 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 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 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 Offer Share and the Offeror*

shall pay the Accepting Shareholder the unadjusted Offer Price for each 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 shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share (the Offer Price after such reduction, the “**Adjusted Offer Price**”) and the Offeror shall pay the Accepting Shareholder the Adjusted Offer Price for 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 withdrawn) pursuant to the Offer and/or otherwise acquiring or agreeing to acquire Shares other than through valid acceptances of the Offer from the Commencement Date in respect of such number of Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties before or during the Offer, will result in the Offeror and its Concert Parties holding such number of Shares carrying not less than 90 per cent. of the voting rights attributable to all the Shares in issue (excluding treasury shares) as at the close of the Offer (the “**Minimum Acceptance Condition**”).*

The Offeror reserves the right to reduce the Minimum Acceptance Condition to a level which is more than 50 per cent. of the total number of Shares or waive the Minimum Acceptance Condition, subject to the consent of the SIC. In the event that the SIC consents to the Minimum Acceptance Condition being waived or revised, (i) the revised Offer will remain open for at least 14 days following the posting of the written notification to Shareholders of such waiver or revision, and (ii) Shareholders who have accepted the initial Offer will be allowed to withdraw their acceptance within eight days of the posting of such notification.

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

4. INFORMATION ON THE OFFEROR

The following paragraphs have been extracted from Section 6 of the Offer Document and are set out in italics. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. Shareholders are advised to read the entire Offer Document including relevant sections, as extracted below, carefully.

“6. INFORMATION ON THE OFFEROR

6.1 **The Offeror.** *The Offeror is a special purpose vehicle incorporated in the Cayman Islands on 23 December 2020 and is a private exempted company limited by shares. The Offeror is a wholly-owned subsidiary of GGL. As at the Latest Practicable Date, GGL has an interest in 1,007,906,134 Shares, representing 73.67 per cent. of the Shares (on the basis that there are no treasury shares), held directly by GAL, a wholly-owned subsidiary of GGL. The Offeror’s principal activity is that of investment holding. The Offeror has not carried on any business since its incorporation, except for matters in connection with making the Offer.”*

Further details on the Offeror are set out in Section 6 of the Offer Document.

5. INFORMATION ON THE COMPANY

Based on publicly available information, the Company is a company continued in Bermuda as an exempted company. The Company was founded in 1961 and is listed on the Main Board of the SGX-ST. The Company is an investment holding company with core business activity in hotel management and operations in the United Kingdom. In addition to its hospitality business, the Company owns rights to royalties from the production of oil and natural gas in the Bass Strait, Australia and real estate in Hawaii.

6. IRREVOCABLE UNDERTAKING

We note from Section 8 of the Offer Document that the Offeror has received the Irrevocable Undertaking from GAL dated 15 January 2021, pursuant to which GAL has undertaken (i) to tender all its Shares in acceptance of the Offer, and (ii) to waive its rights under Rule 30 of the Code to receive the cash consideration payable to it by the Offeror. Further details on the Irrevocable Undertaking are set out in Section 8 of the Offer Document and Section 5 of the Circular.

7. REASONS AND BENEFITS FOR THE OFFER AND THE OFFEROR'S INTENTION FOR THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions in relation to the Company are set out in Section 9 and 10 of the Offer Document respectively. Shareholders are advised to read the entire Offer Document including relevant sections, as extracted below, carefully.

The reasons and benefits for the Offer is reproduced below for your reference.

"9. REASONS AND BENEFITS FOR THE OFFER

9.1 Greater management flexibility to navigate a challenging and unprecedented operating environment. *The Offeror is making the Offer with a view to privatising and delisting the Company from the SGX-ST and exercising any rights of compulsory acquisition that may arise under either Section 102 or Section 103 of the Companies Act (the "Compulsory Acquisition"). The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company and optimise capital resources amidst a challenging and unprecedented operating environment driven by the COVID-19 pandemic and Brexit as well as low oil and gas prices.*

9.1.1 The Company faces a challenging and unprecedented operating environment driven by COVID-19 and Brexit. *The ongoing COVID-19 pandemic has had an adverse impact on the global economy and has significantly affected the performance of the Company's core businesses. In the Company's main market of the United Kingdom ("UK"), the disruption of the pandemic is compounded by the impact of Brexit.*

The pandemic has caused unprecedented and severe disruptions to the hospitality sector in the UK. As the Company's main business is in the hotel sector of the UK, its operations were significantly impacted by pandemic driven restrictions which resulted in most of the Company's hotels being closed during the 1H FY21, contributing to a decline in the Company's revenue of 90 per cent. in comparison to 1H FY20, resulting in a net loss of US\$19.8m which would have been significantly larger if not for other operating income of US\$26.5m which mainly comprised payments arising from insurance claims relating to UK hotel business disruption and government grants relating to the pandemic. This followed a 27 per cent. decline in hotel segment revenue in FY2020 in comparison to FY2019.

The pandemic continues to significantly curtail demand for UK hotel rooms, with renewed government-imposed lockdowns commencing in January 2021 resulting in the closure of the Company's hotels. Given this, it is likely the Company's UK hotels will continue to face a difficult operating environment in 2021. Further uncertainties are driven by a post-Brexit environment that may materially impact business travel and retail tourism².

9.1.2 The Company's Oil and Gas business has been affected by low oil and gas prices. The Company's oil and gas business relies on royalty income from its entitlement to Bass Strait's oil and gas production in Australia. This royalty income has declined given lower crude oil and gas prices impacted by the ongoing pandemic. This contributed to a 90 per cent. decline in the Company's revenue in 1H FY21 in comparison to 1H FY20 and followed a 14 per cent. decline in oil and gas segment revenue in FY2020 in comparison to FY2019².

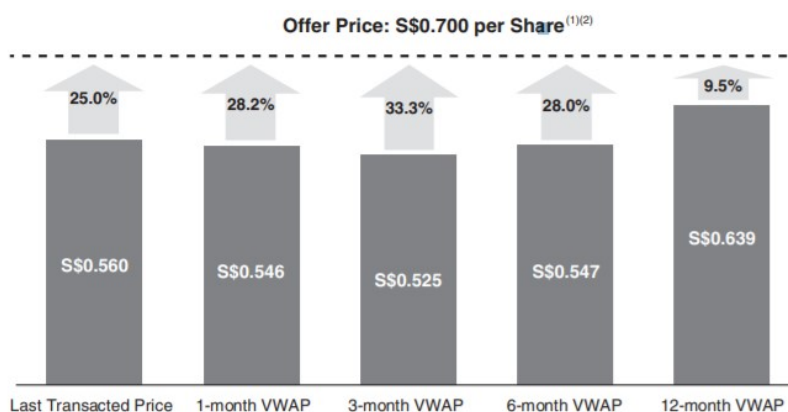
9.1.3 The Company did not declare a dividend for FY2020. The Company did not declare a dividend for FY2020 considering a bleak economic outlook and the need to conserve cash to meet its operational requirements².

9.2 Opportunity for Shareholders to realise their investment at a premium without incurring brokerage fees.

9.2.1 The Offer represents an opportunity for Shareholders to realise their investment at a premium amidst a challenging and unprecedented operating environment for the Company.

9.2.2 As set out in **Section 12** of this Letter to Shareholders in this Offer Document, the Offer Price represents a premium of approximately:

- (i) 25.0 per cent. over the last transacted price (the "**Last Transacted Price**") per Share of S\$0.560 on 14 January 2021 (being the last full Market Day on which the Shares were transacted on prior to the release of the Offer Announcement (the "**Last Trading Day**")); and
- (ii) 28.2 per cent., 33.3 per cent., 28.0 per cent. and 9.5 per cent. over the VWAP per Share for the one (1)-month, three (3)-month, six (6)-month and twelve (12)-month periods, respectively, up to and including the Last Trading Day.

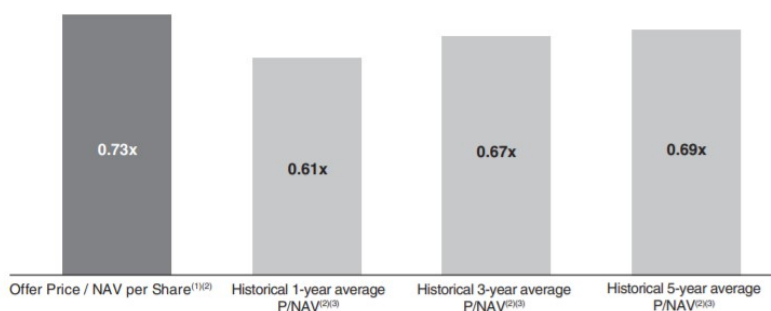


Notes:

- (1) The S\$ figures (other than the Offer Price) are rounded to the nearest three (3) decimal places and computed on data sourced from Bloomberg L.P. up to and including the Last Trading Day.
- (2) The respective premia are rounded to the nearest one (1) decimal place.

9.2.3 *The Offer Price implies a price to net asset value multiple (“P/NAV”) of 0.73 times, which exceeds the Company’s historical averages.*

The P/NAV multiple implied by the Offer Price of 0.73 times represents a premium of 19.7 per cent., 9.0 per cent. and 5.8 per cent. respectively to the historical 1-year, 3-year, 5-year average P/NAV multiple of the Shares.



Notes:

- (1) Based on the reported NAV per Share as at 31 December 2020, converted to Singapore dollars at an exchange rate of 1 USD: 1.3218 SGD.
- (2) Multiples shown in the chart above are rounded to the nearest two (2) decimal places.
- (3) The historical average P/NAV is computed daily up to and including the Last Trading Day and reflects the market capitalisation of the Shares at the end of each trading day divided by total common equity (net assets) for the last reported financial quarter or period, as sourced from Capital IQ and Company filings. Total common equity has been translated to Singapore dollars at the prevailing historical USD:SGD exchange rate as at the end of each respective financial quarter or period.

9.3 **Opportunity for Shareholders who may otherwise find it difficult to exit their investment in the Company due to low trading liquidity.** *The historical trading liquidity of the Shares on the SGX-ST has been low. The average daily trading volume of the Shares over the twelve (12)-, six (6)-, three (3)- and one (1)-month periods up to and including the Last Trading Day are detailed in the table below.*

	One-month	Three-month	Six-month	Twelve-month
Average daily trading volume as a percentage of total number of Shares ⁽¹⁾⁽²⁾	0.004%	0.003%	0.003%	0.010%

Notes:

- (1) The average daily trading volume is based on data extracted from Bloomberg L.P. as at the Last Trading Day and calculated using the daily total volume of Shares traded divided by the total number of Shares (excluding those held by the trust established by the Company for the GL Limited Executives’ Share Options Scheme).
- (2) The percentage figures are rounded to the nearest three (3) decimal places.

9.4 **Only Offer capable of turning unconditional or succeeding.** *Given that GAL, holding Shares representing approximately 73.67 per cent. of the issued share capital of the Company, has, as at the Latest Practicable Date, 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 is not permitted under the Code to make another general offer for the Company for 12 months following the lapse of the Offer.*

9.5 Costs of maintaining listing status. *In maintaining its listed status, the Company incurs compliance and other costs associated with the requirements of being listed. 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 its listed status and focus its resources on its operational matters amidst a challenging and unprecedented operating environment.”*

The Offeror’s intentions for the Company are reproduced below for your reference.

“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, in connection with or as a result of the Offer, (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. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In the course of our evaluation of the financial terms of the Offer, we have given due consideration to, *inter alia*, the following key factors which, in our opinion, have a significant bearing on our assessment:

- (a) Historical financial performance and position of the Group;
- (b) Analysis of the Group’s net asset value (“NAV”) per Share and revalued net asset value (“RNAV”) per Share;
- (c) Analysis of the Group’s Sum-of-the-Parts (“SOTP”) Value Per Share;
- (d) Historical Share price performance and trading liquidity;
- (e) Valuation ratios of selected listed companies broadly comparable to the Group;
- (f) Comparison with precedent privatisation transactions involving selected companies broadly comparable to the Group;
- (g) Precedent privatisation transactions in Singapore; and
- (h) Other relevant considerations.

The following is a brief description of the valuation ratios used in our evaluation of the Offer Price:

Valuation Ratio	Description
Price-to-earnings ratio (“P/E”)	<p>The P/E, or earnings multiple, illustrates the ratio of a company’s market capitalisation relative to its historical consolidated net profit attributable to shareholders. The P/E is an earnings-based valuation methodology.</p> <p>The P/E multiple is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and amortisation of intangible assets.</p>

Valuation Ratio	Description
<p>Enterprise value to EBITDA (“EV/EBITDA”) ratio</p>	<p>EV refers to enterprise value which is the sum of a company’s market capitalisation, preferred equity, minority interests, short-term and long-term debts (inclusive of finance leases), less its cash and cash equivalents.</p> <p>EBITDA refers to the consolidated earnings before interest, taxes, depreciation and amortisation expenses, inclusive of the share of associates’ and joint ventures’ income.</p> <p>The EV/EBITDA ratio illustrates the ratio of the market value of an entity relative to its pre-tax operating cashflow, without regard to its capital structure and provides an indication of current market valuation relative to operating performance.</p>
<p>Price-to-NAV ratio (“P/NAV”)</p>	<p>P/NAV illustrates the market value of an entity in relation to its NAV. P/NAV shows the extent to which the value of each share is backed by assets and represents an asset-based relative valuation methodology.</p> <p>This asset-based approach of 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 minorities’ interests. The P/NAV approach is meaningful as it 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 asset-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 including but not limited to goodwill, trademarks and brand names) in an orderly manner or over a reasonable period of time and at the aggregate value of the assets used in the computation of the NAV, the proceeds of which are used to settle the liabilities, minority interest and obligation of the company or group with the balance to be distributed to its shareholders.</p>
<p>Price-to-RNAV ratio (“P/RNAV”)</p>	<p>P/RNAV 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.</p>

8.1 Historical financial performance and position of the Group

A summary of the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows of the Group for the last three (3) financial years (“FY”) ended 30 June 2018, 2019 and 2020 and half year ended 31 December 2020 (“HY2021”) and 31 December 2019 (“HY2020”) are set out below. The following summary financial information should be read in conjunction with the full text of the Company’s annual report for FY2018, FY2019 and FY2020 and the results announcements in respect of the relevant financial periods including the notes/commentaries thereto.

Consolidated Income Statement

(US\$ million)	FY2018	FY2019	FY2020	HY2020	HY2021
	Audited	Audited	Audited	Unaudited	Unaudited
Revenue	344.4	349.3	258.2	193.3	19.5
Cost of sales	(189.7)	(221.9)	(160.0)	(99.7)	(30.1)
Gross profit / (loss)	154.7	127.4	98.2	93.6	(10.6)
Other operating income	28.7	0.5	24.3	0.3	26.5
Administrative expenses	(80.1)	(58.4)	(53.9)	(29.0)	(19.3)
Reversal of impairment loss / (impairment loss) on trade receivables	(0.2)	(0.7)	0.1	0.4	(0.8)
Other operating expenses	(0.1)	(16.3)	(47.8)	(1.4)	-
Operating profit	103.0	52.5	20.9	63.9	(4.2)
Finance income	1.6	1.6	1.5	0.7	2.9
Finance costs	(13.5)	(13.2)	(48.0)	(25.9)	(24.4)
Net financing costs	(11.9)	(11.6)	(46.5)	(25.2)	(21.5)
(Loss) / profit before tax / period	91.1	40.9	(25.6)	38.7	(25.7)
Income tax (expense) / credit	(20.4)	(6.6)	(1.1)	(11.8)	5.9
(Loss) / profit from continuing operations, net of tax	70.7	34.3	(26.7)	26.9	(19.8)
Profit / (loss) from discontinued operation, net of tax	(11.8)	16.0	-	-	-
(Loss) / profit for the year / period	58.9	50.3	(26.7)	26.9	(19.8)
Profit / (loss) attributable to					
Owners of the Company	59.0	50.3	(26.7)	26.9	(19.8)
Non-controlling interests	(0.1)	-	-	-	-

Source: Company’s annual reports for FY2019 and FY2020 and Company’s financial results announcement for HY2021

Review of operating results

FY2018 vs FY2019

The Group recorded a revenue of US\$349.3 million in FY2019, representing an increase of US\$4.9 million or 1.4% from US\$344.4 million in FY2018. This was mainly due to an increase in revenue from Bass Strait oil and gas royalties from US\$24.2 million in FY2018 to US\$29.2 million in FY2019, largely driven by higher crude oil and gas prices in FY2019.

Hotel revenue for FY2019 was higher in British Pounds Sterling (“GBP”) terms compared to FY2018 as a result of improved hotel occupancy rate and revenue per available room during the year. However, the increase was fully offset by the weakening of GBP against the US dollar (“USD”) by 4.2% compared to FY2018.

Despite an increase in revenue, gross profit decreased from US\$154.7 million in FY2018 to US\$127.4 million in FY2019. The lower cost of sales that was recorded in FY2018 was mainly due to the reversal of over accrued rental expense of Euston Hotel as a result of the compulsory acquisition in FY2018. In addition, increased business and utilities rates, reclassification of hotel depreciation and intangible asset amortisation from administrative expenses and web marketing cost for promoting the Group's direct web strategy resulted in an increase in cost of sales in FY2019.

Other operating income decreased by US\$28.2 million from US\$28.7 million in FY2018 to US\$0.5 million in FY2019 due to the one-off compensation from the compulsory acquisition of one hotel property and the recovery of legacy loan which was written off previously in FY2018.

Administrative cost decreased by US\$21.7 million from US\$80.1 million in FY2018 to US\$58.4 million in FY2019 mainly due to the reclassification of hotel depreciation and intangible asset amortisation to cost of sales as well as the weakening of GBP against the USD.

Impairment loss on trade receivables increased by US\$0.5 million from US\$0.2 million in FY2018 to US\$0.7 million in FY2019 mainly due to the increase in provision on higher aged trade debt balances.

The increase in other operating expenses of US\$16.2 million from US\$0.1 million in FY2018 to US\$16.3 million in FY2019 was relating to the impairment loss of hotel properties, loss on disposal of property and equipment, and write-off of obsolete hotel furniture and equipment as well as the provision for legal claims on an unfavourable arbitration award in Hawaii during the year.

Income tax expense decreased by US\$13.8 million from US\$20.4 million in FY2018 to US\$6.6 million in FY2019 mainly due to a set off against tax benefit in the Hotel segment.

For FY2019, the Group recorded a profit from discontinued operations of US\$16.0 million from the disposal of the gaming segment including the casino license on 16 April 2019 for a cash consideration of US\$30.1 million with a loss on disposal of US\$0.3 million (net of transaction related cost). In addition, there was a realisation of US\$17.5 million of foreign currency translation reserve gain from this disposal.

As a result of the above, net profit after tax (attributable to owners of the Company) decreased by US\$8.7 million or 14.7% from US\$59.0 million in FY2018 to US\$50.3 million in FY2019.

FY2019 vs FY2020

The Group recorded a revenue of US\$258.2 million in FY2020, representing a decrease of US\$91.1 million or 26.1% from US\$349.3 million in FY2019. This was mainly due to a decrease in revenue from the hotels segment from US\$317.0 million in FY2019 to US\$230.0 million in FY2020 as a result of the impact of COVID-19 which resulted in the temporary cessation of hotel operations in the last 4 months of FY2020 pursuant to the UK government's guidance. Revenue from the oil and gas segment also decreased as a result of (i) lower crude oil prices that were partly attributable to a price war between major oil producers; (ii) the decline in global oil demand as a result of the COVID-19 pandemic; and (iii) the weakening of Australia dollars ("**AUD**") against the USD.

Consequently, gross profit declined from US\$127.4 million in FY2019 to US\$98.2 million in FY2020.

Other operating income increased by US\$23.8 million from US\$0.5 million in FY2019 to US\$24.3 million in FY2020 mainly due to compensation from the compulsory acquisition of

Euston Hotel in 2018 and government grants from the various COVID-19 pandemic relief schemes in UK and Singapore.

Administrative expenses decreased by US\$4.5 million from US\$58.4 million in FY2019 to US\$53.9 million in FY2020 due to (i) cost rationalisation measures that were implemented in the fourth quarter of FY2020 as a result of the COVID-19 pandemic; and (ii) the depreciation of GBP against the USD during FY2020.

The Group recorded a reversal of impairment loss on trade receivables of US\$0.1 million in FY2020 as compared to an impairment loss of US\$0.7 million on trade receivables mainly due to lower provision required on an improved trade debt ageing balances.

Other operating expenses increased by US\$31.5 million from US\$16.3 million in FY2019 to US\$47.8 million in FY2020 due to the impairment of hotel properties, write down of development properties, redundancy costs, value added tax (“VAT”) arising from discretionary service charge billed to customers in the UK, and provision for legacy leases claims against a subsidiary in the UK which had provided a guarantee to a third party in relation to hotel properties previously leased and operated by another subsidiary.

Net finance costs increased by US\$34.9 million from US\$11.6 million in FY2019 to US\$46.5 million in FY2020 due to the recognition of interest expense on lease liabilities following the adoption of International Financial Reporting Standard (“IFRS”) 16 during FY2020.

Income tax expense decreased by US\$5.5 million from US\$6.6 million in FY2019 to US\$1.1 million in FY2020 mainly due to lower tax charge on decreased royalty income as well as the recognition of deferred tax benefits at hotel segment following the adoption of IFRS 16 during FY2020.

As a result of the above, the Group incurred a net loss after tax for the year attributable to owners of the Company of US\$26.7 million as compared to a net profit after tax for the year attributable to owners of the Company of US\$50.3 million in FY2019.

HY2020 vs HY2021

The Group recorded a revenue of US\$19.5 million in HY2021, representing a decrease of US\$173.8 million or 89.9% from US\$193.3 million in HY2020. This was mainly due to the (i) a significantly lower hotel revenue due to the continued impact from the COVID-19 pandemic in the UK that resulted in the temporary cessation of most of the Group’s hotel operations during the period from July to December 2020 due to COVID-19 restrictions in the UK; and (ii) lower revenue from the oil and gas segment due to lower crude oil and gas prices. The decrease in revenue from the oil and gas segment was partially offset by the strengthening of AUD against the USD during HY2021.

Gross profit declined from US\$93.6 million in HY2020 to a gross loss of US\$10.6 million in HY2021.

Other operating income increased by US\$26.2 million from US\$0.3 million in HY2020 to US\$26.5 million in HY2021 mainly due to the receipt from the insurance claims relating to the Group’s UK hotel business interruptions as well as government grants comprising receipts from COVID-19 pandemic relief schemes in both UK and Singapore during HY2021.

Administrative expenses decreased by US\$9.7 million from US\$29.0 million in HY2020 to US\$19.3 million in HY2021. This was mainly due to continued cost reduction initiatives across all business segments amidst the COVID-19 pandemic during HY2021.

Impairment loss on trade receivables of US\$0.8 million was mainly due to higher ageing trade receivables in HY2021 as compared to HY2020.

Other operating expenses of US\$1.4 million recorded in HY2020 was relating to the provision of VAT arising from discretionary service charge billed to customers in UK and impairment loss on hotel property.

Net financing costs decreased by US\$3.7 million from US\$25.2 million in HY2020 to US\$21.5 million in HY2021 due to lower prevailing interest rates on the outstanding term loans as well as foreign exchange translation gain arising from average cash balances as a result of the strengthening GBP against USD during HY2021.

Income tax benefit of US\$5.9 million in HY2021 was due to the recognition of deferred tax benefits attributable to the hotel segment arising from trading loss offset by the lower tax charge on decreased royalty income during HY2021.

As a result of the above, the Group incurred a net loss for the period attributable to owners of the Company of US\$19.8 million in HY2021 compared to a net profit for the period attributable to owners of the Company of US\$26.9 million in HY2020.

Consolidated Statement of Financial Position

(US\$'million)	As at 30 June 2020 Audited	As at 31 December 2020 Unaudited
Current assets		
Cash and cash equivalents	94.0	107.9
Inventories	0.8	0.9
Development properties	171.6	171.6
Trade and other receivables	9.9	15.4
	276.3	295.8
Non-current assets		
Hotels, property and equipment	1,478.9	1,637.4
Intangible assets	59.0	64.8
Pensions surplus	6.2	6.9
Deferred tax assets	18.0	29.0
	1,562.1	1,738.1
Total assets	1,838.4	2,033.9
Current liabilities		
Loans and borrowings	-	10.0
Lease liabilities	6.4	7.2
Provisions	14.5	13.0
Trade and other payables	41.4	32.0
Corporate tax payable	0.5	0.6
	62.8	62.8
Non-current liabilities		
Loans and borrowings	187.3	242.8
Lease liabilities	699.7	785.5
Pension obligations	2.1	2.2
Derivative financial liabilities	3.5	3.5
	892.6	1,034.0
Total liabilities	955.4	1,096.8
Net assets	883.0	937.1
Equity attributable to owners of the Company	885.4	939.8
Non-controlling interests	(2.4)	(2.7)
Total equity	883.0	937.1
Number of shares (millions)	1,299.8	1,299.8
NAV per Share attributable to Shareholders (US cents)	68.1	72.3

Source: Company's annual report for FY2020 and Company's financial results announcement for HY2021

Major assets and liabilities

As at 31 December 2020, the total assets of the Group amounted to US\$2,033.9 million comprising current assets of US\$295.8 million and non-current assets of US\$1,738.1 million, representing 14.5% and 85.5% of total assets respectively.

Current assets as at 31 December 2020 comprised mainly (i) development properties of US\$171.6 million, (ii) cash and cash equivalents of US\$107.9 million and (iii) trade and other receivables of US\$15.4 million, representing 8.4%, 5.3% and 0.8% of total assets respectively. Non-current assets as at 31 December 2020 comprised mainly hotels, property and equipment of US\$1,637.4 million and intangible assets (comprising the Bass Strait oil and gas royalty (“**O&G Royalty**”) and hotel brand) of US\$64.8 million, representing 80.5% and 3.2% of total assets respectively.

As at 31 December 2020, the total liabilities of the Group amounted to US\$1,096.8 million comprising current liabilities of US\$62.8 million and non-current liabilities of US\$1,034.0 million, representing 5.7% and 94.3% of total liabilities respectively.

Current liabilities as at 31 December 2020 comprised mainly (i) trade and other payables of US\$32.0 million (ii) provisions of US\$13.0 million and (iii) interest-bearing loans and borrowings of US\$10.0 million, representing 2.9%, 1.2% and 0.9% of total liabilities respectively. Non-current liabilities as at 31 December 2020 comprised mainly lease liabilities of US\$785.5 million and interest-bearing loans and borrowings of US\$242.8 million, representing 71.6% and 22.1% of total liabilities respectively.

Consolidated Statement of Cash Flows

(US\$' million)	FY2020	HY2020	HY2021
Net cash generated / (used in) from operating activities	86.2	69.2	(7.2)
Net cash used in investing activities	(1.1)	(14.9)	(2.4)
Net cash (used in) / from financing activities	(84.5)	(76.9)	16.9
Net increase / (decrease) in cash and cash equivalents	0.6	(22.6)	7.3
Cash and cash equivalents at end of year / period	94.0	74.0	107.9

Source: Company's annual report for FY2020 and Company's financial results announcement for HY2021

For FY2020 and HY2020, the Group recorded net cash generated from operating activities of US\$86.2 million and US\$69.2 million. For HY2021, the Group recorded net cash used in operating activities of US\$7.2 million.

In respect of HY2021:

- (a) The Group recorded net cash used in operating activities of approximately US\$7.2 million mainly due to (i) loss before tax of US\$25.7 million (ii) adjustments for non-cash items of US\$35.7 million (iii) changes in working capital items of US\$13.8 million and (iv) income tax paid of US\$3.5 million;
- (b) The Group recorded net cash used in investing activities of US\$2.4 million due to acquisition of hotels, property and equipment;
- (c) The Group recorded net cash from financing activities of US\$16.9 million due to proceeds from drawn-down of short term / long term borrowings of US\$43.0 million, offset by repayment of lease liabilities of US\$22.6 million and interest paid of US\$4.4 million; and
- (d) Taking into account (i) the net increase in cash and cash equivalents of US\$7.3 million (ii) the cash and cash equivalents and restricted cash at the beginning of FY2021 of approximately US\$94.4 million and (iii) the effect of exchange rate fluctuations on

cash held of US\$6.2 million, the Group's cash and cash equivalents amounted to approximately US\$107.9 million as at 31 December 2020.

8.2 Analysis of the Group's NAV per Share and RNAV per Share

Shareholders should note that the analysis based on the NAV of the Group only provides an estimate of the value of the Group based on a hypothetical scenario involving the sale of all its assets in an orderly manner over a reasonable period of time and does not take into account or consideration other variables such as the hypothetical sale of assets in a non-orderly manner or over a short period of time, time value of money, market conditions, legal and professional fees, liquidation costs, contractual obligations, regulatory requirements and availability of potential buyers, all of which could theoretically lower the NAV that can be realised.

8.2.1 NAV of the Group

The Group's unaudited consolidated statement of financial position as at 31 December 2020 comprised mainly the following:

	Unaudited as at 31 December 2020 (US\$'million)	As a percentage of total assets (%)
<u>Non-current assets</u>		
Hotels, property and equipment <i>- comprising mainly the Group's hotel portfolio of 15 hotels located in the UK</i>	1,637.4	80.5
Intangible assets <i>- Group's interest in the Bass Strait's oil and gas production in Australia</i>	64.8	3.2
Other non-current assets (including deferred tax assets)	35.9	1.8
<u>Current assets</u>		
Development properties <i>- 54,486 acres of land parcels on Molokai island in Hawaii</i>	171.6	8.4
Cash and cash equivalents	107.9	5.3
Other current assets	16.3	0.8
Total assets	2,033.9	100.0
Total liabilities	1,096.8	
Total equity	937.1	
Non-controlling interests	(2.7)	
Equity attributable to owners of the Company/NAV	939.8	
NAV per Share (US\$)⁽¹⁾	0.72	
NAV per Share (S\$)⁽²⁾	0.96	
Offer Price (S\$)	0.70	
P/NAV as implied by the Offer Price (times)	0.73	
Discount to NAV per Share as implied by the Offer Price (%)	26.8	

Source: Company's financial results announcement for HY2021

Notes:

- (1) Based on 1,299,768,633 Shares (after excluding 68,295,000 Shares held under a trust established by the Company for the GL Limited Executives' Share Scheme 2018), which is consistent with the approach taken by the Company in the computation of the net asset per share for their financial results. Per Share value is rounded to the nearest two (2) decimal places.
- (2) Based on exchange rate of USD1.00:SGD1.3221 as at 31 December 2020.

The P/NAV as implied by the Offer Price of 0.73 times implies that the Offer Price is at a discount of approximately 26.8% to the NAV per Share as at 31 December 2020.

We have also computed the historical P/NAV (based on the Group's trailing NAV per Share as announced by the Company for that applicable periods and the daily closing price of the Shares for the relevant periods) for the periods of 2-year, 1-year, 6-month, 3-month and 1-month (the "Relevant Period") prior to the announcement date up to 14 January 2021 (the "Last Trading Day") being the last full Market Day on which the Shares were transacted prior to the release of the Offer Announcement and for the period from 15 January 2021 (being the Offer Announcement Date) up to the Latest Practicable Date

The following chart shows the discount to NAV as implied by the closing price of the Shares for the Relevant Period and the discount to NAV as implied by the Offer Price.



Source: Bloomberg L.P.

	Discount to NAV		
	Average	Minimum	Maximum
Periods up to and including the Last Trading Day			
2-year	(34.9%)	(18.6%)	(51.5%)
1-year	(38.8%)	(18.6%)	(51.5%)
6-month	(42.4%)	(36.3%)	(50.5%)
3-month	(43.7%)	(38.9%)	(50.5%)
1-month	(42.7%)	(41.0%)	(46.1%)
Period between the Offer Announcement Date and the Latest Practicable Date	(25.2%)	(24.2%)	(26.8%)

Source: Bloomberg L.P.

We note that the Shares had consistently traded on the SGX-ST at a discount to the NAV per Share during the Relevant Period. The average discount ranged from 34.9% for the 2-year period prior to the Last Trading Day to 43.7% for the 3-month period prior to the Last Trading Day. The minimum discount ranged from 18.6% for the 2-year period prior to the Last Trading Day to 41.0% for the 1-month period prior to the Last Trading Day. The maximum discount ranged from 46.1% for the 1-month period prior to the Last Trading Day to 51.5% for the 2-year period prior to the Last Trading Day.

In comparison, the discount to NAV as implied by the Offer Price of approximately 26.8% is within the range, but is lower than the average discounts to NAV as implied by the closing price of the Shares for the periods of 2-year, 1-year, 6-month, 3-month and 1-month prior to the Offer Announcement Date and up to the Last Trading Day.

For the period between the Offer Announcement Date and the Latest Practicable Date, we note that the discount to NAV as implied by the closing price of the Shares was between 24.2% and 26.8% and the average discount was 25.2%. In comparison, the discount to NAV as implied by the Offer Price was slightly higher at 26.8%.

Based on the unaudited consolidated statement of financial position of the Group as at 31 December 2020, we note that the majority of assets of the Group comprise hotels, property and equipment, intangible assets and development properties which accounted for 80.5%, 3.2% and 8.4% respectively of the total assets of the Group as at 31 December 2020. As an asset-based company, it is therefore relevant for the purpose of the Offer to assess the current market valuation of these assets and their impact on the NAV of the Group. We set out these classes of assets in greater detail below.

(a) Hotels, property and equipment

Hotels, property and equipment are measured in the Group's financial statement at cost less accumulated depreciation and impairment losses. Gains or losses arising from the changes in the fair value of the hotels, properties and equipment are included in profit or loss for the period in which they arise.

As at 31 December 2020, the net book value of the Group's hotels, property and equipment was US\$1,637.4 million, comprising freehold land and buildings, leasehold land and buildings, right-of-use-assets and vehicles and fittings, accounting for 80.5% of the total assets of the Group.

The Group's hotel portfolio comprise 15 hotels located in the United Kingdom (the "**Hotel Properties**") with a carrying amount of US\$1,044.7 million and the related right of use assets of US\$584.7 million. These Hotel Properties account for approximately 80.1% of the Group's total assets.

(b) Intangible assets

Intangible assets consist primarily of the O&G Royalty which represents the Group's interest in the Bass Strait's oil and gas production in Australia.

The O&G Royalty is measured in the Group's financial statement at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of 30 years.

We note that in connection with the financial audit for the financial year ended 30 June 2020, the Company has engaged an independent appraiser who had estimated the recoverable amount for the O&G royalty based on the present value of the future cash flows expected to be derived from the cash generating unit (value in use method). The recoverable amount of

the O&G Royalty was estimated to be higher than its carrying amount and no impairment was required. The independent appraiser has estimated the net present value of the Group's interest in the O&G Royalty as at 30 June 2020 on a pre-tax basis (under the low and high commodity price scenarios of Brent oil price and gas price) to be in the range of US\$120 million to US\$181 million, and at US\$155 million based on the mid case product price assumptions (the "**O&G Royalty Valuation**").

As at 31 December 2020, intangible assets had a net book value of US\$64.8 million, accounting for approximately 3.2% of the total assets of the Group. In this regard, we noted that for the period between 1 July 2020 and the Latest Practicable Date, the average oil price of US\$47.5/bbl (as indicated by the ICE Brent Index price extracted from Bloomberg L.P.) is within the range of oil prices assumptions used by the independent appraiser in the O&G Royalty Valuation.

(c) Development properties

Development properties represents the Group's investment on the island of Molokai in Hawaii which comprises approximately 54,486 acres of land parcels (the "**Molokai Assets**").

Development properties are measured at the lower of cost and net realisable value. As at 31 December 2020, the net book value of the development properties was US\$171.6 million, accounting for approximately 8.4% of the total assets of the Group. We understand that the Group has been exploring options to monetise these assets, which includes selling its entire interest in the entity which holds the Molokai Assets. In 2018, the Group marketed the Molokai Assets collectively for US\$250 million, but while there have been preliminary inquiries from interested parties, none of the parties have sought to enter into serious discussions with the Group as at the Latest Practicable Date.

8.2.2 RNAV of the Group

In our evaluation of the financial terms of the Offer, we have also considered whether there are any assets which may be revalued at an amount that is materially different from their net book value as at 31 December 2020.

For the purpose of the Offer, the Company had commissioned Savills and CBRE to perform a valuation of the Hotel Properties and Molokai Assets respectively as at 15 February 2021 and 1 February 2021 respectively. In respect of the Hotel Properties, we note that in order to arrive at the valuation of the Hotel Properties, Savills' principal approach has been to utilise the profits method of valuation within discounted cash flows. In respect of the Molokai Assets, the aggregate value reported by CBRE is the sum of the estimated market values of the individual parcels and groups of the Molokai Assets, derived using, *inter alia*, the cost approach and the sales comparison approach. For full details of the valuation, please refer to the respective Valuation Reports.

The fair value adjustments have been incorporated into the Group's revalued NAV (the "**RNAV**") as shown in the table below.

We set out the list of Hotel Properties and the Molokai Assets which were revalued and their assessed market values as at their respective valuation dates below:

	Net book value as at 31 December 2020	Valuation as at the respective valuation date ⁽¹⁾	Revaluation surplus / (deficit)
Revalued Property	(US\$'million)	(US\$'million)	(US\$'million)
Hotel Properties			
The Tower Hotel	296.9	280.3	(16.6)
AMBA Hotel Marble Arch	236.0	379.4	143.4
AMBA Hotel Charing Cross	90.5	153.9	63.4
The Royal Horseguards Hotel	138.3	181.4	43.1
AMBA Hotel Grosvenor	135.9	166.8	30.9
Thistle Kensington Gardens	38.7	72.3	33.6
Thistle Heathrow	20.7	2.8	(17.9)
Thistle Trafalgar Square	8.9	1.5	(7.4)
Thistle Hyde Park	3.3	0.6	(2.7)
Thistle City Barbican	5.4	(46.2)	(51.6)
Thistle Bloomsbury Park	2.5	3.4	0.9
Thistle Piccadilly	5.3	(3.6)	(8.9)
Hard Rock Hotel London	62.2	(42.6)	(104.8)
Thistle Express Luton	0.1	(1.1)	(1.2)
Thistle Express Swindon	-	(0.5)	(0.5)
	1,044.7	1,148.4	103.7
Development Properties			
Molokai Assets	171.6	201.0 ⁽²⁾	29.4
Total revaluation surplus			133.1
Less: Potential tax liability			(42.2)
Net revaluation surplus			90.9

Source: Valuation reports

Notes:

- (1) The valuation figures are converted to USD based on exchange rate of USD1.00:GBP0.7277 as at the Latest Practicable Date.
- (2) Based on the sum of the estimated market values of the individual parcels and groupings of the Molokai Assets as reported in the Molokai Valuation. We note from the CBRE's valuation report that should the Company decide to dispose of the properties comprised in the Molokai Assets to a single purchaser, the concluded bulk value to the purchaser would likely be in the range of US\$50 million to US\$100 million.

We noted that for five (5) of the Hotel Properties, Savills have estimated negative market values. This is the result of those properties having negative EBITDAs for part or the duration of the projected cash flows. This is caused by short and medium term revenue falls linked to Covid-19, but also due to the head rents payable being higher than sustainable EBITDAR. In these scenarios, any transaction (an assignment of the lease) will attract a reverse premium – i.e. the current leasee will need to pay an assignee to “take on” their responsibilities and liabilities under the lease. It was also highlighted in the Savills' valuation report that it is likely that there will be few parties willing to take on leases with negative values and these assets may require extended periods (18-24 months) to conclude a transaction.

With regards to the Hotel Properties with estimated negative market values, the following was also stated in the Savills' valuation report:

“If a loss making leasehold interest were owned in a Special Purpose Vehicle (SPV) with no guarantor stated on the lease, then the owner of that SPV may decide to declare the

company insolvent and seek to exit the lease. This may mean the value of that leasehold interest would be no lower than £0 – if it were the owner could try to dissolve the company. However, several of the subject hotels are held on leases where GLH Hotels Limited is the guarantor. This company has a tangible net worth of £577,898,000 and a Dun & Bradstreet rating of 5A 1 – Minimum Risk (source: Dun & Bradstreet 12 February 2021). Should the tenant in each case be unable to meet their lease obligations, including the payment of rent, the hotel landlords have recourse to GLH Hotels Limited. We are not qualified to comment on the financial strength of companies, but the point we are making for valuation purposes is that GLH Hotels Limited is liable for rent payments at several of the properties and there is currently no clear exit from its obligations under the lease terms. Therefore, negative values are a possibility for these properties, where head rent payments are higher than EBITDA.”

We also enquired from the Management if there would be any tax liabilities the Group may incur as a result of the hypothetical disposal of these assets. The Management has confirmed that the aggregate potential tax liabilities that may be incurred by the Group if these assets were to be sold at the assessed valuation would be approximately US\$42.2 million. As at the Latest Practicable Date, the Directors and the Management have represented and confirmed that the Company has no immediate plans to dispose of any of the above assets, save for the Molokai Assets. Accordingly, only the potential tax liabilities in respect of the Molokai Assets (which is estimated to be approximately US\$20.6 million) are likely to crystallise in the event of a successful sale of the Molokai Assets at the assessed valuation.

In computing the RNAV of the Group, we had taken into account the revaluation of the above properties. Save for the Hotel Properties and Molokai Assets, the other assets of the Group have not been revalued for the purpose of determining the RNAV of the Group.

In respect of the intangible assets relating to the O&G Royalty, we understand that a revaluation would require approximately six weeks and therefore it would not be ready in time for the purpose of the Circular and this IFA Letter. As such, we have referred to the latest O&G Royalty Valuation as at 30 June 2020. We believe that this is reasonable for the purpose of our evaluation based on the following:

- (a) in connection with the financial audit for the financial year ended 30 June 2020, the Company has engaged an independent appraiser who had estimated the recoverable amount for the Bass Strait oil and gas royalty to be higher than its carrying amount and no impairment was required;
- (b) based on the unaudited consolidated statement of financial position of the Group as at 31 December 2020, the value of the intangible assets relating to the Bass Strait oil and gas royalty was not significant, accounting for less than 5.0% of the Group's total assets as at 31 December 2020;
- (c) Management has confirmed that there was no material deterioration in the market condition of the oil and gas industry which may necessitate an impairment in the value of the intangible assets; and
- (d) the average oil price during the period after the O&G Royalty Valuation and up to the Latest Practicable Date is within the range of the oil price assumptions adopted for the O&G Royalty Valuation.

In view of the market valuation of the Hotel Properties and Molokai Assets (collectively the “**Revalued Assets**”), we have assessed the RNAV of the Group by adjusting for the potential revaluation surpluses from the Revalued Assets. We have also considered potential tax liabilities arising from the revaluation surplus which may affect the RNAV, as provided by the Management, for the purpose of evaluating the Offer Price.

We set out below the summary of adjustments which are made to the unaudited NAV as at 31 December 2020 to determine the RNAV as at 31 December 2020.

Summary of RNAV Calculation	Unaudited as at 31 December 2020 (US\$'million)
NAV attributable to owners of the Company	939.8
Add: Revaluation surplus of the Hotel Properties	103.7
Less: Potential tax liabilities	(21.6)
Add: Revaluation surplus of Molokai Assets	29.4
Less: Potential tax liabilities	(20.6)
Net revaluation surplus on Revalued Assets	90.9
RNAV of the Group	1,030.7
RNAV per Share (US\$)⁽¹⁾	0.79
RNAV per Share (S\$)⁽²⁾	1.06
P/RNAV as implied by the Offer Price (times)	0.66
Discount to RNAV as implied by the Offer Price (%)	33.8

Notes:

- (1) Based on 1,299,768,633 Shares (after excluding 68,295,000 Shares held under a trust established by the Company for the GL Limited Executives' Share Scheme 2018), which is consistent with the approach taken by the Company in the computation of the net asset value per share for their financial result. Per Share value is rounded to the nearest two (2) decimal places.
- (2) Based on exchange rate of USD1.00:SGD1.3327 as at the Latest Practicable Date and rounded to the nearest two (2) decimal places.

We note that the RNAV is higher compared to the unaudited NAV of the Group as at 31 December 2020 as there is a net revaluation surplus on the Revalued Assets. The Offer Price represents a discount to RNAV of 33.8% compared to a discount to NAV of 26.8%.

We note that the valuation reports issued by the Independent Valuers included a statement on market valuation uncertainty in view the current COVID-19 situation which highlights that less certainty and a higher degree of caution should be attached to the valuation than would normally be the case.

The following is the statement of material valuation uncertainty extracted from Savills' valuation report on the Hotel Properties:

“Material valuation uncertainty

In respect of hotels, we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the subject portfolio will therefore be reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations 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 this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuation cannot be relied upon. Rather, 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.”

The following is the statement of material valuation uncertainty extracted from CBRE's valuation report on the Molokai Assets:

“COVID-19 WARNING STATEMENT – MARKET UNCERTAINTY CLAUSE

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this portfolio under frequent review. For the avoidance of doubt, the inclusion of ‘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.”

Shareholders should note that the analysis on RNAV provides an estimate of the value of the Group assuming a hypothetical sale of assets of the Group as at the Latest Practicable Date. However, such a hypothetical scenario is assumed to be made without considering factors such as, *inter alia*, time value of money, market conditions, professional fees, liquidation costs, contractual obligations, any other regulatory requirements and availability of potential buyers, which may in theory, affect the RNAV that can be realised.

As mentioned under Paragraph 8.2.1, we understand that the Group is exploring options to monetise these assets and has explored selling its entire interest in the entity which holds the Molokai Assets. In 2018, the Group marketed the Molokai Assets collectively for US\$250 million, while there have been preliminary inquiries from interested parties, as at the Latest Practicable date, none of the parties have sought to enter into serious discussions with the Group.

The Directors are of the view that it is not practicable to sell the properties comprised in the Molokai Assets individually as the process is likely to be protracted and would take longer and may entail higher transaction costs as compared to selling to a single purchaser. We note from the CBRE's valuation report that should the Company decide to dispose of the properties comprised in the Molokai Assets to a single purchaser, the concluded bulk value to the purchaser would likely be in the range of US\$50 million to US\$100 million (representing a discount of between 50% and 75% to the valuation of the Molokai Assets of US\$201 million, which is based on the sum of estimated market values of the individual parcels and groupings of the Molokai Assets).

Save for the above and as disclosed in the unaudited financial statements of the Group as at 31 December 2020, the announcements released by the Company on the SGXNET and the Circular, the Directors and the 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 have a material impact to the financial position of the Group since 31 December 2020;

- (b) save for the revaluation of the Hotel Properties, Molokai Assets and the O&G Royalty, there are no material differences between the realisable value of the Group's assets and their respective book values as at 31 December 2020 which would have a material impact on the unaudited NAV of the Group;
- (c) other than that already provided for or disclosed in the Group's financial statements as at 31 December 2020, 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;
- (d) there is no litigation, claim or proceeding pending or threatened against the Company or 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 Company and its subsidiaries taken as a whole;
- (e) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the IFRS 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; and
- (f) there are no material acquisitions and disposals of assets by the Group between 31 December 2020 and the Latest Practicable Date, and the Group does not have any plans for any 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.

8.3 Analysis of the Group's SOTP Value Per Share

Given that the Group is engaged in various distinct businesses, we consider it appropriate to value each of the Group's businesses separately to arrive at an aggregate valuation of the Group on a sum-of-the-parts basis. We have arrived at a range of valuation for the Group rather than a single specific value as this will provide a more objective and meaningful measure of the value of the Shares taking into account, *inter alia*, general market fluctuations and volatility.

We set out a summary of our SOTP valuation analysis of the Group.

	Lower valuation (US\$ million)	Upper valuation (US\$ million)	Valuation methodology
Hotel Business	1,126.8	1,126.8	RNAV of Group's Hotel Properties net of potential tax liability.
Oil and Gas Business	84.0	126.7	Based on the valuation range from the O&G Royalty Valuation and after applying a tax rate of 30%.
Property Development Business	50.0 ⁽¹⁾	180.4	RNAV of Molokai Assets net of potential tax liabilities.
Add: Cash	107.9	107.9	
Less: Loan and borrowings	(252.8)	(252.8)	
SOTP Valuation of the Group	1,115.9	1,289.0	
SOTP value per Share (US\$) ⁽²⁾	0.86	0.99	
SOTP value per Share (S\$) ⁽³⁾	1.14	1.32	
Offer Price (S\$)	0.70	0.70	
Implied discount of Offer Price to the SOTP value per Share (%)	38.6	47.0	

Notes:

- (1) This lower range of US\$50.0 million is based on the lower end of the concluded bulk value of the Molokai Assets of between US\$50.0 million to US\$100.0 million in the event of sale to a single purchaser as assessed by CBRE.
- (2) Computed based on 1,299,768,633 Shares (after excluding 68,295,000 Shares held under a trust established by the Company for the GL Limited Executives' Share Scheme 2018), which is consistent with the approach taken by the Company in the computation of the net asset value per share for their financial results. Per Share value is rounded to the nearest two (2) decimal places.
- (3) Based on exchange rate of USD1.00:SGD1.3327 as at the Latest Practicable Date. Per Share value is rounded to the nearest two (2) decimal places.

Based on the above analysis, we note that the Offer Price is below the range of estimated SOTP value per Share of S\$1.14 (lower valuation) to S\$1.32 (upper valuation).

We wish to highlight that the upper range of the valuation for the Property Development Business of US\$180.4 million (net of potential tax liabilities) used in our SOTP valuation analysis is the sum of the estimated market values of the individual parcels and groupings comprising the Molokai Assets. CBRE had also included a bulk portfolio value range of US\$50 million to US\$100 million to reflect the as is market value under the assumption of a bulk sale to a single purchaser. According to Management, the lower valuation of US\$50 million does not have any potential tax liabilities. For the purpose of this SOTP valuation analysis for illustration purpose, we have used the upper valuation of US\$180.4 million and a lower valuation of US\$50 for the Molokai Assets.

Shareholders should note that a discount may be applied on the SOTP valuation due to, *inter alia*, the ability of investors to achieve investment diversification more effectively and efficiently on their own in an efficient capital market by directly purchasing a portfolio of stocks of focused firms as compared to purchasing stocks of a holding company like the Company that invests in a range of diverse businesses. Such a discount can be attributable to the additional corporate expenses at the holding company as well as investors' potential lack of control over the underlying assets and their reduced marketability. As the quantification of the holding company discount is highly subjective, we have not applied any such discount in arriving at the SOTP valuation of the Group.

We have also not applied any control premium to the valuation of the various businesses within the Group which a purchaser may potentially be prepared to pay in the event of a sale of any such business by the Group as such control premium is subjective and depends on the purchaser's intentions with regards to the target business and the potential synergies that the purchaser can gain from acquiring the business.

Please refer to the following sections 8.3.1, 8.3.2 and 8.3.3 for details on our estimation of the value of the Hotel Business, the Oil and Gas Business and the Property Development Business.

8.3.1 Hotel Business

In connection with the Offer, the Company has commissioned Savills to conduct an independent valuation of the Group's hotels in its Hotels Business. Taking into account the valuation of the Hotel Properties, the valuation of the Hotel Business is set out below:

	(US\$'million)
NAV of the Hotel Business as at 31 December 2020	1,044.7
Gross revaluation surplus on revalued hotels	103.7
Less: Potential tax liabilities	(21.6)
RNAV net of potential tax liabilities	1,126.8

8.3.2 Oil and Gas Business

As set out in section 8.2.1 above, based on the independent valuation done on the O&G Royalty as at 30 June 2020, the valuation of the O&G Royalty Valuation is in the range of US\$120 million to US\$181 million. We understand from the Management that the valuation was done under a pre-tax scenario and the applicable tax rate is 30%. Therefore, the valuation we have ascribed to the Oil and Gas Business would be in the range of US\$84.0 million to US\$126.7 million after tax.

(US\$'million)	Lower valuation	Upper valuation
Pre-tax valuation of the O&G Royalty	120.0	181.0
Less: Tax at 30%	(36.0)	(54.3)
Valuation of the O&G Royalty post tax adjustments	84.0	126.7

8.3.3 Property Development Business

In connection with the Offer, the Company has commissioned CBRE to conduct an independent valuation of the Molokai Assets. Taking into account the valuation of the Molokai Assets, the valuation of the Property Development Business is set out below:

(US\$'million)	Lower valuation	Upper valuation
NAV of the Molokai Assets as at 31 December 2020	171.6	171.6
Gross revaluation (deficit) / surplus	(121.6)	29.4
Less: Potential tax liabilities	-	(20.6)
RNAV net of potential tax liabilities	50.0 ⁽¹⁾	180.4

Note:

(1) This lower range of US\$50.0 million is based on the lower end of the concluded bulk value of the Molokai Assets of between US\$50.0 million to US\$100.0 million in the event of sale to a single purchaser as assessed by CBRE.

8.4 Historical share price performance and trading liquidity

We have compared the Offer Price to the historical share price of the Shares for the 1-year period prior to the Offer Announcement Date and up to the Last Trading Day and for the period from the Offer Announcement Date up to the Latest Practicable Date.

We set out below a chart showing the closing prices of the Shares and the number of Shares traded on a daily basis during the period commencing from 15 January 2020 to 14 January 2021, being the Last Trading Day ("**Period Under Review**") and up to the Latest Practicable Date.



Source: Bloomberg L.P.

In addition to the share price / trading volume chart, we have tabulated below selected statistics on the share price and trading liquidity of the Shares for the Period Under Review and the period after the Offer Announcement Date up to the Latest Practicable Date:

Reference Period	VWAP (S\$) ⁽¹⁾	Premium/ (discount) of Offer Price to VWAP (%) ⁽²⁾	Highest closing price (S\$) ⁽¹⁾	Lowest closing price (S\$) ⁽¹⁾	Average daily trading volume ('000) ^{(2) (3)}	Average daily trading volume as a percentage of free float (%) ^{(1) (4)}
<u>Period up to and including the Last Trading Day</u>						
12-month	0.640	9.4	0.805	0.470	130.4	0.034
6-month	0.549	27.5	0.605	0.470	42.8	0.011
3-month	0.525	33.4	0.580	0.470	41.5	0.011
1-month	0.546	28.2	0.560	0.515	52.2	0.014
Last Trading Day	0.560 ⁽⁵⁾	25.0	0.560	0.560	56.6	0.015
<u>Periods after the Offer Announcement Date</u>						
Period between Offer Announcement Date and the Latest Practicable Date	0.704	(0.5)	0.725	0.700	3,641.8	0.961
Latest Practicable Date	0.710 ⁽⁶⁾	(1.4)	0.710	0.710	2,361.3	0.623

Source: Bloomberg L.P.

Notes:

- (1) Rounded to the nearest three (3) decimal places.
- (2) Rounded to the nearest one (1) decimal place.
- (3) The average daily trading volume of the Shares is calculated based on the total volume of Shares traded during the period divided by the number of market days during that period.
- (4) Based on the Company's annual report for FY2020, the number of Shares held in the hands of the public was approximately 379.1 million Shares being 27.7% of the issued shares of the Company.
- (5) Refers to the closing price of the Shares on the Last Trading Day.

(6) Refers to the closing price of the Shares on 8 February 2021, being the Latest Practicable Date.

Based on the above, we note the following:

- (a) The Offer Price is at a premium of approximately 9.4%, 27.5%, 33.4% and 28.2% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Offer Announcement Date respectively;
- (b) The Offer Price is at a premium of approximately 25.0% to the closing price of the Shares on the Last Trading Day;
- (c) The Offer Price at S\$0.70 is higher than the highest closing price of the Shares for the 1-month, 3-month and 6-month periods up to and including the Last Trading Day prior to the Offer Announcement Date, but lower than the highest closing price of the Shares for the 12-month period prior to and including the Last Trading Day;
- (d) During the period between the Offer Announcement Date and the Latest Practicable Date, the daily closing price of the Shares has been equal to or higher than the Offer Price. The Offer Price represents a discount of 0.5% to the VWAP of the Shares for the period between the Offer Announcement Date and the Latest Practicable Date; and
- (e) On the Latest Practicable Date, the closing price of the Shares was S\$0.710. The Offer Price represents a discount of 1.4% to the closing price of the Shares on the Latest Practicable Date.

We note the following with regard to the trading liquidity of the Shares:

- (a) Trading liquidity of the Shares during the 12-month period up to and including the Last Trading Day has been low with an average daily trading volume of between approximately 41,500 Shares and 130,400 Shares representing between 0.011% and 0.034% of the free float of the Company; and
- (b) Between the Offer Announcement Date and the Latest Practicable Date, trading liquidity of the Shares rose significantly to an average daily trading volume of approximately 3.6 million Shares, representing approximately 0.961% of the Company's free float, as compared to the average daily trading volume of approximately 130,400 Shares for the 12-month period up to and including the Last Trading Day.

Based on the above, it appears likely that the market price and the trading volume of the Shares have been supported by the Offer subsequent to the Offer Announcement Date. Shareholders should note that the Offer will not become or be capable of being declared unconditional until the Minimum Acceptance Condition is met or in the event that the Offeror reduces the Minimum Acceptance Condition to a level which is more than 50.0%. As such, 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 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.**

8.5 Valuation ratios of selected listed companies broadly comparable to the Group

Based on the annual report of the Company for FY2020 and our discussion with Management, we note that the Group operates in three main business segments, namely, (i) the Hotel Business; (ii) the Property Development Business; and (iii) the Oil and Gas Business.

For the purpose of our evaluation of the financial terms of the Offer, we have considered comparing the valuation ratios of the Group, such as P/E ratio, EV/EBITDA ratio and P/NAV ratio, to those of the Comparable Companies (as defined below). However, as the Group had incurred losses for FY2020 and HY2021, such comparison with Comparable Companies using the earnings-based approach (i.e. using the P/E ratio or EV/EBITDA ratio) is deemed not meaningful. As such, we have confined the comparison using the asset-based approach (i.e. using the P/NAV ratio).

In our selection of the Comparable Companies, we have made reference to companies in (i) the hotel management and operations business listed on the SGX-ST and the London Stock Exchange which we consider to be broadly comparable to the Hotel Business and Property Development Business of the Group (collectively, the “**Selected Hospitality Comparable Companies**”); and (ii) companies listed on the SGX-ST and the Australian Stock Exchange which are principally engaged in oil and gas production (“**Comparable Oil and Gas Companies**”).

We wish to highlight that the Selected Hospitality Comparable Companies and Comparable Oil and Gas Companies (the “**Comparable Companies**”) are not exhaustive and we recognise that there is no listed company or group which may be considered identical to the Group in terms of, *inter alia*, composition of business, business activities, size and scale of operations, risk profile, geographical spread of business, operating and financial leverage, accounting policies, track record, financial performance and future prospects, liquidity and market capitalisation. In addition, we wish to highlight that the list of Selected Hospitality Comparable Companies and Comparable Oil and Gas Companies is by no means exhaustive. As such, 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 should note that the prices at which shares trade 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.

8.5.1 Hotel Business and Property Development Business

(i) Selected Hospitality Comparable Companies

We set out below a brief summary of the Selected Hospitality Comparable Companies:

Company	Stock Exchange	Business Description (as extracted from Bloomberg)	Market Capitalisation as at the LPD (\$' million)
AF Global Ltd	Singapore	AF Global Limited operates as an investment holding company. The Company, through its subsidiaries, invests, develops, sells, and manages hotels and resorts.	76.0
Far East Orchard Ltd	Singapore	Far East Orchard Limited is a diversified real estate developer with a global portfolio in development and investment properties. The Company is also a vertically integrated regional hospitality owner and operator with a sizeable overseas network. Its portfolio includes purpose-built medical suites in Singapore and student	491.9

Company	Stock Exchange	Business Description (as extracted from Bloomberg)	Market Capitalisation as at the LPD (\$' million)
		accommodation properties in the United Kingdom.	
Fragrance Group Ltd	Singapore	Fragrance Group Limited, through its subsidiaries, conducts activities in property development and hotel operations. The Company develops and sells residential and commercial properties, including low to medium-rise private apartments and hotels. Fragrance Group also invests in and manages hotel properties targeted a cost-conscious business and leisure travelers.	751.7
Hotel Properties Ltd	Singapore	Hotel Properties Limited, through its subsidiaries, operates and manages hotels. The Company also operates restaurants and retails and distributes food and fashion merchandise. In addition, Hotel Properties trades shares, develops and invests in properties, hotels, and resorts.	1,615.0
KSH Holdings Ltd	Singapore	KSH Holdings Limited constructs, develops, and manages various properties in Singapore, Malaysia, and the People's Republic of China.	197.2
Oxley Holdings Ltd	Singapore	Oxley Holdings Ltd. develops real estate. The Company develops residential and commercial projects in accessible locations. Oxley also develops light industrial buildings that include swimming pools and other recreational amenities.	932.0
Sinarmas Land Ltd	Singapore	Sinarmas Land Ltd. invests in, develops and manages real estate. The Company owns commercial buildings, hotels and resorts in China, Indonesia, Malaysia and Singapore.	893.6
Stamford Land Corp Ltd	Singapore	Stamford Land Corporation Limited is an investment holding company. The Company owns and manages hotels and travel agencies. Stamford Land Corporation also develops and invests in properties.	266.2
UOL Group Ltd	Singapore	UOL Group Limited owns and operates as a real estate company. The Company has a diversified portfolio of development and investment properties, hotels, and serviced suites. UOL Group serves customers worldwide.	6,245.7
Heeton Holdings Ltd	Singapore	Heeton Holdings Limited develops and sells private residential properties. The Company also manages and invests in residential, retail, and commercial properties.	91.7
Amara Holdings Ltd	Singapore	Amara Holdings Limited operates as a holding company. The Company, through its subsidiaries, provides hotels, restaurants, properties, and food services. Amara Holdings serves customers in Singapore.	230.0
Banyan Tree Holdings Ltd	Singapore	Banyan Tree Holdings Limited operates as a holding company. The Company, through its subsidiaries, owns and manages hotel groups. The Company focuses on hotels, resorts, spas, galleries, golf courses, and residences, as well as provides investments, design, construction, and project management services. Banyan Tree Holdings serves customers worldwide.	222.9
Hotel Royal Ltd	Singapore	Hotel Royal Limited owns and operates the Hotel Royal in Singapore. The Company, through its subsidiaries, also manages and invests in properties in Malaysia and New Zealand.	275.2
Mandarin Oriental International Ltd	Singapore	Mandarin Oriental International Limited is an owner and operator of luxury hotels, resorts, and residences. The Group now operates, or has under development, hotels in the Americas, Europe, Middle East, and North Africa. Mandarin Oriental International also operates, or has under development, residences at Mandarin Oriental.	2,900.9
Hotel Grand Central Ltd	Singapore	Hotel Grand Central Limited owns, operates, and manages hotels. The Company also collects rent, develops properties, and provides marketing and support services.	755.6
Hiap Hoe Ltd	Singapore	Hiap Hoe Limited is an integrated property developer. The Company develops luxury and mid-tier residential properties. Hiap Hoe also seeks out civil engineering and construction contracts but its main focus is developing its own residential properties.	303.5
Roxy-Pacific Holdings Limited	Singapore	Roxy-Pacific Holdings Limited, through its subsidiaries, develops and sells residential properties. The Company also owns and invests in hotels.	456.4
Intercontinental Hotels Group	United Kingdom	InterContinental Hotels Group PLC owns and operates a portfolio of hotel businesses. The Group's portfolio is comprised primarily of various franchised hotels from an established and diverse group of brands. InterContinental	16,811.9

Company	Stock Exchange	Business Description (as extracted from Bloomberg)	Market Capitalisation as at the LPD (\$' million)
		Hotels manages hotel loyalty and priority club rewards programs. The Group operates hotels in countries and territories all over the world.	
PPHE Hotel Group	United Kingdom	PPHE Hotel Group Ltd owns and operates full-service upscale hotels throughout Europe and the Middle East. The Company owns, co-owns, leases, franchises, and manages full service upscale hotels in major gateway cities, and regional centers throughout Europe and the Middle East.	1,051.7
Whitbread PLC	United Kingdom	Whitbread PLC is a hotel and restaurant group. The Company operates businesses in budget hotels, restaurants, and coffee shops.	11,831.6
Dalata Hotel Group	United Kingdom	Dalata Hotel Group Public Limited Company owns and operates as a chain of hotels. The Company supports and develops hotels throughout Ireland and the United Kingdom.	1,216.7

Source: Bloomberg L.P.

The valuation ratios of the Selected Hospitality Comparable Companies as at the Latest Practicable Date are set out below:

Companies	Last Financial Year End	EV/TTM EBITDA (times)	TTM P/E (times)	P/NAV ^{(1) (2)} (times)	P/RNAV ⁽³⁾ (times)
AF Global Ltd	December	n.a. ⁽⁴⁾	n.a. ⁽⁴⁾	0.31	-
Far East Orchard Ltd	December	19.07	25.40	0.41	-
Fragrance Group Ltd	December	122.65 ⁽¹⁰⁾	10.59	0.61	-
Hotel Properties Ltd	December	36.30	n.a. ⁽⁴⁾	0.86	0.58 ⁽⁶⁾
KSH Holdings Ltd	December	59.22	304.30 ⁽¹⁰⁾	0.61	-
Oxley Holdings Ltd	June	39.58	n.a. ⁽⁴⁾	0.89	0.42 ⁽⁷⁾
Sinarmas Land Ltd	December	10.56	16.44	0.32	-
Stamford Land Corp Ltd	March	13.78	22.44	0.53	-
UOL Group Ltd	December	26.23	48.44	0.65	0.60 ⁽⁸⁾
Heeton Holdings Ltd	December	60.00	n.a. ⁽⁴⁾	0.22	-
Amara Holdings Ltd	December	12.31	11.41	0.59	0.29 ⁽⁹⁾
Banyan Tree Holdings Ltd	December	34.12	n.a. ⁽⁴⁾	0.35	-
Hotel Royal Ltd	December	31.75	n.a. ⁽⁴⁾	0.40	-
Mandarin Oriental International Ltd	December	n.a. ⁽⁴⁾	n.a. ⁽⁴⁾	0.59	-
Hotel Grand Central Ltd	December	14.09	37.84	0.56	-
Hiap Hoe Ltd	December	34.68	n.a. ⁽⁴⁾	0.41	-
Roxy-Pacific Holdings Limited	December	22.53	19.36	0.90	-
InterContinental Hotels Group PLC	December	36.27	n.a. ⁽⁴⁾	n.a. ⁽⁵⁾	-
PPHE Hotel Group Ltd	December	15.96	n.a. ⁽⁴⁾	1.57	-
Whitbread PLC	February	45.74	n.a. ⁽⁴⁾	1.59	-
Dalata Hotel Group PLC	December	28.50	n.a. ⁽⁴⁾	0.86	-
High		60.00	48.44	1.59	0.60
Low		10.56	10.59	0.22	0.29
Mean		30.04	23.99	0.66	0.47
Median		30.13	20.90	0.59	0.50

Source: Bloomberg L.P., annual reports and/or financial results announcements of the respective Selected Hospitality Comparable Companies and W Capital Markets's computations

Notes:

- (1) Based on the closing price as at the Latest Practicable Date.
- (2) Based on the NAV as set out in the latest available published financial statements of the Selected Hospitality Comparable Companies as at the Latest Practicable Date.
- (3) Based on the information in the respective analyst reports.
- (4) Not applicable as the company has recorded negative TTM EBITDA and/or TTM net profit.
- (5) Not applicable as the company is in net liabilities position.
- (6) Based on the RNAV of S\$5.32 per share in the FPA Financial Corporation Pte Ltd analyst report on Hotel Properties Limited dated 22 December 2020.
- (7) Based on the average RNAV of (i) S\$0.54 per share in RHB Investment Bank Berhad analyst report dated 29 September 2020 and (ii) S\$0.52 per share in UOB Kay Hian Private Limited analyst report dated 1 September 2020.
- (8) Based on the average RNAV of (i) S\$12.66 per share in CGS-CIMB analyst report dated 11 November 2020 (ii) S\$12.00 per share in DBS analyst report dated 6 August 2020 and (iii) S\$12.11 per share in OCBC Investment Research analyst report dated 12 November 2020.
- (9) Based on the RNAV of S\$1.39 per share in RHB Investment Berhad analyst report dated 4 March 2020.
- (10) Excluded as statistical outliers.

8.5.2 Comparable Oil and Gas Companies

We set out below a brief summary of the Comparable Oil and Gas Companies:

Company	Stock Exchange	Business Description (as extracted from Bloomberg)	Market Capitalisation as at the LPD (S\$' million)
Rex International Holding Ltd	Singapore	Rex International Holding Limited is a production and exploration oil company with concessions in Norway and Oman.	211.0
Sinostar PEC Holdings Ltd	Singapore	Sinostar Pec Holdings Ltd. produces liquefied petroleum gas, propylene, and polypropylene.	94.1
Interra Resources Ltd	Singapore	Interra Resources Limited's principal activities are mainly the exploration and extraction of petroleum in Myanmar. The company owns the rights to operate two oil fields in Myanmar.	26.9
CWX Global Ltd	Singapore	CWX Global Limited operates as an independent oil and gas exploration and production company. The Company focuses on exploration activities in the Asia-Pacific region.	17.4
Cue Energy Resources Ltd	Australia	Cue Energy Resources Limited is a petroleum and gas exploration, development and production company with operations primarily in New Zealand and Indonesia. The Company operates through various joint ventures.	54.5
Bass Oil Ltd	Australia	Bass Oil Limited operates as a petroleum producer. The Company focuses on the acquisition, exploration, and production of oil and gas properties. Bass Oil acquires oil and gas properties in southeast Asia.	6.9
Senex Energy Limited	Australia	Senex Energy Limited explores for and acquires crude oil and natural gas. The Company is focused on Oil in the Cooper Basin, Unconventional gas in the Cooper Basin, and Coal seam gas in the Surat Basin.	526.3
Karoon Energy Ltd	Australia	Karoon Energy Ltd operates as an exploration company. The Company explores and acquires oil and gas exploration assets. Karoon Energy serves customers worldwide.	619.8
Calima Energy Limited	Australia	Calima Energy Limited operates as an oil and gas company. The Company explores and produces petroleum products. Calima Energy invests in oil and gas projects internationally.	22.7

Source: Bloomberg L.P.

The valuation ratios of the Comparable Oil and Gas Companies as at the Latest Practicable Date are set out below:

Comparable Oil and Gas Companies	Last Financial Year End	EV/TTM EBITDA (times)	TTM P/E (times)	P/NAV ^{(1) (2)} (times)
Rex International Holding Ltd	December	n.a. ⁽³⁾	n.a. ⁽³⁾	1.34
Sinostar PEC Holdings Ltd	December	3.23	3.22	0.50
Interra Resources Ltd	December	6.18	87.58	0.72
CWX Global Ltd	June	n.a. ⁽³⁾	n.a. ⁽³⁾	0.70
Cue Energy Resources Ltd	June	2.98	16.92	1.25
Bass Oil Ltd	December	7.47	41.01	3.11
Senex Energy Limited	June	10.59	n.a. ⁽³⁾	1.65
Karoon Energy Ltd	June	n.a. ⁽³⁾	n.a. ⁽³⁾	1.15
Calima Energy Limited	December	n.a. ⁽³⁾	n.a. ⁽³⁾	0.34
High		10.59	87.58	3.11
Low		2.98	3.22	0.34
Mean		6.09	37.18	1.20
Median		6.18	28.96	1.15

Source: Bloomberg L.P., annual reports and/or financial results announcements of the respective Comparable Oil and Gas Companies and W Capital Markets's computations

Notes:

- (1) Based on the closing price as at the Latest Practicable Date.
- (2) Based on the closing price as at the Latest Practicable Date and NAV value as set out in the latest available financial statements of the Comparable Oil and Gas Companies as at the Latest Practicable Date.
- (3) Not applicable as the respective company has recorded negative TTM EBITDA and/or TTM net profit.

8.5.3 Weighted average valuation of the Comparable Companies

Based on the latest unaudited consolidated statement of financial position of the Group as at 31 December 2020, the NAV of the Hotel Business, Oil and Gas Business, Property Development Business is US\$634.2 million, US\$64.6 million and US\$167.9 million respectively. The Company also has an "Others" segment which covers the Group's other investments, treasury operations and corporate office, with a NAV of US\$70.4 million.

We note that the TTM EBITDA (trailing twelve-month EBITDA) and TTM net profit (trailing twelve-month net profit) for the Hotel Business and Property Development Business were both negative. Hence, it would not be meaningful to do a comparison of the EV/TTM EBITDA and TTM P/E with those of the Comparable Companies.

With regards to the Selected Hospitality Comparable Companies, we note that many of these Selected Hospitality Comparable Companies also carry out property development. We also note that the Property Development Business and other businesses of the Group is a relatively small business segment of the Group. As such, we have included the Property Development Business, the Hotel Business and other business under one segment for the purpose of comparing the P/NAV ratio of the Group to the P/NAV ratio of the Comparable Companies. The P/NAV ratio of the Comparable Companies is weighted based on the NAV attributed to the various business segments of the Group.

We set out below the percentage contribution and allocation of the NAV of the Hotel Business, Property Development Business and Others, and the Oil and Gas Business of the Group.

Business segments of the Group	NAV as at 31 Dec 2020
	(%)
Hotel Business, Property Development Business and Others	93.1%
Oil and Gas Business	6.9%

Accordingly, we have weighted the P/NAV ratio of the Comparable Companies based on the above proportion, and compared them against the P/NAV of Group:

Weighted average valuation ratio	P/NAV (times)
Max	1.70
Min	0.23
Mean	0.70
Median	0.63
Company (implied by the Offer Price)	0.73

Based on the above, we note that the P/NAV of the Group as implied by the Offer Price of 0.73 times is within the range of the weighted average P/NAV of the Comparable Companies of between 0.23 times to 1.70 times, and above the mean and median weighted average P/NAV of the Comparable Companies of 0.70 times and 0.63 times respectively.

8.6 Comparison with precedent privatisation transactions involving selected companies whose businesses are broadly comparable to the Group

We have reviewed successfully completed transactions announced on SGX-ST from 2013 to the Latest Practicable Date involving the privatisation of companies with principal business of hotel management and operations and for which information is publicly available (“**Precedent Hotel Transactions**”). This analysis serves as an indication of the premium or discount of the respective offers without regard to their specific transaction rationale, offerors’ intention or other considerations.

In making the comparison herein, we wish to highlight that the companies in the Precedent Hotel Transactions are not exhaustive and there is no listed company or group which may be considered identical to the Group in terms of, *inter alia*, composition of business, business activities, size and scale of operations, risk profile, geographical spread of business, operating and financial leverage, accounting policies, track record, financial performance and future prospects, liquidity and market capitalisation. Likewise, they involve shares of companies which are quoted, listed and tradeable on the stock exchange. As the Company has, *inter-alia*, more than one segment of business and percentage of its revenue or earnings or EBITDA or assets deployed for its various business segments may differ from the companies whose transactions are reflected in the Precedent Hotel Transactions, the relative weightage as accorded by us may differ from that as assigned by investors or Shareholders, for the valuation of each of the different business segments. Further, we note that there were no recent transactions in the Precedent Hotel Transactions and the two transactions occurred in 2013 and 2014. This may limit the comparability of the transactions to the Offer due to difference in, *inter alia*, general economic condition and market condition. Accordingly, the analysis will be purely for illustrative purpose only.

We also wish to highlight that other than the criteria mentioned above, the premium or discount that an offeror pays in any particular take-over varies in different specific circumstances depending on, *inter alia*, factors such as the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target’s business and assets, the possibility of a significant revaluation of the assets to be acquired, existence of intangibles and branding or “internal goodwill or intangible assets”, the availability of substantial cash reserves, the liquidity in the trading of

the target company's shares, the presence of competing bids for the target company and the existing and desired level of control in the target company.

Details of the Precedent Hotel Transactions are set out below:

Announcement date	Target	Valuation Metrics of Precedent Hotel Transactions			
		Implied P/E (times)	Implied EV/EBITDA (times)	Implied P/NAV (times)	Implied P/RNAV (times)
10-May-13	Pan Pacific Hotels Group	17.60	15.50	1.62	0.95
13-Mar-14	Global Premium Hotels Limited	17.90	n.a. ⁽¹⁾	0.52	0.52
Mean		17.75	Not meaningful	1.07	0.74
15-Jan-21	Company (as implied by the Offer Price)	n.a.⁽²⁾	9.19⁽³⁾	0.73⁽⁴⁾	0.66

Source: Circulars in relation to the Precedent Hotel Transactions

Notes:

- (1) Information is not available in the circular.
- (2) Not applicable as the Company has recorded a net loss after tax for FY2020.
- (3) Based on the EBITDA of the Company for FY2020.
- (4) Based on exchange rate of USD1.00:SGD1.3221 as at 31 December 2020.

Announcement date	Target	Premium/(Discount) implied by the respective offer price				
		Last trading day (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)
10-May-13	Pan Pacific Hotels Group	9.0	8.2	6.1	8.1	17.9
10-Apr-14	Global Premium Hotels Limited	13.4	16.7	21.4	24.1	25.5
Mean		11.2	12.5	13.8	16.1	21.7
15-Jan-21	Company (as implied by the Offer Price)	25.0	28.2	33.4	27.5	9.4

Source: Circulars in relation to the Precedent Hotel Transactions.

We note the following:

- (a) The EV/EBITDA as implied by the Offer Price of 9.19 times is below the EV/EBITDA of 15.50 times of the Precedent Hotel Transactions;
- (b) The P/NAV as implied by the Offer Price of 0.73 times is within the range of P/NAV of the Precedent Hotel Transactions of between 0.52 times and 1.62 times but is below the mean P/NAV ratio of the Precedent Hotel Transactions of 1.07 times;
- (c) The P/RNAV as implied by the Offer Price of 0.66 times is within the range of P/RNAV of the Precedent Hotel Transactions of between 0.52 times and 0.95 times but is below the mean P/RNAV of the Precedent Hotel Transactions of 0.74 times;
- (d) The premium as implied by the Offer Price of 25.0%, 28.2%, 33.4% and 27.5% over the VWAP of the Last Trading Day, the 1-month period, 3-month period and 6-month

period prior to Offer Announcement Date is higher than the range of premia implied by the offer price for the Precedent Hotel Transactions; and

- (e) The premium as implied by the Offer Price of 9.4% over the VWAP of the 12-month period prior to Offer Announcement Date is lower than the range of premia implied by the offer price for the Precedent Hotel Transactions.

8.7 Precedent Privatisation Transactions in Singapore

In assessing the reasonableness of the Offer Price, we have also compared the valuation multiples implied by the Offer Price with those of selected recent privatisation transactions undertaken by SGX-ST listed companies.

For our analysis, we have compared the financial terms of the Offer against recently completed privatisation transactions carried out either by general takeover offer, voluntary (“VGO”) or mandatory (“MGO”) or by way of voluntary delistings (“VD”) (collectively, the “**Precedent Privatisation Transactions**”) as announced since January 2019 and completed as at the Latest Practicable Date.

In making the comparison herein, we wish to highlight that the companies in the Precedent Privatisation Transactions are not exhaustive and there is no listed company or group which may be considered identical to the Group in terms of, *inter alia*, composition of business, business activities, size and scale of operations, risk profile, geographical spread of business, operating and financial leverage, accounting policies, track record, financial performance and future prospects, liquidity and market capitalisation. Likewise, they involve shares of companies which are quoted, listed and tradeable on the stock exchange. As the Company has, *inter-alia*, more than one segment of business and percentage of its revenue or earnings or EBITDA or assets deployed for its various business segments may differ from the companies whose transactions are reflected in the Precedent Privatisation Transactions, the relative weightage as accorded by us may differ from that as assigned by investors or Shareholders, for the valuation of each of the different business segments. Accordingly, the analysis will be limited and purely for illustrative purpose only.

We wish to highlight that other than the criteria mentioned above, the premium or discount that an offeror pays in any particular take-over varies in different specific circumstances depending on, *inter alia*, factors such as the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target’s business and assets, the possibility of a significant revaluation of the assets to be acquired, existence of intangibles and branding or “internal goodwill or intangible assets”, the availability of substantial cash reserves, the liquidity in the trading of the target company’s shares, the presence of competing bids for the target company and the existing and desired level of control in the target company.

The premium or discount of offer price and the valuation multiples of the Precedent Privatisation Transactions are set out below.

Date of announcement	Target	Type	Premium/(Discount) of Offer Price over/to ⁽¹⁾					Offer price to NAV/NTA ⁽²⁾ (times)
			Last transacted price (%)	1-month VWAP (%)	3-month VWAP (%)	6-month VWAP (%)	12-month VWAP (%)	
7-Jan-19	Declout Limited	VGO	62.5	66.7	66.7	58.5	51.2	1.28 ⁽³⁾
18-Jan-19	Courts Asia Limited	VGO	34.9	35.8	34.0	23.5	(16.7)	0.56 ⁽⁴⁾
4-Apr-19	Kingboard Copper Foil Holdings Limited	VGO	9.1	16.1	25.3	27.4	32.5	0.88 ⁽⁵⁾
6-May-19	800 Super Holdings Limited	VGO	16.1	30.8	31.2	25.3	17.6	2.06 ⁽⁶⁾
14-May-19	Memtech International Ltd	VGO	23.9	31.5	31.6	35.6	30.2	1.09 ⁽⁷⁾
15-May-19	Boardroom Limited	VGO	14.3	18.9	16.1	17.6	16.9	2.02 ⁽⁸⁾
28-Jun-19	Hupsteel Limited	VGO	51.9	58.3	58.6	58.6	54.3	0.58 ⁽⁹⁾
29-Jul-19	Delong Holdings Limited ⁽¹⁰⁾	VGO	1.9	8.0	17.9	37.2	76.9	0.60 ⁽¹¹⁾
5-Aug-19	Star Pharmaceutical Limited	MGO	157.1	160.1	176.1	186.6	192.2	0.67 ⁽¹²⁾
20-Aug-19	PS Group Holdings Ltd	VGO	195.0	266.7	267.5	267.5	59.7	0.62 ⁽¹³⁾
27-Aug-19	Avic International Maritime Holdings Limited	VGO	37.6	66.7	65.6	65.9	64.3	1.20 ⁽¹⁴⁾
5-Sep-19	San Teh Ltd	VGO	81.8	90.5	83.0	84.2	72.8	0.40 ⁽¹⁵⁾
25-Oct-19	Raffles United Holdings Ltd ⁽¹⁶⁾	VGO	(1.5)	0.0	10.0	15.9	9.1	0.28 ⁽¹⁷⁾
25-Oct-19	United Engineers Limited ⁽¹⁸⁾	MGO	1.5 ⁽¹⁹⁾	5.3	4.5	5.7	7.5	0.82 ⁽²⁰⁾
4-Nov-19	PACC Offshore Services Holdings Ltd	VGO	69.3	99.4	93.0	70.2	37.1	0.96 ⁽²¹⁾
6-Nov-19	Citic Envirotech Ltd	VD	48.6	61.6	68.5	65.5	39.6	1.15 ⁽²²⁾
24-Feb-20	BreadTalk Group Limited	VGO	19.4	30.1	24.0	25.0	20.5	2.81 ⁽²³⁾
3-Apr-20	Elec & Eltek International Company Limited	VGO	93.0	61.3	43.8	48.4	55.1	1.00 ⁽²⁴⁾
1-Jun-20	Dynamic Colours Limited	VGO	13.6	22.8	29.1	26.8	32.2	0.95 ⁽²⁵⁾
12-Jun-20	Perennial Real Estate Holdings Limited	VGO	37.7	46.4	70.1	71.4	70.4	0.58 ⁽²⁶⁾
30-Jun-20	Luzhou Bio-Chem Technology Limited	VGO	100.0	87.5	130.8	150.0	150.0	n.a. ⁽²⁷⁾
12-Aug-20	Teckwah Industrial Corporation Limited	VGO	17.8	23.1	25.0	32.4	38.3	0.80 ⁽²⁸⁾
20-Aug-20	China Jishan Holdings Limited	VGO	84.2	101.3	106.4	116.7	83.0	0.78 ⁽²⁹⁾
2-Sep-20	SK Jewellery Group Limited	VGO	70.5	90.2	94.8	93.7	81.2	1.31 ⁽³⁰⁾
16-Sep-20	LCT Holdings Limited	VGO	39.5	60.8	61.7	61.5	25.4	0.91 ⁽³¹⁾
High			195.0	266.7	267.5	267.5	192.2	2.81
Low			(1.5)	0.0	4.5	5.7	(16.7)	0.28
Mean			51.2	61.6	65.4	66.8	52.0	1.01
Median			37.7	58.3	58.6	58.5	39.6	0.90
15-Jan-21	Company (as implied by the Offer Price)	VGO	25.0	28.2	33.4	27.5	9.4	0.73⁽³²⁾

Source: Bloomberg L.P. and circulars in relation to the Precedent Privatisation Transactions

Notes:

- (1) Market premia/(discounts) calculated relative to the last transaction prices and the 1-month, 3-month, 6-month and 12-month VWAPs of the respective target companies prior to the respective announcements.
- (2) Based on the P/NTA or P/NAV per share (as the case may be), as published in the respective circulars in relation to the Precedent Privatisation Transactions.
- (3) Based on the proforma NTA per share of Declout Limited as at 30 September 2018.
- (4) Based on the proforma NAV per share of Courts Asia Limited as at 15 January 2019.
- (5) Based on the revalued NAV per share of Kingboard Copper Foil Holdings Limited as at 31 December 2018.
- (6) Based on the revalued NAV per share of 800 Super Holdings Limited as at 31 March 2019.
- (7) Based on the NAV per share of Memtech International Ltd as at 31 March 2019.
- (8) Based on the adjusted NAV per share of Boardroom Limited as at 31 March 2019.
- (9) Based on the revalued NAV/NTA per share of Hupsteel Limited as at 31 March 2019.
- (10) On 29 July 2019, a voluntary conditional cash offer was made for the issued shares of Delong Holdings Limited (the "**Delong Final Offer**"). Prior to the Delong Final Offer, a voluntary conditional cash offer for the issued shares of Delong Holdings Limited was previously made on 27 September 2018 and the offer was subsequently withdrawn in accordance with Rule 4 of the Code as announced on 11 October 2018. The market premia in the table above was computed based on the share prices for the period(s) up to and including 26 September 2018, being the last undisturbed trading date.
- (11) Based on the NAV per share of Delong Holdings Limited as at 30 June 2019.
- (12) Based on the revalued NAV per share of Star Pharmaceutical Limited as at 30 June 2019.
- (13) Based on the revalued NAV per share of PS Group Holdings Ltd as at 30 June 2019.
- (14) Based on the NAV per share of Avic International Maritime Holdings Limited as at 30 September 2019.
- (15) Based on the revalued NAV per share of San Teh Ltd as at 30 June 2019.
- (16) On 25 October 2019, GATXH Holdings Pte. Ltd. made a voluntary unconditional general offer for the issued shares of Raffles United Holdings Ltd. (the "**Raffles United Final Offer**"). Prior to the Raffles United Final Offer, Raffles Infinity Holdings Pte Ltd had on 1 July 2019 made a mandatory unconditional cash offer for the issued shares of Raffles United Holdings Ltd., and the shares were subsequently suspended from trading on 14 August 2019 as a result of the loss of free float following the offer. The market premium/(discount) in the table above were computed based on the share prices for the period(s) prior to the suspension of trading of the shares on 14 August 2019 following the loss of free float.
- (17) Based on the NAV per share of Raffles United Holdings Ltd as at 30 June 2019.
- (18) On 25 October 2019, a mandatory unconditional cash offer was made for the issued shares of United Engineers Limited ("**UEL**") at an offer price of S\$2.60 in cash. It was also the intention of the offeror to maintain the listing status of UEL on the SGX-ST. On 12 November 2019, it was announced that the offer price was revised from S\$2.60 to S\$2.70 per share. On 16 December 2019, it was announced that, *inter alia*, the offeror did not intend to preserve the listing status of UEL if the public float is less than 10% of its issued shares.
- (19) The market premium is based on the closing price on 22 October 2019 as published in the circular of the company.
- (20) Based on the revalued NTA per share of United Engineers Limited as at 30 September 2019.
- (21) Based on the revalued NAV per share of PACC Offshore Services Holdings Ltd as at 30 September 2019.
- (22) Based on the NAV per share of Citic Envirotech Ltd as at 30 September 2019.
- (23) Based on the adjusted NAV per share of BreadTalk Group Limited as at 31 December 2019.
- (24) Based on the adjusted revalued NAV per share of Elec and Eltek International Company Limited as at 31 December 2019.
- (25) Based on the adjusted NAV per share of Dynamic Colours Limited as at 31 December 2019.
- (26) Based on the revalued NAV per share of Perennial Real Estate Holdings Limited as at 31 December 2019.
- (27) Denotes "not meaningful" as Luzhou Bio-Chem Technology Limited recorded net liabilities and net revalued liabilities as at 31 December 2019.

- (28) Based on the revalued NAV per share of Teckwah Industrial Corporation Limited as at 30 June 2020.
- (29) Based on the revalued NAV per share of China Jishan Holdings Limited as at 30 June 2020.
- (30) Based on the NAV per share of SK Jewellery Group Limited as at 30 June 2020.
- (31) Based on the adjusted NAV per share of LCT Holdings Limited as at 30 June 2020.
- (32) Based on the NAV per share of the Company as at 31 December 2020 converted at the exchange rate of USD1.00: SGD1.3221 as at 31 December 2020.

Based on the above, we note the following:

- (a) The premium of 25.0% implied by the Offer Price over the VWAP of the Shares for the Last Trading Day is within the range of the premium / (discount) for the Precedent Privatisation Transactions of between (1.5)% and 195.0%, but below the mean and median premia of 51.2% and 37.7% respectively;
- (b) The premium of 28.2% implied by the Offer Price over the VWAP of the Shares for the 1-month period prior to the Offer Announcement Date is within the range of the premium for the Precedent Privatisation Transactions of between nil and 266.7%, but below and mean and median premia of 61.6% and 58.3% respectively.
- (c) The premium of 33.4% implied by the Offer Price over the VWAP of the Shares for the 3-month period prior to the Offer Announcement Date is within the range of the premium for the Precedent Privatisation Transactions of between 4.5% and 267.5%, but below and mean and median premia of 65.4% and 58.6% respectively;
- (d) The premium of 27.5% implied by the Offer Price over the VWAP of the Shares for the 6-month period prior to the Offer Announcement Date is within the range of the premium for the Precedent Privatisation Transactions of between 5.7% and 267.5%, but below and mean and median premia of 66.8% and 58.5% respectively;
- (e) The premium of 9.4% implied by the Offer Price over the VWAP of the Share for the 12-month period prior to the Offer Announcement Date is within the range of the premium / (discount) for the Precedent Privatisation Transactions of between (16.7)% and 192.2%, but below and mean and median premia of 52.0% and 39.6% respectively;
- (f) The P/NAV as implied by the Offer Price of 0.73 times is within the range of the P/NAV of the Precedent Privatisation Transactions of 0.28 times and 2.81 times, but lower than the mean and median P/NAV of the Precedent Privatisation Transactions of 1.01 times and 0.90 times respectively.

8.8 Other Relevant Considerations

8.8.1 Outlook of the Group

The Company had, in its latest six months ended 31 December 2020 results announcement dated 13 January 2021 disclosed that the Group expects the business operating environment to remain challenging and uncertain.

The COVID-19 pandemic continues to significantly curtail business activity in London and depress demand for hotel rooms. Starting January 2021, the UK government has imposed another lockdown with tiered restrictions as a new COVID-19 variant caused a record number of cases, which led to most of the Group's hotels being closed again.

8.8.2 Likelihood of competing offers is remote

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party.

We note that as at the date of the Offer Document, a concert party of the Offeror, GuocoLeisure Assets Limited, owns 73.67% of the Shares of the Company and has irrevocably undertaken to accept the Offer. It is therefore highly unlikely that there will be a competing offer from any third party.

8.8.3 Listing status and Compulsory Acquisition

Under Rule 1105 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings of the Shares owned by the Offeror and its Concert Parties to above 90 per cent. 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 per cent. of the total number of Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public. Rule 1303(1) of the Listing Manual provides that where the Offeror succeeds in garnering acceptances exceeding 90 per cent. 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 per cent., the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Shareholders are advised to note that Rule 723 of the Listing Manual requires the Company to ensure that at least 10 per cent. of the total number of Shares (excluding preference shares, convertible equity securities and 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 per cent., the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend trading of all the listed 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 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

In the event acceptances of the Offer result in the Free Float Requirement not being met and/or trading of Shares on the SGX-ST is suspended pursuant to Rules 724, 1105 or 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. In such event, the Offeror intends to delist the Company from the Official List of the SGX-ST.

8.8.4 Offeror’s Intentions for the Group

The Offeror intends for the Company to continue with its existing activities and has no intention to, in connection with or as a result of the Offer, (a) introduce any major changes to the existing business of the Company, (b) re-deploy the fixed assets of the Company, or (c) discontinue the employment of the existing employees of the Company or its subsidiaries, in each case, other than in the ordinary course of business. However, the directors of the Offeror retain the flexibility at any time to further consider any options or opportunities in relation to the Company and its subsidiaries which may present themselves, and which it regards to be in the interest of the Offeror.

8.8.5 Other recent developments regarding the Group

The Company announced on 6 January 2021 that its wholly-owned subsidiary, GLH Hotels Limited has received a net amount of GBP14.5 million (equivalent to approximately US\$19.2 million) being an interim payment in relation to an insurance claim for business interruption due to COVID-19 restrictions. In this regard, we note that the receipt of the interim payment is expected to have a material impact on the Group's earnings per Share for the financial year ending 30 June 2021 ("FY2021"), but it is not expected to have a material impact on the Group's net tangible assets per Share for FY2021.

8.8.6 Issues relating to the RNAV approach to valuing property assets

The RNAV valuation is based largely upon the surplus revaluation estimates which were obtained by application of 'as is' valuation estimates. This approach implicitly assumes that the properties, including those currently under development, may be disposed of by the Company at a price determined by the independent valuations, on a willing buyer and a willing seller basis in an arms-length transaction with a third party. It should be noted that such valuations do not account for potential transaction costs associated with a disposal of the property assets, nor does it consider the associated time, effort, marketability, buyer demand and uncertainty relating to such property sale.

9. OUR RECOMMENDATION TO THE INDEPENDENT DIRECTORS

In arriving at our recommendation in respect of the Offer to the Independent Directors, we have taken into account a range of factors which we consider, based on available information as at the Latest Practicable Date, to be pertinent and have significant bearing on our assessment of the Offer. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

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

- (a) The Offer Price to NAV per Share and the discount of the Offer Price to NAV per Share as at 31 December 2020 are 0.73 times and 26.8% respectively;
- (b) The Offer Price to RNAV per Share and the discount of the Offer Price to RNAV per Share as at 31 December 2020 are 0.66 times and 33.8% respectively;
- (c) The discount of the Offer Price to the SOTP Value per Share as at 31 December 2020 is in the range of 38.6% to 47.0%; and
- (d) The Offer Price is at a discount of 1.4% and 0.5% to the closing price of the Shares as at the Latest Practicable Date of S\$0.710 and the VWAP of the Shares for the period between the Offer Announcement Date and the Latest Practicable Date of S\$0.704 respectively.

In view of the above, we are of the opinion that the Offer is **NOT FAIR**.

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

- (a) The Group recorded a net loss for FY2020 of US\$26.7 million and a net loss for the 6 months ended 31 December 2020 of US\$19.8 million. Net cash used in operating activities in HY2021 was US\$7.2 million;
- (b) While the Offer Price represents a discount of 26.8% to the NAV per Share as at 31 December 2020, the discount is within the range of discounts and lower than the

average discounts to NAV at which the Shares had traded at over the 2-year period up to and including the Last Trading Day of 34.9%;

- (c) The Offer Price is at a premium of approximately 25.0% to the closing price of the Shares on the Last Trading Day;
- (d) The Offer Price is at a premium of approximately 28.2%, 33.4%, 27.5% and 9.4% to the VWAP of the Shares for the 1-month, 3-month, 6-month and 12-month periods prior to the Last Trading Day respectively;
- (e) The Shares are thinly traded during the Relevant Period prior to the Offer Announcement Date. Trading liquidity of the Shares during the 12-month period up to and including the Last Trading Day has been low with an average daily trading volume of between approximately 41,500 Shares and 130,400 Shares representing between 0.011% and 0.034% of the free float of the Company;
- (f) The P/RNAV as implied by the Offer Price of 0.66 times is above the range of the P/RNAV of the Selected Hospitality Comparable Companies of 0.29 times to 0.60 times;
- (g) The P/NAV as implied by the Offer Price of 0.73 times is within the range of the weighted average P/NAV of the Comparable Companies of between 0.23 times to 1.70 times, and above the mean and median weighted average P/NAV of the Comparable Companies of 0.70 times and 0.63 times respectively;
- (h) The P/RNAV as implied by the Offer Price of 0.66 times is within the range of P/RNAV of the Precedent Hotel Transactions of 0.52 times to 0.95 times. The P/NAV as implied by the Offer Price of 0.73 times is within the range of the P/NAV of the Precedent Hotel Transactions of 0.52 times to 1.62 times;
- (i) The P/NAV as implied by the Offer Price of 0.73 times is within the range of the P/NAV of the Precedent Privatisation Transactions of 0.28 times to 2.81 times;
- (j) The premium of the Offer Price to the VWAP of the Shares for the Last Trading Day, 1-month, 3-month, 6-month, 12-month is within the range of the premia for the Precedent Privatisation Transactions although it is below the mean and the median premia for the Precedent Privatisation Transactions for the respective periods;
- (k) The Company had, in its latest results announcement dated 13 January 2021 disclosed that the Group expects the UK hotels to continue to face a difficult operating environment into year 2021 due to renewed lockdown with tiered restrictions being imposed by the UK government starting January 2021 as a result of a record number of COVID-19 cases due to a new COVID-19 variant; and
- (l) As at the date of the Offer Document, a concert party of the Offeror, GuocoLeisure Assets Limited, owns 73.67% of the Shares of the Company and has irrevocably undertaken to accept the Offer. It is therefore highly unlikely that there will be a competing offer from any third party.

In view of the above, we are of the opinion that the Offer is **REASONABLE**.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date and subject to the qualifications made herein, we are of the opinion that the financial terms of the Offer are NOT FAIR BUT REASONABLE. On balance of the above factors, we advise the Independent Directors to recommend that Shareholders ACCEPT the Offer, unless Shareholders are able to obtain a price higher than the Offer Price on the open

market, after taking into account the brokerage and related costs in connection with open market transactions.

Our opinion is addressed to the Independent Directors for their benefit and for the purpose of their consideration of the Offer. The recommendation made by the Independent Directors to the Shareholders in relation to the Offer shall remain the responsibility of the Independent Directors.

In rendering our opinion and providing our recommendation, we did not have regard to the specific objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder and we neither assume any responsibility for, nor hold ourselves as advisers to any person other than the Independent Directors. 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 portfolio or objectives should consult his/her stock broker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately and not to rely upon our opinion as the sole basis for deciding whether or not to accept the Offer.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Independent Directors, nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purpose of the Offer.

This IFA Letter 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
W Capital Markets Pte. Ltd.

Chia Beng Kwan
Partner
Head of Corporate Finance

Sheila Ong
Vice President
Corporate Finance

APPENDIX B – ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

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

Name	Address	Description
Mr. Kwek Leng Hai	50/F, The Center 99 Queen's Road Central Hong Kong	Non-Independent Non-Executive Chairman
Mr. Paul Jeremy Brough	50/F, The Center 99 Queen's Road Central Hong Kong	Independent Non-Executive Director
Ms. Chua Kheng Yeng, Jennie	1 Wallich Street #15-02 Guoco Tower Singapore 078881	Independent Non-Executive Director
Mr. Teo Lai Wah Timothy	1 Wallich Street #15-02 Guoco Tower Singapore 078881	Independent Non-Executive Director
Ms. Lim Suat Jien	1 Wallich Street #15-02 Guoco Tower Singapore 078881	Independent Non-Executive Director
Mr. Chew Seong Aun	50/F, The Center 99 Queen's Road Central Hong Kong	Non-Independent Executive Director

2. REGISTERED OFFICE OF THE COMPANY

The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

3. PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is an investment holding company incorporated in New Zealand on 30 March 1961 and was continued in Bermuda as an exempted company on 29 December 1999. The Company was listed on the Main-Board of the SGX-ST on 30 March 2000. The Company is an investment holding company with its core business activity in hotel management and operations in the United Kingdom. In addition to its hospitality business, the Company owns rights to royalties from the production of oil and natural gas in the Bass Strait, Australia and real estate in Hawaii.

APPENDIX B – ADDITIONAL GENERAL INFORMATION

4. SHARE CAPITAL OF THE COMPANY

4.1. Number and class of Shares

As at the Latest Practicable Date, the Company has only one class of Shares, being ordinary shares. The Shares are quoted and listed on the Official List of the Mainboard of the SGX-ST. As at the Latest Practicable Date, the authorised share capital of the Company is US\$500,000,000 and the total issued and paid-up share capital of the Company is approximately US\$1,000,000,000 comprising 1,368,063,633 Shares (excluding treasury shares). The Company does not hold any treasury shares.

There is no restriction in the Bye-laws of the Company on the right to transfer any Shares, which has the effect of requiring the Shareholders, before transferring them, to offer them for purchase to members of the Company or to any other person.

4.2. Rights of Shareholders in respect of capital, dividends and voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Bye-laws. An extract of the relevant provisions in the Bye-laws relating to the rights of Shareholders in respect of capital, dividends and voting is reproduced in Appendix D to this Circular. The Bye-laws are available for inspection at the corporate office of the Company at 1 Wallich Street, #15-02 Guoco Tower, Singapore 078881 during normal business hours for the period during which the Offer remains open for acceptance. Capitalised terms and expressions not defined in the extract have the meanings ascribed to them in the Bye-laws.

4.3. Number of Shares issued since the end of the last financial year

As at the Latest Practicable Date, no new Shares have been issued by the Company since 30 June 2020, being the end of the last financial year.

4.4. Convertible instruments

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

5. SUMMARY OF FINANCIAL INFORMATION

5.1. Consolidated statements of comprehensive income

A summary of the financial information of the Group for FY2018, FY2019 and FY2020 (based on the audited consolidated statement of profit or loss and other comprehensive income of the Group for FY2018, FY2019 and FY2020) is set out below.

	Audited FY2018⁽¹⁾	Audited FY2019⁽¹⁾	Audited FY2020
	US\$'000	US\$'000	US\$'000
Turnover	344,402	349,300	258,170

APPENDIX B – ADDITIONAL GENERAL INFORMATION

Exceptional items	-	-	-
Net profit/ (loss) before tax	91,110	40,904	(25,577)
Net profit/ (loss) after tax	58,952	50,327	(26,669)
Profit/ (loss) attributable to the owners of the Company	59,048	50,326	(26,669)
Minority interests	(96)	1	-
Net earnings per share	4.5	3.9	(2.1)
Net dividends per share (SG cents)	2.2	2.2	-

Notes:

(1) The numbers in Turnover and Net profit/ (loss) before tax are based on continuing operations as presented in the audited consolidated financial statements.

The financial information for FY2018, FY2019 and FY2020 should be read in conjunction with the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual reports of the Company for FY2018, FY2019 and FY2020.

5.2. Statement of financial position

A summary of the audited consolidated statement of financial position of the Group as at FY2020 (being the date to which the Company's last published audited financial statements were made up) is set out below.

	As at 30 June 2020
	US\$'000
Non-current assets	1,562,135
Current assets	276,353
Total assets	1,838,488
Current Liabilities	62,829
Non-current liabilities	892,679
Total liabilities	955,508
Net assets	882,980
 Equity attributable to owners of the Company	
Share capital	273,613
Treasury shares	-
Statutory reserves	283,115
Accumulated profits / (losses)	326,252
Total Equity	882,980

The above summary should be read together with the annual report for FY2020 and the audited consolidated statements of financial position of the Group for FY2020 and the related notes thereto.

The financial information for FY2018, FY2019 and FY2020 should be read in conjunction with

APPENDIX B – ADDITIONAL GENERAL INFORMATION

the audited consolidated financial statements of the Group and the accompanying notes as set out in the annual reports of the Company for FY2018, FY2019 and FY2020.

5.3. Significant accounting policies

A summary of the significant accounting policies of the Group is set out in pages 58 to 81 of the Annual Report FY2020. Copies of the above are available for inspection at the corporate office of the Company at 1 Wallich Street, #15-02 Guoco Tower, Singapore 078881 during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the audited financial statements of the Group for FY2020), there are no significant accounting policies or any points from the notes to the financial statements which are of major relevance for the interpretation of the accounts.

5.4. Changes in accounting policies

As detailed in Note (B)(v) to the Significant Accounting Policies under the Annual Report FY2020, the Group has applied the following IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 July 2019:

- (a) IFRS 16 *Leases*
- (b) INT IFRS 123 *Uncertainty over Income Tax Treatments*
- (c) *Long-term Interests in Associates and Joint Ventures* (Amendments to IAS 28)
- (d) *Prepayment Features with Negative Compensation* (Amendments to IFRS 9)
- (e) *Previously Held Interest in a Joint Operation* (Amendments to IFRS 3 and 11)
- (f) *Income Tax Consequences of Payments on Financial Instruments Classified as Equity* (Amendments to IAS 12)
- (g) *Borrowing Costs Eligible for Capitalisation* (Amendments to IAS 23)
- (h) *Plan Amendment, Curtailment or Settlement* (Amendments to IAS 19)

Other than IFRS 16, the application of these IFRSs, amendments to standards and interpretations does not have a material effect on the financial statements.

The Group also applied the interest rate benchmark reform amendments to IFRS 9, IAS 39 and IFRS 7: *Interest Rate Benchmark Reform* issued by the International Accounting Standards Board retrospectively to hedging relationships that existed at 1 July 2019 or were designated thereafter and that are directly affected by interest rate benchmark reform. These amendments also apply to the gain or loss recognised in other comprehensive income that existed at 1 July 2019.

As at the Latest Practicable Date, save as disclosed in this Circular and publicly available information on the Group (including but not limited to that contained in the audited financial statements of the Group for FY2020), the Group has applied the same accounting policies and methods of computation as with those in the audited financial statements of the Group for FY2019

APPENDIX B – ADDITIONAL GENERAL INFORMATION

and as at the Latest Practicable Date, there are no changes in the accounting policies of the Group which will cause the financial statements of the Group not to be comparable to a material extent.

6. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in this Circular and publicly available information on the Company (including without limitation, the announcements released by the Company on the SGXNET), there are no known material changes in the financial position of the Company as at the Latest Practicable Date since 30 June 2020, being the date to which the Company's last published audited accounts were made up.

7. DISCLOSURE OF INTERESTS OF THE COMPANY, THE DIRECTORS AND THE IFA

7.1. Shareholdings and dealings

As at the Latest Practicable Date:

- (a) neither the Company nor its subsidiaries have any direct or deemed interests in any Offeror Securities¹;
- (a) none of the Directors has any direct or deemed interests¹ in any Offeror Securities;
- (b) each of the Company, its subsidiaries and the Directors have not dealt for value in any Offeror Securities during the Reference Period;
- (c) save as disclosed below and in this Circular, none of the Directors has any direct or deemed interests in any Relevant Securities:

Name	No. of Shares					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Kwek Leng Hai	300,000	0.02	-	-	300,000	0.02
Teo Lai Wah Timothy	500,000	0.04	-	-	500,000	0.04

Notes:

(1) Calculated based on a total of 1,368,063,633 issued Shares (excluding treasury shares) as at the Latest Practicable Date and rounded to the nearest two decimal places.

- (d) none of the Directors has dealt for value in any Relevant Securities during the Reference Period;
- (e) none of W Capital Markets, its related corporations or any of the funds whose investments are managed by W Capital Markets or its related corporations on a discretionary basis,

¹ As required by Rule 24.3 of the Code read with Sections 7 and 164 of the Companies Act.

APPENDIX B – ADDITIONAL GENERAL INFORMATION

own or control any Relevant Securities; and

- (f) none of W Capital Markets, its related corporations or any of the funds whose investments are managed by W Capital Markets or its related corporations on a discretionary basis, has dealt for value in the Relevant Securities during the Reference Period.

7.2. Directors' intentions in relation to the Offer

As at the Latest Practicable Date, the following Directors who have direct or deemed interests in the Shares have informed the Company of their intentions in respect of the Offer as follows:

- (a) Mr. Kwek Leng Hai has informed the Company that he intends to accept the Offer in respect of his own Shares; and
- (b) Mr. Teo Lai Wah Timothy has informed the Company that he intends to accept the Offer, unless he is able to sell his Shares at a price higher than the Offer Price on the open market, after taking into account the brokerage and related costs in connection with open market transactions.

7.3. Directors' service contracts

As at the Latest Practicable Date, (i) there are no service contracts between any Director or proposed director with the Company or any of its subsidiaries with more than 12 months to run, which the employing company cannot, within the next 12 months, terminate without payment of compensation; and (ii) there are no such service contracts entered into or amended between any of the Directors or proposed director with the Company or any of its subsidiaries during the period between the start of six (6) months preceding the Announcement Date and the Latest Practicable Date.

7.4. Arrangements affecting directors

As at the Latest Practicable Date:

- (a) there are no payments or other benefits which will be made or given to any Director or any director of any corporation, which is by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) save as disclosed in Section 7 (Disclosure of Interests of the Company and the Directors) of this Appendix B, none of the Directors have a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

8. MATERIAL CHANGE IN INFORMATION

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in the information previously

APPENDIX B – ADDITIONAL GENERAL INFORMATION

published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

9. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, save as disclosed in publicly available information on the Company (including but not limited to the annual reports of the Company and other announcements released by the Company), neither the Company nor any of its subsidiaries have entered into any material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business carried on by the Company) during the period commencing three (3) years preceding the Announcement Date, and ending on the Latest Practicable Date.

10. MATERIAL LITIGATION

As at the Latest Practicable Date:

- (a) neither the Company nor any of its subsidiaries is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole; and
- (b) the Directors are not aware of any litigation, claim, arbitration or other proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

11. VALUATION REPORTS

The Company has commissioned Savills Advisory Services Limited and CBRE, Inc. to conduct independent valuations of the Appraised Assets. The Valuation Reports from the Valuers are set out in Appendix E to this Circular. With the exception of the Valuation Reports, the Valuers do not accept any responsibility for any part of the Offeree Circular or any other information issued by the Company or any other person in connection with the Offer. The Valuation Reports refer to the position at the date it was originally issued and, as at the Latest Practicable Date, the Valuers have not taken and will not be taking any action to update the Valuation Reports.

Under Rule 26.3 of the Code, the Company is required, *inter alia*, to make an assessment of any potential tax liability which would arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation. Based on the market values ascribed to the Appraised Assets in the Valuation Reports, it is expected that the potential tax liabilities which the Group may incur would approximate US\$42.2 million, if the Appraised Assets were to be sold at such market values.

The aforesaid tax liability will not crystallise if the Group does not dispose of its interests in the Appraised Assets. As at the Latest Practicable Date, the Group does not have any plans for an impending material disposal and/or conversion of the use of the Appraised Assets.

APPENDIX B – ADDITIONAL GENERAL INFORMATION

12. COSTS AND EXPENSES

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

APPENDIX C – ADDITIONAL INFORMATION ON THE OFFEROR

The following information on the Offeror has been extracted from Appendix 3 to the Offer Document:

“APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR

1. DIRECTORS

The name, address and description of each Director as at the Latest Practicable Date are as follows:

Name	Address	Description
<i>Ms Cynthia Cheng</i>	<i>50/F, The Center, 99 Queen’s Road Central, Hong Kong</i>	<i>Director</i>
<i>Mr Wong Sau Kwong</i>	<i>50/F, The Center, 99 Queen’s Road Central, Hong Kong</i>	<i>Director</i>

2. PRINCIPAL ACTIVITY

The Offeror is a special purpose vehicle incorporated in the Cayman Islands on 23 December 2020 and is a private exempted company limited by shares. Its principal activity is that of investment holding. The Offeror has not carried on any business since its incorporation, except for matters in connection with making the Offer.

3. SHARE CAPITAL

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of US\$1.00 comprising of one ordinary share held by GGL.

4. FINANCIAL SUMMARY

As the Offeror was incorporated on 23 December 2020, no audited financial statements of the Offeror have been prepared to date.

5. MATERIAL CHANGES IN FINANCIAL POSITION

As at the Latest Practicable Date, save for the Offeror making and financing the Offer, there have been no known material changes in the financial position of the Offeror since its incorporation.

6. REGISTERED OFFICE AND PRINCIPAL OFFICE

The registered office of the Offeror is at P.O. Box 3119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KYI - 1205, Cayman Islands, and its principal office is at 50/F, The Center, 99 Queen’s Road Central, Hong Kong.

APPENDIX D – RELEVANT PROVISIONS OF THE BYE-LAWS

The provisions in the Bye-laws relating to rights of Shareholders in respect of capital, dividends and voting are reproduced below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Bye-laws, a copy of which is available for inspection at Company's corporate office at 1 Wallich Street, #15-02 Guoco Tower, Singapore 078881, during normal business hours until the Closing Date.

(A) RIGHTS IN RESPECT OF CAPITAL

SHARE CAPITAL	
3(A).	The Capital of the Company at the date on which these Bye-Laws come into effect shall be divided into shares of a par value of US\$0.20 each.
3(B).	The Company may purchase its own shares for cancellation or acquire them as Treasury Shares in accordance with the Act on such terms as the Board shall think fit. Any power of the Company to purchase or otherwise acquire its own shares shall be exercisable by the Board in accordance with and subject to the Act, the Company's memorandum of continuance and, for so long as the shares of the Company are listed on the Designated Stock Exchange, the prior approval of the Members in general meeting for such purchase or acquisition. For so long as the shares of the Company are listed on the Designated Stock Exchange, such approval of the Members shall remain in force until (i) the conclusion of the annual general meeting of the Company following the passing of the resolution granting the said authority or (ii) the date by which such annual general meeting is required to be held or (iii) it is revoked or varied by Ordinary Resolution of the Company in general meeting, whichever is the earliest, and may thereafter be renewed by the Members in general meeting. For so long as the shares of the Company are listed on the Designated Stock Exchange, the Company shall make an announcement to the Designated Stock Exchange of any purchase or acquisition by the Company of its own shares on the Market Day following the day of such purchase or acquisition.
ALTERATION OF CAPITAL	
4.	<p>The Company may from time to time by Ordinary Resolution in any manner permitted by law:</p> <p>(a) increase its Capital by such sum, to be divided into shares of such amounts, as the resolution shall prescribe;</p> <p>(b) consolidate and divide all or any of its Capital into shares of larger amount than its existing shares;</p> <p>(c) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or such restrictions which in the absence of any such determination by the Company in general meeting, as the Directors may determine provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting";</p> <p>(d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum of continuance (subject, nevertheless, to the Act), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one (1) or more of the shares may have any such preferred rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;</p>

APPENDIX D – RELEVANT PROVISIONS OF THE BYE-LAWS

	<p>(e) change the currency denomination of its Capital;</p> <p>(f) make provision for the issue and allotment of shares which do not carry any voting rights; and</p> <p>(g) cancel any shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its Capital by the amount of the shares so cancelled.</p>
5.	The Board may settle as it considers expedient any difficulty which arises in relation to any consolidation and division under the last preceding Bye-Law and in particular but without prejudice to the generality of the foregoing may issue certificates in respect of fractions of shares or arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale (after deduction of the expenses of such sale) in due proportion amongst the Members who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to their purchaser or resolve that such net proceeds be paid to the Company for the Company's benefit. Such purchaser will not be bound to see to the application of the purchase money nor will his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
6.	The Company may from time to time by Special Resolution, subject to any confirmation or consent required by law, reduce its authorised or issued Capital or any share premium account or other undistributable reserve in any manner permitted by law.
7.	Except so far as otherwise provided by the conditions of issue, or by these Bye-Laws, any capital raised by the creation of new shares shall be treated as if it formed part of the original capital of the Company, and such shares shall be subject to the provisions contained in these Bye-Laws with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, cancellation, surrender, voting and otherwise.
SHARE RIGHTS	
8(A).	Subject to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present Capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may by Ordinary Resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.
8(B).	All the rights attaching to a Treasury Share shall be suspended and shall not be exercisable by the Company while it holds such Treasury Share and, except where required by the Act, all Treasury Shares shall be excluded from the calculation of any percentage or fraction of the Capital or shares, of the Company.
9(A).	In the event of preference shares being issued the total number of issued preference shares shall not at any time exceed the total number of issued ordinary shares and 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, and 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 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 (6) Months in arrears.
9(B).	Subject to the Act, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of continuance, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by Ordinary Resolution of the Members

APPENDIX D – RELEVANT PROVISIONS OF THE BYE-LAWS

	determine.
9(C).	The Company has power to issue further preference Capital ranking equally with, or in priority to, preference shares already issued.
9(D).	The rights attaching to shares of a class other than ordinary shares shall be expressed in these Bye-Laws.
	VARIATION OF RIGHTS
10.	Whenever the Capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference Capital other than redeemable preference Capital may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate general meeting and all adjournments thereof all the provisions of these Bye-Laws relating to general meetings of the Company and to the proceedings thereat shall <i>mutatis mutandis</i> apply, except that the necessary quorum (other than at an adjourned meeting) shall be two (2) persons at least holding or representing by proxy (or in the case of a holder being a corporation, by its duly authorised representative) one-third in nominal value of the issued shares of the class and at any adjourned meeting of such holders, two (2) holders present in person (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy (whatever the number of shares held by them) shall be a quorum and that any holder of shares of the class present in person (or in the case of a holder being a corporation, by its duly authorised representative) or by proxy may demand a poll and that every such holder shall on a poll have one (1) vote for every share of the class held by him, provided always that where the necessary majority for such a Special Resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters in nominal value of the issued shares of the class concerned within two (2) Months of such general meeting shall be as valid and effectual as a Special Resolution carried at such general meeting. The foregoing provisions of this Bye-Law shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.
11.	The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied, modified or abrogated by the creation or issue of further shares ranking <i>pari passu</i> therewith.
	SHARES
12(A).	Subject to the Act and to the rules or regulations of the Designated Stock Exchange (if applicable), no shares may be issued by the Board without the prior approval of the Company in general meeting but subject thereto and to these Bye-Laws and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased Capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the

APPENDIX D – RELEVANT PROVISIONS OF THE BYE-LAWS

	Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.
12(B).	Subject to any direction to the contrary that may be given by the Company in general meeting or except as permitted under the rules or regulations of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date of the offer are entitled to receive Notices from the Company of general meetings in proportion, as 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. 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 Board may dispose of those shares in such manner as it thinks most beneficial to the Company. The Board may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Board, be conveniently offered under this Bye-Law 12(B).
12(C).	Notwithstanding Bye-Law 12(B) above but subject to the Statutes and the rules or regulations of the Designated Stock Exchange (if applicable), the Company in general meeting may by Ordinary Resolution grant to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the said Ordinary Resolution (including but not limited to the aggregate number of shares which may be issued and the duration of the general authority), to issue shares in the Capital of the Company whether by way of rights, bonus or otherwise; and/or make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, Debentures or other instruments convertible into shares; provided that unless otherwise specified in the Ordinary Resolution or required by any applicable rules or regulations of the Designated Stock Exchange, such general authority will continue (notwithstanding the authority conferred by the said Ordinary Resolution may have ceased to be in force) in relation to the issue of shares pursuant to any Instrument made or granted by the Directors while the said Ordinary Resolution was in force.
12(D).	The Board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the Capital of the Company on such terms as it may from time to time determine, provided that such issue must be specifically approved by the Company in general meeting if required by the rules or regulations of the Designated Stock Exchange.
12(E).	Subject to the rules or regulations of the Designated Stock Exchange (if applicable), the Company may issue its shares in fractional denominations and deal with such fractions to the same extent as its whole shares and shares in fractional denominations shall have in proportion to the respective fractions represented thereby all of the rights of whole shares including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.
13.	The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the Act. Subject to the Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
14.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any fractional part of a share or (except only as otherwise provided by these Bye-Laws or by law) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
15(A).	Subject to the terms and conditions of any application for shares, the Board shall allot shares applied for within ten (10) Market Days of the closing date of any such application

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	(or such other period as may be approved by the Designated Stock Exchange).
15(B).	Subject to the Act and these Bye-Laws, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.
	TRANSFER OF SHARES
46.	Subject to these Bye-Laws, any Member may transfer all or any of his shares by an instrument of transfer in the form acceptable to the Board provided always that the Company shall accept for registration an instrument of transfer in a form approved by the Designated Stock Exchange.
47.	The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided always that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository and provided further that when a corporation executes an instrument of transfer under seal, the affixation and attestation of the corporation's seal may be accepted as compliance with the requirements of this Bye-Law. The Board may also resolve, either generally or in any particular case, upon request by either the transferor or transferee, to accept mechanically executed transfers. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. Nothing in these Bye-Laws shall preclude the Board from recognising a renunciation of the allotment or provisional allotment of any share by the allottee in favour of some other person.
48(A).	The Board may, in its absolute discretion and without giving any reason therefor, refuse to register a transfer of any share (not being a fully Paid Up share) to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of any share (not being a fully Paid Up share) on which the Company has a lien or, except in the case of a transfer to executors, administrators or trustees of the estate of a deceased Member, a transfer of any share to more than three (3) joint holders.
48(B).	No transfer shall be made to an infant or to a person of unsound mind or under other legal disability.
48(C).	The Board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the Register to any branch Register or any share on any branch Register to the Register or any other branch Register. In the event of any such transfer, the Shareholder requesting such transfer shall bear the cost of effecting the transfer unless the Board otherwise determines.
48(D).	Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch Register nor shall shares on any branch Register be transferred to the Register or any other branch Register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch Register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act.
48(E).	Save as provided in the Bye-Laws, there shall be no restriction on the transfer of fully Paid Up shares (except where required by law or the rules or regulations of the Designated Stock Exchange).

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48(F).	Notwithstanding anything to the contrary in these Bye-Laws, for so long as the shares of the Company are listed or admitted for trading on the Designated Stock Exchange, shares may be transferred in accordance with the rules and regulations of such Designated Stock Exchange.
49.	<p>Without limiting the generality of the last preceding Bye-Law, the Board may decline to recognise any instrument of transfer unless:</p> <p>(a) a fee of such sum (not exceeding two Singapore dollars (S\$2.00) or such other maximum sum as the Designated Stock Exchange may determine to be payable) as the Board may from time to time require is paid to the Company in respect thereof;</p> <p>(b) the instrument of transfer is in respect of only one (1) class of share;</p> <p>(c) the instrument of transfer is lodged at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board 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 that person so to do); and</p> <p>(d) if applicable, the instrument of transfer is duly and properly stamped.</p>
50.	If the Board refuses to register a transfer of any share, it shall, within one (1) Month after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee Notice of the refusal.
51.	The registration of transfers of shares or of any class of shares may, after Notice has been given by advertisement in an appointed newspaper and, where applicable, any other newspaper in accordance with the requirements of the Designated Stock Exchange or by any other means in such manner as may be accepted by the Designated Stock Exchange be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any Year) as the Board may determine.
TRANSMISSION OF SHARES	
52.	In the case of the death of a Member, the survivor or survivors where the deceased Member was a joint holder, and the legal personal representatives of the deceased Member where the deceased Member was a sole holder, shall be the only persons recognised by the Company as having any title to the deceased Member's interest in the shares. Nothing herein shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by such deceased Member with other persons. Subject to the provisions of the Act, for the purpose of this Bye-Law, legal personal representative means the executor or administrator of a deceased Member or such other person as the Board may, in its absolute discretion, decide as being properly authorised to deal with the shares of a deceased Member. Where two (2) or more persons are registered as joint holders of a share or shares, then in the event of the death of any joint holder or holders the remaining joint holder or holders shall be absolutely entitled to the said share or shares and the Company shall recognise no claim in respect of the estate of any joint holder except in the case of the last survivor of such joint holders.
53.	Subject to the Act, any person becoming entitled to a share in consequence of the death or bankruptcy or winding-up of a Member may, upon such evidence as to his title being produced as may be required by the Board, elect either to become the holder of the share or to have some person nominated by him registered as the transferee thereof. If he elects to become the holder he shall notify the Company in writing either at the Registration Office or Office, as the case may be, to that effect. If he elects to have another person registered he shall execute a transfer of the share in favour of that person. The provisions of these Bye-Laws relating to the transfer and registration of transfers of shares shall apply to such

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	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 signed by such Member.
54.	A person becoming entitled to a share by reason of the death or bankruptcy or winding-up of a Member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share. However, the Board may, if it thinks fit, withhold the payment of any dividend payable or other advantages in respect of such share until such person shall become the registered holder of the share or shall have effectually transferred such share, but, subject to the requirements of Bye-Law 74(B) being met, such a person may vote at meetings.

(B) RIGHTS IN RESPECT OF DIVIDENDS

DIVIDENDS AND OTHER PAYMENTS	
135.	The Board may, subject to these Bye-Laws and in accordance with the Act, declare a dividend in any currency to be paid to the Members and such dividend may be paid in cash or wholly or partly in specie in which case the Board may fix the value for distribution in specie of any assets. The Board may declare and make such other distributions (in cash or in specie) to the Members as may be lawfully made out of the assets of the Company. The Company in general meeting may also, subject to these Bye-Laws and in accordance with the Act, declare a dividend or such other distribution to be paid to the Members but no dividend or distribution shall be declared by the Company in general meeting in excess of the amount recommended by the Board.
136.	Without prejudice to the generality of the above Bye-Law 135 if at any time the Capital is divided into different classes, the Board may pay such dividends in respect of those shares in the Capital of the Company which confer on the holders thereof deferred or non preferential rights as well as in respect of those shares which confer on the holders thereof preferential rights with regard to dividend and provided that the Board acts bona fide the Board shall not incur any responsibility to the holders of shares conferring any preference for any damage that they may suffer by reason of the payment of any dividend on any shares having deferred or non preferential rights and may also pay periodically any fixed dividend which is payable on any shares of the Company.
137.	No dividend shall be paid or distribution made if to do so would render the Company unable to pay its liabilities as they become due or the realisable value of its assets would thereby become less than its liabilities.
138.	Except in so far as the rights attaching to, or the terms of issue of, any share otherwise provide: (a) all dividends shall be declared and paid according to the amounts Paid Up on the shares in respect of which the dividend is paid, but no amount Paid Up on a share in advance of calls shall be treated for the purposes of this Bye-Law as Paid Up on the share; and (b) all dividends shall be apportioned and paid pro rata according to the amounts Paid Up on the shares during any portion or portions of the period in respect of which the dividend is paid.
139.	The Board may deduct from any dividend or other moneys payable to a Member by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
140.	No unpaid dividend or distribution or other moneys payable by the Company shall bear interest as against the Company.
141.	Any dividend, interest or other sum payable in cash to the holder of shares may be paid by

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	<p>cheque or warrant sent through the post addressed to the holder at his registered address or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his address as appearing in the Register or addressed to such person and at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. Any one of two (2) or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.</p>
142.	<p>All dividends or bonuses unclaimed for one (1) Year after having been declared may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend or bonuses unclaimed after a period of six (6) Years from the date of declaration shall be forfeited and shall revert to the Company. The payment by the Board of any unclaimed dividend or other sums payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.</p>
143.	<p>Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind and in particular of Paid Up shares, Debentures or warrants to subscribe securities of the Company or any other company, or in any one or more of such ways, and where any difficulty arises in regard to the distribution the Board may settle the same as it thinks expedient, and in particular may issue certificates in respect of fractions of shares, disregard fractional entitlements or round the same up or down, and may 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 Board and may appoint any person to sign any requisite instruments of transfer and other documents on behalf of the persons entitled to the dividend, and such appointment shall be effective and binding on the Members. The Board may resolve that no such assets shall be made available to Members with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, such distribution of assets would or might, in the opinion of the Board, be unlawful or impracticable and in such event the only entitlement of the Members aforesaid shall be to receive cash payments as aforesaid. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of Members for any purpose whatsoever.</p>
144(A).	<p>For so long as the shares of the Company are listed on the Designated Stock Exchange, any scheme which enables the Members to elect to receive securities in lieu of the cash amount of any dividend must be approved by the Members in general meeting in accordance with applicable rules or regulations of the Designated Stock Exchange.</p>
144(B).	<p>Subject to the rules or regulations of the Designated Stock Exchange, the Board shall have full power to make such provisions as it thinks fit for the implementation of a scheme approved pursuant to the provisions of paragraph (A) of this Bye-Law, and the Board may do all acts and things considered necessary or expedient to give effect to such a scheme.</p>
144(C).	<p>Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in general meeting or a resolution of the Board, may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Bye-Law shall mutatis mutandis apply to bonuses,</p>

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	capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the Members.
	RESERVES
145.	Before recommending any dividend, the Board may set aside out of the profits of the Company such sums as it determines as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve carry forward any profits which it may think prudent not to distribute.
	CAPITALISATION
146.	The Company may, upon the recommendation of the Board, at any time and from time to time pass an Ordinary Resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, Debentures or other obligations of the Company, to be allotted and distributed credited as fully Paid Up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Bye-Law, a share premium account and any reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be issued to such Members credited as fully paid. In carrying sums to reserve and in applying the same the Board shall comply with the provisions of the Act.
147.	The Board may settle, as it considers appropriate, any difficulty arising in regard to any distribution under the last preceding Bye-Law and in particular may issue certificates in respect of fractions of shares or authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments shall be made to any Members in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Members.
	LIEN
22.	The Company shall have a first and paramount lien on all the shares not fully Paid Up registered in the name of a Member (whether solely or jointly with others). Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Bye-Law.
23.	Subject to these Bye-Laws, the Company may sell in such manner as the Board determines 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, or the liability or

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	engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) Clear Days after Notice, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving Notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
24.	The net proceeds of the sale shall be received by the Company and applied in or towards payment or discharge of the debt or liability in respect of which the lien exists, so far as the same is presently payable, and any residue shall be paid to the person entitled to the share at the time of the sale or to his executors, administrators or assignees or as he may direct. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares so transferred and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.
	CALLS ON SHARES
25.	Subject to these Bye-Laws and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) Clear Days' Notice specifying the time and place of payment) pay to the Company as required by such Notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
26.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be made payable either in one lump sum or by instalments.
27.	A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made. The joint holders of a share shall be jointly and severally liable to pay all calls and instalments due in respect thereof or other moneys due in respect thereof.
28.	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 amount unpaid from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board may determine, but the Board may in its absolute discretion waive payment of such interest wholly or in part.
29.	No Member shall be entitled to receive any dividend or bonus or to be present and vote (save as proxy for another Member) at any general meeting either personally or by proxy, or be reckoned in a quorum, or exercise any other privilege as a Member until all calls or instalments due by him to the Company, whether alone or jointly with any other person, together with interest and expenses (if any) shall have been paid.
30.	On the trial or hearing of any action or other proceedings for the recovery of any money due for any call, it shall be sufficient to prove that the name of the Member sued is entered in the Register as the holder, or one (1) of the holders, of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute book, and that Notice of such call was duly given to the Member sued, in pursuance of these Bye-Laws; and it shall not be necessary to prove the appointment of the Directors who made such call, nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
31.	Any amount payable in respect of a share upon allotment or at any fixed date, whether in respect of nominal value or premium or as an instalment of a call, shall be deemed to be

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	a call duly made and payable on the date fixed for payment and if it is not paid the provisions of these Bye-Laws shall apply as if that amount had become due and payable by virtue of a call duly made and notified.
32.	On the issue of shares the Board may differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.
33.	The Board may, if it thinks fit, receive from any Member willing to advance the same, and either in money or money's worth, all or any part of the moneys uncalled and unpaid or instalments payable upon any shares held by him and upon all or any of the moneys so advanced (until the same would, but for such advance, become presently payable) pay interest on the moneys so advanced at such rate (if any) as the Board may decide. The Board may at any time repay the amount so advanced upon giving to such Member not less than one (1) Month's Notice of its intention in that behalf, unless before the expiration of such Notice the amount so advanced shall have been called up on the shares in respect of which it was advanced. Such payment in advance shall not entitle the holder of such share or shares to participate in respect thereof in a dividend subsequently declared. Although interest may be paid on capital paid on shares in advance of calls, such capital shall not confer a right to participate in profits.
	FORFEITURE OF SHARES
34(A).	If a call remains unpaid after it has become due and payable the Board may give to the person from whom it is due not less than fourteen (14) Clear Days' Notice: <ul style="list-style-type: none"> (a) requiring payment of the amount unpaid together with any interest which may have accrued and which may still accrue up to the date of actual payment; and (b) stating that if the Notice is not complied with the shares on which the call was made will be liable to be forfeited.
34(B).	If the requirements of any such Notice 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 due in respect thereof has been made, be forfeited by a resolution of the Board to that effect, and such forfeiture shall include all dividends and bonuses declared in respect of the forfeited share but not actually paid before the forfeiture.
35.	When any share has been forfeited, Notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.
36.	The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-Laws to forfeiture will include surrender.
37.	Until cancelled in accordance with the requirements of the Act, a forfeited share shall be the property of the Company and may be sold, re-allotted or otherwise disposed of to such person, upon such terms and in such manner as the Board determines, and at any time before a sale, re-allotment or disposition the forfeiture may be annulled by the Board on such terms as the Board determines. If any shares are forfeited and sold, any residue after the satisfaction of the unpaid calls and any accrued interests and expenses shall be paid to the person whose shares have been forfeited, or his executors, administrators or assignees or as he directs.
38.	A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but nevertheless shall remain liable to pay the Company all moneys which at the date of forfeiture were presently payable by him to the Company in respect of the shares, with (if the Directors shall in their discretion so require) interest thereon from the date of forfeiture until payment at such rate (not exceeding twenty per cent. (20%) per annum) as the Board determines. The Board may enforce payment thereof if it thinks fit, and without any deduction or allowance for the value of the forfeited shares, at the date of

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	forfeiture, but his liability shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares. For the purposes of this Bye-Law any sum which, by the terms of issue of a share, is payable thereon at a fixed time which is subsequent to the date of forfeiture, whether on account of the nominal value of the share or by way of premium, shall notwithstanding that time has not yet arrived be deemed to be payable at the date of forfeiture, and the same shall become due and payable immediately upon the forfeiture, but interest thereon shall only be payable in respect of any period between the said fixed time and the date of actual payment.
39.	A declaration by a Director or the Secretary that a share has been forfeited on a specified date shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share, and such declaration shall (subject to the execution of an instrument of transfer by the Company if necessary) constitute a good title to the share, and the person to whom the share is disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the consideration (if any), nor shall his title to the share be affected by any irregularity in or invalidity of the proceedings in reference to the forfeiture, sale or disposal of the share. When any share shall have been forfeited, Notice of the declaration shall be given to the Member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such Notice or make any such entry.
40.	Notwithstanding any such forfeiture as aforesaid the Board may at any time, before any shares so forfeited shall have been sold, re-allotted or otherwise disposed of, permit the shares forfeited to be bought back upon the terms of payment of all calls and interest due upon and expenses incurred in respect of the share, and upon such further terms (if any) as it thinks fit.
41.	The forfeiture of a share shall not prejudice the right of the Company to any call already made or instalment payable thereon.
42.	The provisions of these Bye-Laws as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

(C) RIGHTS IN RESPECT OF VOTING

GENERAL MEETINGS	
55.	For so long as the shares of the Company are listed on the Designated Stock Exchange, an annual general meeting of the Company shall be held in each Year (other than the Year in which its statutory meeting is convened) within a period of not more than fifteen (15) Months after the last preceding annual general meeting unless a longer period would not infringe the rules or regulations of the Designated Stock Exchange (if any). An annual general meeting shall be held at such time and place as may be determined by the Board in accordance with the rules and regulations of the Designated Stock Exchange on which the shares of the Company are listed (if applicable). In addition, the interval between the close of the Company's financial year and the date of the annual general meeting at which the financial statements of the Company for such financial year are to be tabled shall not exceed four (4) Months or such other period as may be prescribed or permitted by the Designated Stock Exchange. Where the shares of the Company are no longer listed on the Designated Stock Exchange, the Company need not hold any general meeting if the holding of annual general meetings is dispensed with in accordance with the Act.
56.	Each general meeting, other than an annual general meeting, shall be called a special general meeting. Subject to the rules and regulations of the Designated Stock Exchange (if applicable), general meetings may be held in any part of the world or as an electronic meeting, as may be determined by the Board.

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57.	The Board may whenever it thinks fit call special general meetings, and, subject to the Act, Members holding at the date of deposit of the requisition not less than one-tenth of the Paid Up Capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) Months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of the Act.
NOTICE OF GENERAL MEETINGS	
58(A).	<p>At least fourteen (14) Clear Days' Notice of a general meeting shall be given to each Member entitled to attend and vote thereat. A general meeting at which the passing of a Special Resolution is to be considered shall be called by not less than twenty-one (21) Clear Days' Notice. Subject to the rules and regulations of the Designated Stock Exchange (if applicable), a general meeting, whether or not a Special Resolution will be considered at such meeting, may be called by shorter Notice if it is so agreed:</p> <p>(a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and</p> <p>(b) in the case of any other meeting, by a majority in number of the Members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.</p>
58(B).	For so long as the shares of the Company are listed on the Designated Stock Exchange, at least fourteen (14) days' Notice of any general meeting shall be given by advertisement in an English daily newspaper in circulation in Singapore and in writing to the Designated Stock Exchange.
58(C).	The Notice shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting, and (c) particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business, and if the general meeting is to be an electronic meeting, the Notice shall include a statement to that effect and details of the electronic facilities for attendance and participation by Members at the meeting or where such details will be made available by the Company prior to the meeting. Any Notice of a general meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business. The Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Bye-Laws or the terms of issue of the shares they hold, are not entitled to receive such Notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.
58(D).	The Secretary may postpone any general meeting called in accordance with the provisions of these Bye-Laws (other than a meeting requisitioned under these Bye-Laws) provided that Notice of postponement is given to each Member before the time for such meeting. Fresh Notice of the date, time and place for the postponed meeting shall be given to each Member in accordance with the provisions of these Bye-Laws.
59.	The accidental omission to give Notice of a meeting or (in cases where instruments of proxy are sent out with the Notice) to send such instrument of proxy to, or the non-receipt of such Notice or such instrument of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.

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PROCEEDINGS AT GENERAL MEETINGS	
60(A)(1).	For so long as the shares of the Company are listed on the Designated Stock Exchange, subject to the rules and regulations of the Designated Stock Exchange (if applicable), general meetings (including annual general meetings, adjourned meetings and postponed meetings), or meetings of any class of shareholders, may be held by means of electronic facilities, and any Member entitled to attend and vote thereat and attending and participating at such a meeting by such electronic facilities shall be deemed to be present in person at, be counted in the quorum for and be entitled to vote at that meeting, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members participating in an electronic meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened.
60(A)(2).	General meetings (including annual general meetings, adjourned meetings and postponed meetings), or meetings of any class of shareholders, may also be held and conducted by means of a physical meeting and any Member entitled to attend and vote thereat may participate in such meetings by means of electronic facilities if such facilities are available and shall be deemed to be present in person at, and be counted in the quorum for, and be entitled to vote at that meeting. In the event that a Member entitled to attend and vote thereat participates in a physical meeting by means of electronic facilities, the chairman of the meeting shall direct the manner in which (a) such Member may cast his vote on a show of hands; (b) such Member may cast his vote on a poll; and (c) votes shall be counted on a poll.
60(A)(3).	<p>All electronic meetings are subject to the following:</p> <ul style="list-style-type: none"> (a) The inability of one or more Members to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company shall not affect the validity of the meeting or the resolutions passed or any business conducted there or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; (b) The time for lodging proxies shall be as stated in the Notice of the meeting; (c) The Board or the chairman of a general meeting may from time to time make arrangements for participation in an electronic meeting and/or to ensure the security and orderly conduct of a meeting (including, without limitation, the issue of tickets or some other means of identification, the use of a passcode(s), seat reservation, the requirements for evidence of identity to be produced by those attending the meeting, the searching of such persons' personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting and electronic voting) as the Board or the chairman of the meeting, as the case may be, shall in its or his absolute discretion consider appropriate, and may from time to time change any such arrangements; (d) Members shall comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held; and (e) Any decision made under this Bye-Law shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.
60(B).	All business shall be deemed special that is transacted at a special general meeting, and also all business that is transacted at an annual general meeting, with the exception of declaring a dividend, the reading, considering and adopting of the accounts and balance

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	sheet and the reports of the Directors and Auditors and other documents required to be annexed to the balance sheet, the election of Directors and appointment of Auditors and other officers in the place of those retiring, the fixing of the remuneration of the Auditors, and the voting of remuneration or extra remuneration to the Directors.
60(C).	No business, other than the appointment of a chairman of a meeting, shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Except as herein otherwise provided, two (2) Members present in person (or, in the case of a Member being a corporation, by its duly authorised representative) or by proxy shall form a quorum, provided that if the Company shall at any time have only one (1) Member, one (1) Member present in person or by proxy or, being a corporation by its duly authorised representative, shall form a quorum for the transaction of business at any general meeting of the Company held during such time. For the purposes of this Bye-Law, Member includes a person attending as a proxy of the Depository (where the Depository is a Member) or, where applicable, as a duly authorised representative of the Depository (where the Depository is a Member).
61.	If within thirty (30) minutes (or such longer time not exceeding one (1) hour as the chairman of the meeting may determine to wait) after the time appointed for 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 at the same time and (where applicable) place or to such time and (where applicable) place as the Board may determine, subject to the rules and regulations of the Designated Stock Exchange (if applicable). 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.
62.	The chairman (if there be one) of the Board, and if not the president (if there be one) of the Company, shall preside as chairman at every general meeting. If at any meeting the chairman or the president, as the case may be, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to act, or if one (1) Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or by proxy and entitled to vote shall elect one of their number to be chairman.
63.	Subject to Bye-Law 63A, the chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place or electronically as the meeting shall determine, subject to the rules and regulations of the Designated Stock Exchange (if applicable), but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) Clear Days' Notice of the adjourned meeting shall be given specifying the time and place of the adjourned meeting but it shall not be necessary to specify in such Notice the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give Notice of an adjournment.
63A.	If it appears to the chairman of a general meeting that: <ul style="list-style-type: none"> (a) in the case of an electronic meeting, electronic facilities being made available by the Company have become inadequate; or (b) the electronic facilities by which a physical meeting may be attended have become inadequate for the purposes referred to in Bye-Law 60A(2) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or

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	<p>(c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or</p> <p>(d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;</p> <p>then, without prejudice to any other power which the chairman of the meeting may have under these Bye-Laws or at common law, the chairman may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt (without adjourning) or adjourn the meeting (including adjournment for an indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.</p>
63B.	<p>If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (whether to a physical meeting or an electronic meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur without the Members' approval. This Bye-Law shall be subject to the following:</p> <p>(a) When a meeting is so postponed, the Company shall endeavour to post a notice of such postponement on the Company's website and the website of the Designated Stock Exchange (if required by the rules or regulations of the Designated Stock Exchange) as soon as practicable (provided that failure to post such a notice shall not affect the postponement of such meeting);</p> <p>(b) When only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;</p> <p>(c) When a meeting is postponed or changed in accordance with this Bye-Law, subject to and without prejudice to Bye-Law 63, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received in accordance with these Bye-Laws not less than 48 hours before the time of the postponed or changed meeting; and</p> <p>(d) Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.</p>
63C.	<p>All persons seeking to attend and participate in a physical meeting by means of electronic facilities or an electronic meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Bye-Law 63A, any inability of a person or persons to attend or participate in a physical meeting by way of electronic facilities or an electronic meeting shall not invalidate the proceedings of and/or resolutions passed at that meeting.</p>

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64.	If an amendment is proposed to any resolution under consideration but is in good faith ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
	VOTING
65(A).	Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-Laws, at any general meeting (i) on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under the Act), or by proxy shall have one (1) vote and the chairman of the meeting shall determine which proxy shall be entitled to vote where a Member (other than the Depository) is represented by two (2) proxies, and (ii) on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one (1) vote for every fully paid share of which he is the holder or which he represents and in respect of which all calls due to the Company have been paid, but so that no amount Paid Up on a share in advance of calls or instalments is treated for the foregoing purposes as Paid Up on the share.
65(B).	<p>Subject to Bye-Law 65(C), in the case of a physical meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:</p> <ul style="list-style-type: none"> (a) by the chairman of such meeting; or (b) by at least three (3) Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been Paid Up equal to not less than one-tenth of the total sum Paid Up on all shares conferring that right; or (e) where the Depository is a Member, by at least three (3) proxies representing the Depository. <p>A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.</p>
65(C).	For so long as the shares of the Company are listed on the Designated Stock Exchange, a resolution put to the vote of a meeting shall be decided by way of a poll, as required by the rules of the Designated Stock Exchange.
66.	Unless a poll is required by the rules and regulations of the Designated Stock Exchange (if applicable) or duly demanded and the demand is not withdrawn, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against the resolution.

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67.	The result of a poll shall be deemed to be the resolution of the meeting at which the poll was taken.
68(A).	A poll on the election of a chairman, or on a question of adjournment, shall be taken forthwith.
68(B).	A poll on any other question shall be taken in such manner (including but not limited to the use of ballot or voting papers or tickets) and place as the chairman directs, either forthwith or at an adjourned meeting as the chairman directs. Unless the chairman otherwise directs, it shall not be necessary for Notice to be given of an adjourned meeting at which such a poll is to be taken.
68(C).	The chairman may and, if required by the rules or regulations of the Designated Stock Exchange, shall appoint scrutineers who are independent of the persons undertaking the polling process.
69.	The demand for a poll shall not prevent the continuance of a meeting or the transaction of any business other than the question on which the poll has been demanded, and, with the consent of the chairman, it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.
70.	On a poll, votes may be given either personally or by proxy.
71.	A person entitled to more than one (1) vote on a poll need not use all his votes or cast all the votes he uses in the same way.
72.	In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
73.	Where there are joint holders of any share any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purposes of this Bye-Law be deemed joint holders thereof.
74(A).	A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, <i>curator bonis</i> or other person in the nature of a receiver, committee or <i>curator bonis</i> appointed by such court, and such receiver, committee, <i>curator bonis</i> or other person may vote on a poll by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, Head Office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, postponed meeting or adjourned meeting or poll, as the case may be.
74(B).	Any person entitled under Bye-Law 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting, postponed meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

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75.	No Member shall, unless the Board otherwise determines, be entitled to attend and vote and to be reckoned in a quorum at any general meeting unless he is duly registered and all calls or other sums presently payable by him in respect of shares in the Company have been paid.
76.	<p>If:</p> <ul style="list-style-type: none"> (a) any objection shall be raised to the qualification of any voter; or (b) any votes have been counted which ought not to have been counted or which might have been rejected; or (c) any votes are not counted which ought to have been counted, <p>the objection or error shall not vitiate the decision of the meeting, postponed meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting, postponed meeting or adjourned meeting, as the case may be, at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.</p>
PROXIES	
77(A).	<p>Any Member entitled to attend and vote at a meeting of the Company who is the holder of two (2) or more shares shall be entitled to appoint not more than two (2) proxies to attend and vote instead of him at the same general meeting provided that if the Member is the Depository:</p> <ul style="list-style-type: none"> (a) the Depository may appoint more than two (2) proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository as the Depository could exercise, including, notwithstanding Bye-Law 65(A), the right to vote individually on a show of hands; (b) unless the Depository specifies otherwise in Notice to the Company, the Depository shall be deemed to have appointed as the Depository's proxies to vote on behalf of the Depository at a general meeting of the Company each of the Depositors who are individuals and whose names are shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company and notwithstanding any other provisions in these Bye-Laws, the appointment of proxies by virtue of this Bye-Law 77(A)(b) shall not require an instrument of proxy or the lodgement of any instrument of proxy; (c) the Company shall accept as valid in all respects the form of instrument of proxy approved by the Depository (the "CDP Proxy Form") for use at the date relevant to the general meeting in question naming a Depositor (the "Nominating Depositor") and permitting that Nominating Depositor to nominate a person or persons other than himself as the proxy or proxies appointed by the Depository. The Company shall, in determining rights to vote and other matters in respect of a completed CDP Proxy Form submitted to it, have regard to the instructions given by and the notes (if any) set out in the CDP Proxy Form. The submission of any CDP Proxy Form shall not affect the operation of Bye-Law 77(A)(b) and shall not preclude a Depositor appointed as a proxy by virtue of Bye-Law 77(A)(b) from attending and voting at the relevant meeting but in the event of attendance by such Depositor the CDP Proxy Form submitted bearing his name as the Nominating Depositor shall be deemed to be revoked;

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	<p>(d) the Company shall reject any CDP Proxy Form of a Nominating Depositor if his name is not shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company; and</p> <p>(e) on a poll the maximum number of votes which a Depositor, or proxies appointed pursuant to a CDP Proxy Form in respect of that Depositor, is able to cast shall be the number of shares credited to the Securities Account of that Depositor as shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, whether that number is greater or smaller than the number specified in any CDP Proxy Form or instrument of proxy executed by or on behalf of the Depository.</p>
77(B).	In any case where an instrument of proxy appoints more than one (1) proxy (including the case when a CDP Proxy Form is used), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument of proxy.
77(C).	A proxy need not be a Member. In addition, subject to Bye-Law 77(A), a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise, including, notwithstanding Bye-Law 65(A), the right to vote individually on a show of hands. On a poll, a proxy need not use all the votes he is entitled to cast or cast all such votes in the same way.
78.	The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same or, in the case of the Depository, signed by its duly authorised officer by some method or system of mechanical signature as the Depository may deem appropriate. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
79(A).	For so long as the shares of the Company are listed on the Designated Stock Exchange, subject to the rules and regulations of the Designated Stock Exchange (if applicable), the Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or acceptance of an invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Bye-Laws) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information may be sent by electronic communication to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of any document or information sent by electronic communication including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company is sent to the Company by electronic communication, such document or information shall not be treated as validly delivered to or deposited with the Company unless the same is received by the Company at its designated electronic address provided in accordance with this Bye-Law.

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79(B).	<p>The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed on behalf of the appointor (which shall, for this purpose, include a Depositor) or a certified copy of such power or authority, shall be delivered:</p> <p>(a) if sent personally or by post, to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate); or</p> <p>(b) if submitted by electronic communication, to the electronic address provided by the Company in accordance with Bye-Law 79(A), or as may be otherwise specified by the Company for that purpose in or by way of note to or in any document accompanying the notice convening the general meeting,</p> <p>in either case not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting or postponed meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.</p>
79(C).	<p>No instrument appointing a proxy shall be valid after the expiration of twelve (12) Months from the date named in it as the date of its execution, except at an adjourned meeting or postponed meeting in cases where the meeting was originally held within twelve (12) Months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.</p>
80.	<p>Instruments of proxy shall be in any usual or common form (including any form approved from time to time by the Depository) or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the Notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information relating to proxies for a general meeting required under these Bye-Laws has not been received in accordance with the requirements of these Bye-Laws. Subject to aforesaid, if the proxy appointment and any of the information required under these Bye-Laws is not received in the manner set out in these Bye-Laws, the appointee shall not be entitled to vote in respect of the shares in question.</p>
81.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the Notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting, postponed meeting or adjourned meeting, or the taking of the poll, at which the instrument of proxy is used.</p>
82.	<p>Anything which under these Bye-Laws a Member may do by proxy he may likewise do by his duly appointed attorney and the provisions of these Bye-Laws relating to proxies and instruments appointing proxies shall apply mutatis mutandis in relation to any such attorney and the instrument under which such attorney is appointed.</p>

APPENDIX D – RELEVANT PROVISIONS OF THE BYE-LAWS

CORPORATIONS ACTING BY REPRESENTATIVES	
83(A).	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 at any meeting of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member and such corporation shall for the purposes of these Bye-Laws be deemed to be present in person at any such meeting if a person so authorised is present thereat.
83(B).	Where a Member is the Depository (or its nominee(s) which are corporations), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-Law shall be entitled to exercise the same rights and powers as if such person was the registered holder of the shares of the Company held by the Depository (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually.
83(C).	Any reference in these Bye-Laws to a duly authorised representative of a Member being a corporation shall mean a representative authorised under the provisions of this Bye-Law.

APPENDIX E – VALUATION REPORTS

Report & Valuation

GLH Portfolio – 15 UK hotels



15 February 2021

Ref: 475617/JB

GL Limited
1 Wallich Street
#15-02 Guoco Tower
Singapore 078881

James Bradley MRICS
E: jbradley@savills.com
DL: +44 (0) 20 7409 8771

33 Margaret Street
London
W1G 0JD
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savills.com

For the attention of Ho Kah Meng

Dear Sirs,

PROPERTIES: GLH PORTFOLIO – 15 UK HOTELS

In accordance with the instructions confirmed in our letter to you dated 28 January 2021 we have inspected the Properties and made such enquiries as are sufficient to provide you with our opinions of value on the bases set out in our report below. A copy of our letter of confirmation is enclosed at **Appendix 1**.

We draw your attention to our accompanying Report together with the General Assumptions and Conditions upon which our Valuation has been prepared, details of which are provided at the rear of our report.

We trust that our report meets your requirements, however should you have any queries, please do not hesitate to contact us.

Yours faithfully

For and on behalf of Savills Advisory Services Limited

A handwritten signature in blue ink that reads "Bradley".

JAMES BRADLEY MRICS
RICS Registered Valuer
Director

A handwritten signature in blue ink that reads "Stoyle".

TIM STOYLE FRICS
RICS Registered Valuer
Director

A handwritten signature in blue ink that reads "Furze".

GILES FURZE MRICS
RICS Registered Valuer
Director

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills Advisory Services Limited. Chartered Surveyors. Regulated by RICS. A subsidiary of Savills plc. Registered in England No. 2605138.
Registered office: 33 Margaret Street, London, W1G 0JD



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EXECUTIVE SUMMARY

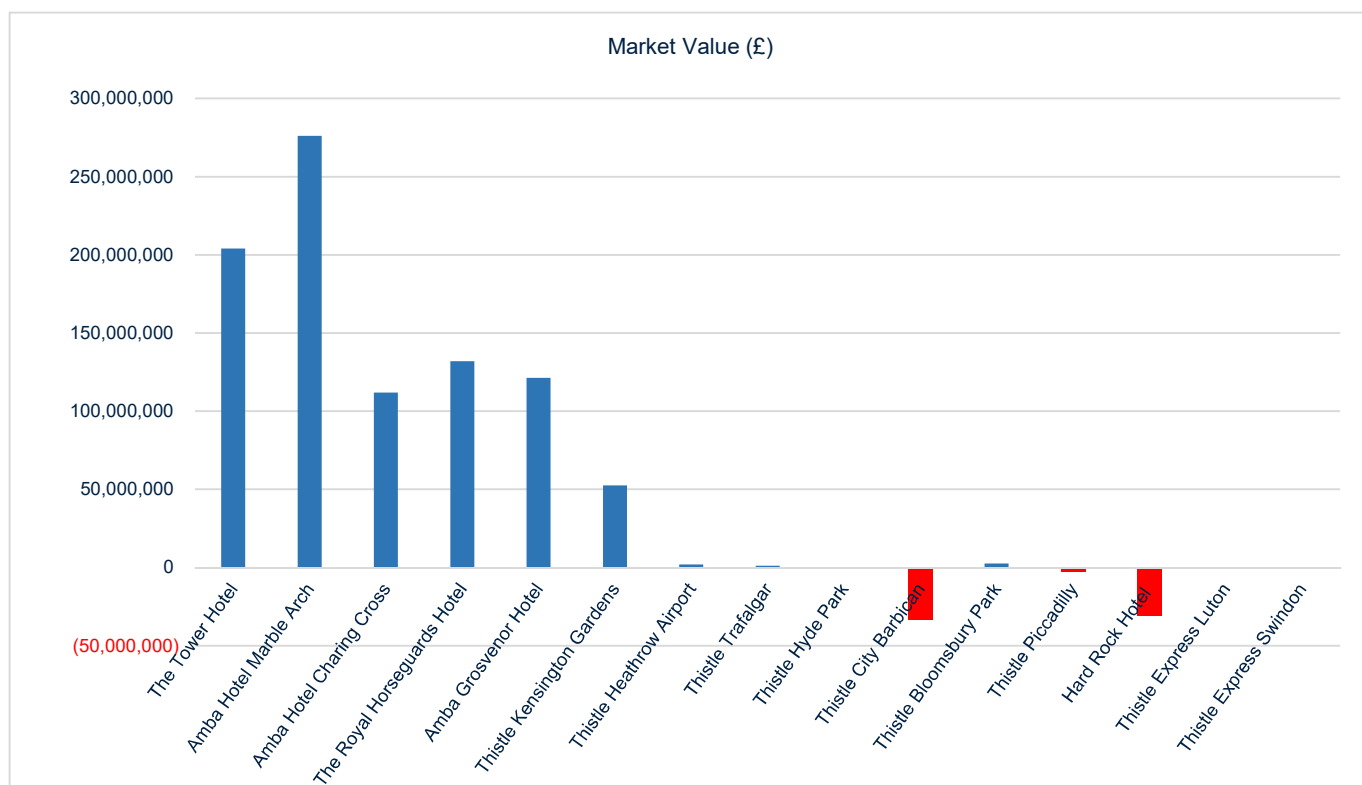
Portfolio Overview	<ul style="list-style-type: none"> The portfolio comprises 15 limited service and full service hotels with a total of 4,869 bedrooms. The properties operate under the Thistle, Thistle Express, Amba and Hard Rock brands, as well as two non-branded (though Guoman affiliated) hotels – The Tower Hotel and Royal Horseguards Hotel. The hotels are located in Central London (12 of the 15), Heathrow Airport, Luton and Swindon. The hotels are owner-operated by GLH, with only the Hard Rock hotel trading under a non-owned brand. The portfolio comprises a mix of building types and sizes, ranging from attractive and historic properties (e.g. Royal Horseguards Hotel, Amba Charing Cross) to more modern and less attractive properties (The Tower Hotel, Thistle Heathrow). In general, it appears the majority of the hotels would benefit from capital expenditure into building services, plant and facades / roof as well as some refurbishment / modernisation of guest areas. 																																																																																																												
Tenure	<ul style="list-style-type: none"> The Tower Hotel and Thistle Kensington Gardens are owned freehold. The remaining 13 properties are held leasehold. Of the leasehold properties, the larger, valuable assets are held with unexpired terms of 70 – 90 years. Consideration should be given to discussing lease extensions with landlords. This would enhance the liquidity of some of the assets and limit value erosion in the medium and longer term. Four of the hotels are held on relatively short leases with Topland as landlord (Barbican, Bloomsbury, Piccadilly and Hyde Park). The leases are subject to fixed rents until lease expiry in 2035 and renewal rights for a further 30 (or in the case of Piccadilly 20) years. These assets have high rents and low/negative current values. Whilst the Thistle Heathrow, Hard Rock Hotel, Thistle Express Swindon and Thistle Express Luton benefit from 59 to 148 year unexpired terms (including renewal rights) the values are severely restricted by the high rents payable, resulting in low / negative values. The Thistle Trafalgar is held leasehold with only 8.5 years unexpired (no extension options). 																																																																																																												
Business Overview	<table border="1"> <thead> <tr> <th>GLH Portfolio (15 hotels) Year End June</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021f</th> <th>2022f</th> <th>2023f</th> <th>2024f</th> <th>2025f</th> </tr> </thead> <tbody> <tr> <td>Occupancy</td> <td>73.8%</td> <td>77.2%</td> <td>54.0%</td> <td>7.1%</td> <td>61.9%</td> <td>69.4%</td> <td>74.1%</td> <td>75.1%</td> </tr> <tr> <td>Average Daily Rate</td> <td>£141.44</td> <td>£145.29</td> <td>£152.77</td> <td>£119.36</td> <td>£138.59</td> <td>£143.53</td> <td>£146.30</td> <td>£149.85</td> </tr> <tr> <td>RevPAR</td> <td>£104.35</td> <td>£112.18</td> <td>£82.47</td> <td>£8.52</td> <td>£85.79</td> <td>£99.65</td> <td>£108.47</td> <td>£112.48</td> </tr> <tr> <td></td> <td>£'000s</td> <td>£'000s</td> <td>£'000s</td> <td>£'000s</td> <td>£'000s</td> <td>£'000s</td> <td>£'000s</td> <td>£'000s</td> </tr> <tr> <td>Rooms Revenue</td> <td>£184,560</td> <td>£198,775</td> <td>£146,138</td> <td>£15,156</td> <td>£152,534</td> <td>£177,162</td> <td>£193,373</td> <td>£199,983</td> </tr> <tr> <td>F&B Revenue</td> <td>£21,716</td> <td>£23,628</td> <td>£19,281</td> <td>£2,328</td> <td>£20,852</td> <td>£23,755</td> <td>£25,767</td> <td>£26,630</td> </tr> <tr> <td>M&E Revenue</td> <td>£17,590</td> <td>£16,918</td> <td>£11,056</td> <td>£988</td> <td>£8,751</td> <td>£13,468</td> <td>£17,824</td> <td>£22,193</td> </tr> <tr> <td>Other Revenue</td> <td>£5,634</td> <td>£5,640</td> <td>£6,693</td> <td>£3,598</td> <td>£7,427</td> <td>£7,938</td> <td>£8,301</td> <td>£8,416</td> </tr> <tr> <td>Total Revenue</td> <td>£229,501</td> <td>£244,961</td> <td>£183,168</td> <td>£22,070</td> <td>£189,564</td> <td>£222,323</td> <td>£245,264</td> <td>£257,221</td> </tr> <tr> <td>Net Operating Income (pre-FF&E and head rents)</td> <td>£84,560</td> <td>£83,466</td> <td>£52,979</td> <td>-£23,591</td> <td>£61,635</td> <td>£77,509</td> <td>£87,818</td> <td>£92,621</td> </tr> <tr> <td>NOI (% of Total Revenue)</td> <td>36.8%</td> <td>34.1%</td> <td>28.9%</td> <td>-106.9%</td> <td>32.5%</td> <td>34.9%</td> <td>35.8%</td> <td>36.0%</td> </tr> </tbody> </table>	GLH Portfolio (15 hotels) Year End June	2018	2019	2020	2021f	2022f	2023f	2024f	2025f	Occupancy	73.8%	77.2%	54.0%	7.1%	61.9%	69.4%	74.1%	75.1%	Average Daily Rate	£141.44	£145.29	£152.77	£119.36	£138.59	£143.53	£146.30	£149.85	RevPAR	£104.35	£112.18	£82.47	£8.52	£85.79	£99.65	£108.47	£112.48		£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	Rooms Revenue	£184,560	£198,775	£146,138	£15,156	£152,534	£177,162	£193,373	£199,983	F&B Revenue	£21,716	£23,628	£19,281	£2,328	£20,852	£23,755	£25,767	£26,630	M&E Revenue	£17,590	£16,918	£11,056	£988	£8,751	£13,468	£17,824	£22,193	Other Revenue	£5,634	£5,640	£6,693	£3,598	£7,427	£7,938	£8,301	£8,416	Total Revenue	£229,501	£244,961	£183,168	£22,070	£189,564	£222,323	£245,264	£257,221	Net Operating Income (pre-FF&E and head rents)	£84,560	£83,466	£52,979	-£23,591	£61,635	£77,509	£87,818	£92,621	NOI (% of Total Revenue)	36.8%	34.1%	28.9%	-106.9%	32.5%	34.9%	35.8%	36.0%
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Principal Valuation Considerations	<ul style="list-style-type: none"> Mainly Central London locations with excellent accessibility. Mix of building types and conditions with several of the properties requiring significant works. Two freehold properties and 13 leasehold properties (from 8 years to 148 years unexpired). Head rents range from peppercorn to levels far in excess of sustainable EBITDA. Current pandemic and 'lockdown' conditions severely impacting trading performance. Current investment market characterised by reduced transaction volumes, reduced availability of debt and buyers seeking discounts. 																																																																																																												
Material Uncertainty	<p>In respect of hotels, we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the subject portfolio will therefore be reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.</p>																																																																																																												

Report & Valuation

GLH Portfolio – 15 UK hotels



Ref.	Property	Tenure	Keys	Market Value (£)	Value per key (£)	Cap Rate	Discount Rate
1	The Tower Hotel	Freehold	801	£204,000,000	£254,682	5.50%	7.50%
2	Amba Hotel Marble Arch	Leasehold	692	£276,100,000	£398,988	5.75%	7.75%
3	Amba Hotel Charing Cross	Leasehold	239	£112,000,000	£468,619	5.75%	7.75%
4	The Royal Horseguards Hotel	Leasehold	282	£132,000,000	£468,085	5.50%	7.50%
5	Amba Hotel Grosvenor	Leasehold	348	£121,400,000	£348,851	5.75%	7.75%
6	Thistle Kensington Gardens	Freehold	175	£52,600,000	£300,571	5.00%	7.00%
7	Thistle Heathrow Airport	Leasehold	266	£2,000,000	£7,519	11.00%	13.00%
8	Thistle Trafalgar	Leasehold	108	£1,100,000	£10,185	n/a	12.00%
9	Thistle Hyde Park	Leasehold	54	£400,000	£7,407	13.00%	15.00%
10	Thistle City Barbican	Leasehold	463	£-33,600,000	£-72,750	n/a	n/a
11	Thistle Bloomsbury Park	Leasehold	95	£2,500,000	£26,316	13.00%	15.00%
12	Thistle Piccadilly	Leasehold	82	£-2,600,000	£-31,707	11.00%	13.00%
13	Hard Rock Hotel (and Great Cumberland Place Hotel)	Leasehold	1,017	£-31,000,000	£-30,482	n/a	n/a
14	Thistle Express Luton	Leasehold	152	£-800,000	£-5,263	17.00%	19.00%
15	Thistle Express Swindon	Leasehold	95	£-400,000	£-4,211	17.00%	19.00%
			4,869	£835,700,000	£171,637		





1. INSTRUCTIONS AND PROPERTY SCHEDULE

1.1. Instructions

1.1.1. Instructions and Basis Of Valuation

You have instructed us to provide our opinions of value on the basis of Market Value.

In respect of a trading business, this normally changes hands in the open market as a fully equipped operational business unit and is therefore valued including:

- all plant, equipment, furniture, furnishings, fixtures and fittings on the assumption that these are free from lien and encumbrance;
- the market's perception of the trading potential excluding any personal goodwill;
- all licences, consents, certificates and permits necessary to allow the Property to properly trade on the assumption that these will be received as required;
- all existing staff, membership and bookings but excluding stock in trade, consumables and any additional value attributable to works of art, historic artefacts and the like.

1.1.2. General Assumptions and Conditions

All our valuations have been carried out on the basis of the General Assumptions and Conditions set out in the relevant section towards the rear of this report.

1.1.3. Date of Valuation

Our opinions of value are as at the date of this report. The importance of the date of valuation must be stressed as property values can change over a relatively short period.

1.1.4. Definition of Market Value

In undertaking our valuations, we have adopted the RICS definition of Market Value, as detailed below:

Valuation Standard VPS 4, section 4 of the Red Book details Market Value (MV) as defined in IVS 104 paragraph 30.1 as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

1.1.5. Further Definitions

The International Valuation Guidance Note 12 defines Trade Related Properties (TRPs) as:

'Individual properties, such as hotels, fuel stations and restaurants that usually change hands in the market place while remaining operational. These assets include not only land and buildings, but also fixtures and fittings (furniture fixtures and equipment) and a business component made up of intangible assets, including transferrable goodwill.'



The Red Book defines Goodwill as:

'Any future economic benefit arising from a business, an interest in a business or from the use of a group of assets that is not separable.'

Valuation Standard VPGA 4 .paragraph 2.13 of the Red Book defines 'Trading Potential' as:

The 'future profit, in the context of a valuation of the property that an REO (reasonably efficient operator) would expect to be able to realise from occupation of the property. This could be above or below the recent trading history of the property. It reflects a range of factors (such as location, design and character, level of adaptation and trading history of the property within the market conditions prevailing) that are inherent to the property asset'.

1.1.6. Purpose of Valuations

The Valuation is required for Stock Exchange purposes in compliance with the Take-over Code. We understand our valuation will be used as part of the due diligence process in advising shareholders in GL Limited in relation to the voluntary conditional General Offer by Guoco Leisure Holdings Limited for all the issued ordinary shares in the capital of GL Limited (the Transaction). It is important that the Report is not used out of context or for the purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended

1.1.7. Conflicts of Interest

We confirm that Savills Advisory Services Limited does not have a material connection or involvement with the subject properties or any other parties and there are no other factors that could limit the valuers' ability to provide an impartial and independent valuation.

You have instructed us to undertake this valuation in the knowledge that our previous involvement with several of the Properties.

You are aware that Savills is instructed to sell the freehold interest in the Thistle Express Swindon on behalf of the freehold owner. To be clear, we are not selling GLH's leasehold interest and we do not consider this to represent a conflict of interest in any way.

Savills valued the superior lease interest in The Hard Rock Hotel London in January 2019. Savills valued the freehold interest in the Thistle Heathrow in March 2018. Savills provided a feasibility study to GLH relating to the Thistle Kensington in November 2019. Savills provided a range of feasibility and building consultancy advice to GLH relating to the Tower hotel in 2017. These instructions are complete. We do not consider these past instructions to represent conflicts of interest in any way.

Therefore, the valuers will report an independent, objective and unbiased valuation. We will be acting as External Valuers, as defined in the Red Book.

1.1.8. Valuer Details and Inspection

The due diligence enquiries referred to below were undertaken by James Bradley MRICS. The valuations have also been reviewed by Tim Stoyle FRICS.

A panel review has been undertaken between the two main signatories – James Bradley MRICS and Tim Stoyle FRICS – and two independent directors with relevant experience in the sector – Giles Furze MRICS and Nick Newell MRICS.

Report & Valuation

GLH Portfolio – 15 UK hotels



The Properties were inspected on the following dates by the Registered Valuers stated in the table below. We were able to inspect the whole of the Properties, both externally and internally, including a selection of bedrooms, but limited to those areas that were easily accessible or visible.

	Property	Valuer	Date
1	The Tower Hotel	James Bradley MRICS	4 February 2021
2	Amba Hotel Marble Arch	Ben Packard MRICS	1 February 2021
3	Amba Hotel Charing Cross	Nick Newell MRICS	9 February 2021
4	The Royal Horseguards Hotel	Tim Stoye FRICS	3 February 2021
5	Amba Hotel Grosvenor	Nick Newell MRICS	9 February 2021
6	Thistle Kensington Gardens	Tim Stoye FRICS	3 February 2021
7	Thistle Heathrow Airport	Tim Stoye FRICS	5 February 2021
8	Thistle Trafalgar	Nick Newell MRICS	9 February 2021
9	Thistle Hyde Park	Tim Stoye FRICS	3 February 2021
10	Thistle City Barbican	Nick Newell MRICS	9 February 2021
11	Thistle Bloomsbury Park	Ben Packard MRICS	1 February 2021
12	Thistle Piccadilly	James Bradley MRICS	4 February 2021
13	Hard Rock Hotel (and Great Cumberland Place Hotel)	Ben Packard MRICS	1 February 2021
14	Thistle Express Luton	Giles Furze MRICS	5 February 2021
15	Thistle Express Swindon	Giles Furze MRICS	3 February 2021

All those above with MRICS or FRICS qualifications are also RICS Registered Valuers. Furthermore, in accordance with PS2, we confirm that the aforementioned individuals have sufficient current local, national and international (as appropriate) knowledge of the particular market and the skills and understanding to undertake the valuation competently.

1.1.9. Extent of Due Diligence Enquiries and Information Sources

The extent of the due diligence enquiries we have undertaken and the sources of the information we have relied upon for the purpose of our valuation are stated in the relevant sections of our report below.

Where reports and other information have been provided, we summarise the relevant details in this report. We do not accept responsibility for any errors or omissions in the information and documentation provided to us, nor for any consequences that may flow from such errors and omissions.

1.1.10. Liability Cap

Our letter confirming instructions at **Appendix 1** includes details of any liability cap.



1.1.11. RICS Compliance

This report has been prepared in accordance with Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together, where applicable, with the UK National Supplement effective 14 January 2019, together the "Red Book".

We have had particular reference to the requirements of VPS 3 entitled 'Valuation Reports' and VPGA 4 entitled 'Valuation of individual trade related properties', as appropriate. Our report in accordance with those requirements is set out below.

We confirm that we have prepared our Valuation in accordance with the requirements set out in Rule 26 of the Take-over Code.

1.1.12. Verification

This report contains many assumptions, some of a general and some of a specific nature. Our valuations are based upon certain information supplied to us by others. Some information we consider material may not have been provided to us. All of these matters are referred to in the relevant sections of this report.

We recommend that you satisfy yourself on all these points, either by verification of individual points or by judgement of the relevance of each particular point in the context of the purpose of our valuations. Our valuations should not be relied upon pending this verification process.

1.1.13. Confidentiality and Responsibility

Finally, in accordance with the recommendations of the RICS, we would state that this report is provided solely for the purpose stated above. It is confidential to and for the use only of the party to whom it is addressed only, and no responsibility is accepted to any third party for the whole or any part of its contents. Any such parties rely upon this report at their own risk.

Notwithstanding the foregoing, we confirm that we consent in principle to our Report or a summary of our Report being made available for inspection and for being included in a circular to shareholders of GL Limited ("the Materials") in connection with the Transaction, in compliance with Rule 26 of the Take-over Code, provided that:

- a) The Report or any summary shall not be published until such time as we have first approved the form and context in which the Report or summary appears (such approval not to be unreasonably withheld or delayed) and are satisfied that the Report has been accurately reproduced or the summary is sufficiently accurate and comprehensive (as the case may be);
- b) the Materials shall make clear that, with the exception of the Report or summary, we do not accept any responsibility for any part of the Materials or any other information issued by GL Limited or any other person in connection with the Proposed Transaction;
- c) such Report or summary complies in all respects with the requirements of the Red Book and any applicable regulations or directives including but not limited to the requirements set out in Rule 26 of the Take-over Code; and

if, in our opinion, any part of our Report becomes misleading or inaccurate between the date of issue of the Report and the date of issue of any Materials we reserve the right to withdraw our consent to your use of our Report or the summary unless and until we have made such amendments to it as we (acting reasonably and without undue delay) deem necessary or desirable, notwithstanding that our doing so may necessitate deferral of publication of the relevant materials.



1.1.14. Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees in response to further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

Material valuation uncertainty

In respect of hotels, we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the subject portfolio will therefore be reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations 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 this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuation cannot be relied upon. Rather, 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.

1.2. Property Schedule

Ref.	Property	Address	Tenure	Keys
1	The Tower Hotel	St Katharine’s Way, London E1W 1LD	Freehold	801
2	Amba Hotel Marble Arch	Bryanston Street, Marble Arch, London W1H 7EH	Leasehold	692
3	Amba Hotel Charing Cross	Strand, London WC2N 5HX	Leasehold	239
4	The Royal Horseguards Hotel	2 Whitehall Court, London SW1A 2EJ	Leasehold	282
5	Amba Hotel Grosvenor	101 Buckingham Palace Road, London SW1W OSJ	Leasehold	348
6	Thistle Kensington Gardens	104 Bayswater Road, London W2 3HL	Freehold	175
7	Thistle Heathrow Airport	Bath Road, Longford, West Drayton UB7 0EQ	Leasehold	266
8	Thistle Trafalgar	Whitcomb Street, Trafalgar Square, London WC2H 7HG	Leasehold	108
9	Thistle Hyde Park	90-92 Lancaster Gate, London W2 3NR	Leasehold	54
10	Thistle City Barbican	120 Central Street, London EC1V 8DS	Leasehold	463
11	Thistle Bloomsbury Park	126 Southampton Row, London WC1B 5AD	Leasehold	95
12	Thistle Piccadilly	Coventry Street, London W1D 6BZ	Leasehold	82
13	Hard Rock Hotel (and Great Cumberland Place Hotel)	Great Cumberland Place W1H 7DL & 6 Bryanston Street, London W1H 7AN	Leasehold	1,017
14	Thistle Express Luton	The Mall, Library Rd, Luton LU1 2TR	Leasehold	152
15	Thistle Express Swindon	Fleming Way, Swindon SN1 1TN	Leasehold	95



2. THE PROPERTIES, STATUTORY & LEGAL ASPECTS

2.1. Overview

The portfolio comprises 15 operational hotels located across Central London, London Heathrow Airport, Swindon and Luton, totalling 4,869 bedrooms (as at the date of valuation). The hotels are owner operated by GLH hotels and operated under the Amba, Thistle, Thistle Express and Hard Rock brands, with The Tower Hotel and Royal Horseguards Hotel unbranded (but with Guoman affiliation). Each of the 15 property appendices provides a property description, trading summary, principal valuation considerations and valuation. The full list of properties and appendix references is stated at Section 1.2 above.

2.2. Location

The majority of the portfolio is located in Central London. Before Covid-19 related travel restrictions these hotel locations would be ideally placed to benefit from strong demand. However, Covid has severely limited international travel and this has impacted London far more than other UK markets. The London hotels generally benefit from central locations, proximity to key transport hubs, tourist areas or corporate centres. Many benefit from very good accessibility and strong prominence.

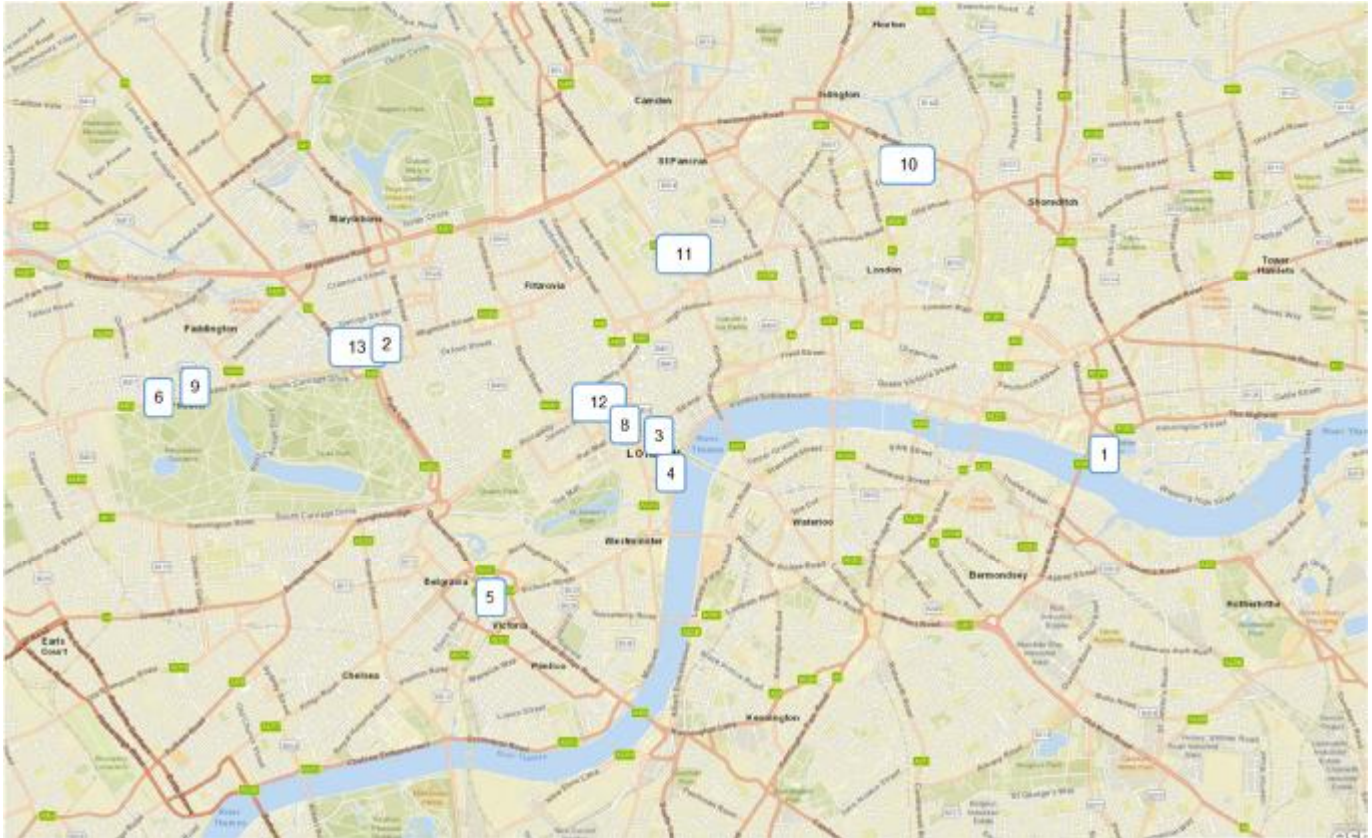
The Heathrow property is not one of the better located hotels near Heathrow Airport, but does benefit from being adjacent to Heathrow Pod Parking (currently closed). The Thistle Express hotels in Luton and Swindon operate in low rate, non-leisure markets. Business will be driven by their town centre locations.

The hotel locations are shown in the maps below with numbering in line with the above property schedule.

Map 1 – South East England



Map 2 – Central London properties



2.3. Description and Condition

The portfolio comprises a mix of building types and sizes, ranging from attractive and historic properties (e.g. Royal Horseguards Hotel, Amba Charing Cross) to more modern properties (The Tower Hotel, Thistle Heathrow). The hotels range in size from 54 bedrooms (Thistle Hyde Park) to 801 bedrooms (The Tower Hotel). In general, it appears the majority of the hotels would benefit from capital expenditure into building services, plant and facades / roof as well as some refurbishment / modernisation of guest areas. GLH has identified some hotels which require immediate works and these are described in the section below.

Inspection photographs are included within each property appendix.

Any particular concerns regarding condition are highlighted in section 4 of this report. It is important that the properties continue to be maintained and that FF&E is continually upgraded in order to maintain each hotel's market position.

The Tower Hotel has façade / structural defects, with portions of the property's concrete façade failing. We understand a strategy of attaching netting will prevent pieces falling but a longer term solution will be required. Other high cost projects include repair / replacement of services and plant at The Tower, roof and air conditioning works at Amba Marble Arch and balcony repair works at Hyde Park. The Thistle Barbican requires full window replacement and works to remove / isolate asbestos at basement level.



As instructed, we have not carried out a structural survey, nor have we tested any of the services. We have assumed that all the properties are served by mains water, electricity, gas and drainage.

2.4. Capital Expenditure

We have been provided with a schedule of capital expenditure for the periods YE June 2019, YE June 2020 and six month period to December 2020, as summarised below.

Property	Keys	Capex (£) July 2018 – December 2020	Per key (£)	Capex Planned (£)	Comments
The Tower Hotel	801	2,708,004	3,381	13,689,698	Essential maintenance to façade and plant and H&S. Excludes full redevelopment.
Marble Arch Hotel	692	1,266,856	1,831	3,120,081	Full refurbishment of M&E spaces including replacement of A/C and replacement of roof covering.
Charing Cross	239	650,397	2,721	612,000	Refurbishment of lobby, restaurant and bar. Includes £300,000 allocated to converting attic space to 2/3 bedrooms.
The Royal Horseguards	282	969,173	3,437	147,392	Replacement of service lift and repairs to roof.
The Grosvenor Hotel	348	14,331,530	41,183	561,914	Drainage leak repairs, boiler replacement and completing F&B refurbishment.
Kensington Gardens	175	384,366	2,196	44,135	Service lift replacement.
Heathrow T5	266	901,675	3,390	0	-
Trafalgar Square	108	312,571	2,894	0	-
Hyde Park	54	141,013	2,611	573,343	Repairs to leaking roof and failing balconies.
City Barbican	463	1,455,010	3,143	0	-
Bloomsbury Park	95	251,082	2,643	0	-
Piccadilly	82	320,233	3,905	0	-
Hard Rock Hotel	1,017	25,820,856	25,394	92,779	Conversion of two bedrooms into a gym
Great Cumberland Place		4,643		0	-
Luton	152	195,187	1,284	0	-
Swindon	95	66,159	696	0	-

In addition to the above works there is also potential for major repositioning / redevelopment works at The Tower Hotel and Royal Horseguards Hotel. For The Tower, the GLH January 2021 Project Management report shows a sum of £142,849,086 for a “full building redevelopment including repositioning of the hotel proposition via internal reconfiguration and external cladding replacement”. There are several redevelopment / refurbishment plans which could be pursued at this property and many options for future use (subject to planning consent and feasibility). We have not factored in any one specific strategy for redevelopment in our valuation – there are many options and challenges for the building and feasibility and costings are at an early stage. Plus no planning consent has been secured. Further, in accordance with instructions, we are valuing subject to existing use. It is likely a buyer of the property will have regard to redevelopment / repositioning potential and we have taken this into account in our choice of yields, but our principal approach to valuation is based on the operation of the property in its current form.

The same GLH document states a sum of £52,206,167 for the Royal Horseguards Hotel, more specifically, a “full building refurbishment including repositioning of the hotel proposition via internal refurbishment of all spaces”. Similar to our approach with The Tower Hotel, whilst it is clear this property has repositioning potential, feasibility and costings are at an early stage and our valuation is based on the operation of the property in its current form.



2.5. Environmental Considerations

2.5.1. Informal Enquiries

As instructed, we have not carried out a soil test or an environmental audit. Following informal inspection observations and the properties' locations, we have valued the Properties on the basis that they have not suffered any land contamination in the past, nor are they likely to become so contaminated in the foreseeable future. However, should it subsequently be established that contamination exists at any of the Properties, or on any neighbouring land, then we may wish to review our valuation advice.

We have assumed for the purposes of our valuation that there are no INNS present at the site or in the immediate vicinity of the Property.

2.5.2. Asbestos

We would draw to your attention that under the Control of Asbestos Regulations 2012 owners are required to undertake an asbestos survey of the Property and have in place a management plan detailing the areas affected. This should include a clear designation of the affected areas and the means of disposal if this is required. Unless stated otherwise we have for the purpose of this report assumed full compliance with the regulations and that there are no substantive issues, which would adversely affect our opinions of value.

We understand GLH is in the process of undertaking asbestos surveys across the portfolio. We have been informed that asbestos is present in most properties, though is isolated and managed.

The Thistle Barbican has a significant amount of asbestos at basement level to the extent that access to this part of the building is forbidden. We have been informed that the property is safe at present but that there have been signs of deterioration recently and works are required. GLH are in the process of costing works but these are not yet available. We have made an allowance for management of this asbestos in our valuation (see section 4) but confirmation of the costs of these works could impact our valuation. We have been informed that asbestos in the rest of the property is encapsulated.

2.6. Town Planning

We have made planning application searches with each local authority and reviewed the planning history for each property. We have assumed that each hotel has been developed in line with the necessary planning consents and that any planning conditions for works or alterations have been discharged to each council's satisfaction. In valuing the properties, we have assumed that the buildings are used in accordance with their present lawful uses, that the buildings comply with current planning laws and building regulations and that they are not subject to any adverse proposals or possible enforcement actions.

Each property appendix states whether the property is listed and whether it lies within a conservation area.

2.7. Taxation

2.7.1. Business Rates

The Uniform Business Rate for 2020/21 financial year is 51.2 pence in the Pound for large properties and 49.9 pence in the Pound for smaller businesses with a rateable value of less than £51,000. There is also an additional Crossrail Levy of 2 pence in the Pound for properties in Greater London with a Rateable Value in excess of £70,000, and a further 0.8 pence in the Pound for all properties in the City of London.

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From informal enquiries of the Valuation Office Agency Internet Rating List www.voa.gov.uk, we understand that the following entries appear on the 2017 Valuation List:

Ref.	Property	Keys	Rateable Value (RV)	RV per key	Multiplier	Rates Payable	Rates Payable per key
1	The Tower Hotel	801	£4,968,000	£6,202	0.532	£2,642,976	£3,300
2	Amba Hotel Marble Arch	692	£4,318,000	£6,240	0.532	£2,297,176	£3,320
3	Amba Hotel Charing Cross	239	£2,123,500	£8,885	0.532	£1,129,702	£4,727
4	The Royal Horseguards Hotel	282	£2,941,000	£10,429	0.532	£1,564,612	£5,548
5	Amba Hotel Grosvenor	348	£2,728,000	£7,839	0.532	£1,451,296	£4,170
6	Thistle Kensington Gardens	175	£960,000	£5,486	0.532	£510,720	£2,918
7	Thistle Heathrow Airport	266	£475,000	£1,786	0.532	£252,700	£950
8	Thistle Trafalgar	108	£925,000	£8,565	0.532	£492,100	£4,556
9	Thistle Hyde Park	54	£337,000	£6,241	0.532	£179,284	£3,320
10	Thistle City Barbican	463	£2,275,500	£4,915	0.532	£1,210,566	£2,615
11	Thistle Bloomsbury Park	95	£536,000	£5,642	0.532	£285,152	£3,002
12	Thistle Piccadilly	82	£895,000	£10,915	0.532	£476,140	£5,807
13	Hard Rock Hotel (and Great Cumberland Place Hotel)	1,017	£8,433,000	£8,292	0.532	£4,486,356	£4,411
14	Thistle Express Luton	152	£178,000	£1,171	0.512	£91,136	£600
15	Thistle Express Swindon	95	£111,000	£1,168	0.512	£56,832	£598
		4,869				£17,126,748	£3,518

Source: VOA data, Savills analysis

In response to the coronavirus pandemic, the Ministry of Housing Communities & Local Government have suspended Business Rate payments across the hospitality industry until April 2021. There is speculation that this suspension may be extended. However, for the purposes of valuation we have modelled full business rates payable in line with the business rates forecasts provided to us by GLH. Should a business rates suspension be extended, this will have a positive effect on cashflow and value.

2.7.2. VAT

Our valuations are exclusive of VAT.

2.8. Licences, Certificates and Other Statutory Requirements

We have assumed that the Properties are not directly affected by any highway, town planning or other schemes or proposals which would affect the valuation. In reporting our opinions, we have assumed that there are no third party interests between the boundaries of the subject properties and the adopted highways and accordingly the sites enjoy unfettered vehicular and pedestrian access.

In valuing the Properties we have assumed that the buildings are used in accordance with their present lawful uses, they comply with current planning laws and building regulations, are not subject to any adverse proposals or possible enforcement actions and there are no onerous conditions which would have an adverse effect on trade.

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We have valued the Properties on the basis that no work or capital expenditure is required in order to bring the Properties into compliance with the Disability and Equality Act 2010.

We have not been provided with, nor had sight of, any Fire Assessment reports in respect of the Properties. We assume for the purposes of this report that the necessary works to secure the buildings from fire have been implemented and that insurance for the buildings could readily be obtained.

We have not been provided with, or managed to obtain from the National Register, EPCs for the Properties. We are aware that investors and lending institutions are beginning to factor into their lending criteria the asset rating of an EPC. In the case of the subject properties, we are not aware of any EPCs upon which to assess any potential impact of Minimum Energy Efficiency Standards (MEES) on marketability. As such consideration should be given to the preparation of an EPC.

We have assumed for the purpose of the valuation that the Properties will continue to trade with the benefit of all existing and required licences, consents, certificates and permits. The values may be reduced if this assumption is incorrect or if they are lost or in jeopardy.

2.9. Tenure

The Tower Hotel and Thistle Kensington Gardens are held freehold. The remaining 13 properties are held leasehold. We have valued GLH's interest in each case.

We have been provided by GLH with detailed schedules describing the tenure of each property and terms of the head leases under which the majority of the properties are held. We have not reviewed the original title documents or head leases in each case and have relied upon the summary schedules provided to us. We consider this to be a reasonable approach given the detail of the schedules but our valuations are provided on the assumption that the contents of the schedules are correct and do not omit information which would have a material impact on value.

2.9.1. Tenure Summary

We provide a summary of the salient tenure information in the table below.

Hotel	Property	Landlord	Tenant	Term Expiry (Approximate Unexpired Term)	Current Annual Rent	Comments
The Tower Hotel	Tower Thistle Hotel	Freehold				We understand the owner is obliged to pay a service charge to the owner of St Katherine's Dock. Covenants in place with the "retained land" (St Katherine's Dock) "not to use... other than as a hotel and for ancillary activities".
Amba Hotel Marble Arch	Mount Royal Hotel, Bryanston Street, 27 to 31 (odd) Bryanston Street, 12 to 22 (even) Old Quebec Street, 508 to 540 (even) Oxford Street and 22 Portman Street	GLH Hotels Limited	The Portman Estate Nominees (One) Limited and The Portman Estate Nominees (Two) Limited	24 March 2110	£193,100 £13,100 (payable as Principal Rent under 1985 lease until review 25.3.21) +	GLH has confirmed that the head rent payments are met by GLH's sub-tenant (GPE) and all payments are up to date.

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					<p>Casino Rent - added as new Part III to RR schedule by 2003 DoV being 25% of rent payable under Casino sub-underlease.</p> <p>Note – Casino rent to be increased to £180,000 so rent payable increases to £193,100.</p>	
	Airspace to 10m above the roof of the Mount Royal Hotel	GLH Hotels Limited		4 September 2016	£23,250	Rent is 50% of the rent received under the telecommunications lease. Half of this is paid to landlord.
Amba Charing Cross	The Charing Cross Hotel and Annexe, Strand and the Griffin Public House, Villiers Street and the covered footbridge over Villiers Street - structural demise	Network Rail Infrastructure Limited	GLH Hotels Limited	26 March 2111 (90.1 years)	£0	<p>No Landlord break option. No Tenant renewal right.</p> <p>Rights across forecourt and concourse to hotel entrances, subject to payment of a 'fair share' of maintenance costs. Note LL can require that side door be locked temporarily or permanently.</p>
Royal Horseguards Hotel	The Royal Horseguards Hotel and The National Liberal Club, Block 1, 2 and Part Block 3, Whitehall Court, Whitehall Place	HM The Queen / The Crown Estate Commissioners	GLH RHG Limited	4 July 2092 (71.4 years)	£450,000	Next rent review 5 July 2023. Rent is reviewed to 7.75% of Open Market Rent. Upward only. Rent comprises £152,000 plus an amount determined at each review.
	Thames Suite: Block 3, Whitehall Court, Whitehall Place, London. (premises and cellars at ground floor and basement of block no. 3) (non-structural)	Whitehall Court Limited	GLH RHG Limited	24 March 2086 (65.1 years)	Peppercorn	(We have been informed this area is meetings and events space with additional surplus back of house space).
	The Royal Horseguards Hotel, Whitehall Court	GLH RHG Limited	The Royal Horseguards Hotel Limited	10 July 2036 (15.5 years)	£7,500,000	<p>Tenant break on 11 July 2026. LTA1954 provides tenant security of tenure.</p> <p>Next rent review 11 July 2021 and five yearly thereafter.</p> <p>Rent reviewed to Open Market Rent. We have been informed that this is an internal lease and both the landlord and tenant are wholly owned by GLH. We have assumed this internal lease would be collapsed in the event of a sale.</p>
The Grosvenor	The Grosvenor Hotel, 101 Buckingham Palace Road, London (SW1W 0SJ) - Hotel and Annex	Hammerson (Victoria Investments) Limited	The Grosvenor Hotel Victoria Limited	29 February 2108 (87 years)	Peppercorn	Landlord break: LL break re 'second premises' (adjoining concourse) where required for LL's undertaking on 3 years' notice. Also on 6 months' notice where for substantial works of construction demolition or redevelopment.

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						<p>The 'second premises' refer to the lobby area onto the station concourse. GLH comment that the break right requires that the area be "required for the landlord's undertaking" which was intended to refer to the then-landlord's railway undertaking. Network Rail is no longer the landlord due to the intervening lease and therefore there is ambiguity whether the landlord (Hammerson) has an undertaking and if so, whether it could 'require' this area.</p> <p>Tenant security of tenure.</p>
	Part of roof space at Grosvenor Hotel	Hammerson (Victoria Investments) Limited	The Grosvenor Hotel Victoria Limited	29 February 2108 (87 years)	Peppercorn	No break option but terminates if main lease does.
Thistle Kensington Gardens	<p>a. 104 and 105 Bayswater Road and 2a Porchester Terrace b. 106 Bayswater Road c. 107 Bayswater Road</p> <p>Airspace above Kensington Gardens Hotel, 104 Bayswater Road</p>			Freehold		Intra-group leases are in place. For the purposes of valuation we have assumed the intra-group structure would be collapsed in the event of a sale.
Thistle Heathrow	<p>Hotel known as the Centre Airport Hotel situate in the Bath Road, Longford</p>	Pickering Developments Limited	Heathrow Hotel (London) Limited	23 December 2168 (147.8 years)	£1,063,892.50 + amount in row below = total £1,450,762.50	<p>Rent reviews every 14 years. Next review 23 December 2024. Potential rent not yet estimated by GLH.</p> <p>LL must give not more than 24 nor less than 3 months' notice Reviewed (upwards only) to 3/4 of 165/225 OMV (+ any payable wrt Betterment Levy). Note if OMV can't be calculated or if 3/4 of 165/225ths OMV is less than passing, calculation based on value of buildings. Amended by both 6.5.71 and 3.7.07 DoVs OMV on basis of combined premises and assuming 49+35 rooms in office block - 355 total (adjusted if either floor converted back to bedrooms)</p> <p>LTA1954 provides tenant security of tenure.</p>
	An extension to the premises known as The Centre Airport Hotel situate on the south side of Bath Road Longford Hillingdon TOGETHER WITH the newly erected Banqueting Hall, the Block of Hotel Bedrooms and the ancillary, buildings, car park and grounds thereof	Pickering Developments Limited	Heathrow Hotel (London) Limited	23 December 2168 (147.8 years)	£386,870 + amount in row above = total £1,450,762.50	<p>Rent reviews every 14 years. Next review 23 December 2024.</p> <p>LL must give not more than 24 nor less than 3 months' notice. Reviewed (upwards only) to 3/4 of 60/225ths of the OMV of the premises and the developed property (under main lease). Note if OMV can't be calculated or if 3/4 of 60/225ths OMV is less than passing, calculation based on value of buildings (+ any Betterment Levy). Amended by 3.7.07 DoV. OMV on basis of combined premises assuming 49+35 rooms in office block - 355 total (adjusted if either floor converted back to bedrooms)</p>

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						LTA1954 provides tenant security of tenure.
Royal Trafalgar	The former Battle of Trafalgar Public House.	Trafalgar Hotel (London) Limited	The NGT Foundation	14 August 2029 (8.5 years)	£58,850	Guarantor is GLH Hotels Limited. Tenant security of tenure. Rent to be reviewed to Open Market Rent 1 August 2024. GLH are forecasting zero rental uplift in 2024.
	Main Hotel: Parts Basement, Lower Ground, Ground, First, Second, Third, Fourth, Fifth, Sixth, Seventh and tankroom floors Also Part Third Floor Also Ground Floor generator room	Trafalgar Hotel (London) Limited	The NGT Foundation	14 August 2029 (8.5 years)	£1,100,250 + £15,900	Guarantor is GLH Hotels Limited. Tenant security of tenure. Rent is from 15 August 2017. Next review was 15 August 2020. We understand the 2020 review has not been activated and GLH estimate a zero uplift. Rent in Review Period is higher of OMR and Alternative Rent (85% of OMR disregarding certain landlord works). Service Charge payable on whole currently £16,103 (Lease In document).
Hyde Park Thistle	The property known as Thistle Hyde Park	Topland TOR Limited		26 April 2035 (14.2 years) (44.2 years if tenant renews)	£405,727	GLH Hotels Limited is the guarantor. No break option. Renewal option for 30 years (no further renewal right) on same terms, at OMV - defined by ref to s34 1954 Act - should disregard Tenant's improvements. Stated rent is applicable until the end of the term. Security of tenure protection for Tenant. Tenant obligation to repair (not improve) the exterior and structure. Surety to make good all losses costs and expenses sustained by the Landlord due to the default of the tenant. If lease disclaimed or forfeit, Surety to take new lease if required within 3 months by notice.
Thistle Barbican	The property known as The New Barbican Hotel, Dingley Road and part of the site of Exchange Street, London	Topland Delta Limited	Barbican Hotel (London) Limited	26 April 2035 (14.2 years) (44.2 if tenant renews)	£6,688,504	Guarantor is GLH Hotels Limited. No break option. Renewal option for 30 years (no further renewal right) on same terms, at OMV - defined by ref to s34 1954 Act - should disregard Tenant's improvements. Stated rent is applicable until the end of the term. LTA1954 provides tenant security of tenure. Tenant obligation to repair (not improve) the exterior and structure.

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						Surety to make good all losses costs and expenses sustained by the Landlord due to the default of the tenant. If lease disclaimed or forfeit, Surety to take new lease if required within 3 months by notice.
Thistle Bloomsbury	The property known as Thistle Hotel Bloomsbury Park 126 and 128 Southampton Row and 8-10 Cosmo Place, Holborn, London	Topland Medway Limited	Bloomsbury Hotel (London) Limited	26 April 2035 (14.2 years) (44.2 years if tenant renews)	£622,582	<p>GLH Hotels Limited is the guarantor.</p> <p>No break option.</p> <p>Renewal option for 30 years (no further renewal right) on same terms, at OMV - defined by ref to s34 1954 Act - should disregard Tenant's improvements.</p> <p>Stated rent is applicable until the end of the term.</p> <p>No security of tenure protection for Tenant.</p> <p>Tenant obligation to repair (not improve) the exterior and structure. Surety to make good all losses costs and expenses sustained by the Landlord due to the default of the tenant. If lease disclaimed or forfeit, Surety to take new lease if required within 3 months by notice.</p>
Thistle Piccadilly	every Hotel Piccadilly, 31-39 Coventry St, London	Piccadilly Hotel (London) Limited	Topland Valley Limited	26 April 2035 (14.2 years) Tenant option to renew to 26 April 2055 (34.2 years)	Basic Rent £1,600,924 + Headlease Rent £1,000,000 = £2,600,924	<p><u>Ownership</u> Freeholder: The Duchy of Lancaster LLH: Akzo Nobel CIF Nominees Limited SLLH: Topland Valley Limited LH: Piccadilly Hotel (London) Limited (GLH Hotels Limited is guarantor)</p> <p><u>Renewal option</u> 20 years (no further renewal right) on same terms, at OMV - defined by ref to s34 1954 Act - should disregard T's improvements.</p> <p><u>Rent Review</u> Basic rent fixed until initial lease expiry, then OMR and subsequent 2% pa. Headlease Rent RR 2022, then 2036 & 2050 to 67.67% of OMR.</p>
Hard Rock Hotel & Great Cumberland Place	Structural demise of parts of the Building known as The Cumberland Hotel and 20 Great Cumberland Place, the Annex, excludes ground floor retail areas, parts of basement A and B. Note excludes tunnel (rights are granted), the duct, excluded airspace	Pike Trustee No 1 Limited	The Cumberland Hotel (London) Limited	10 July 2031 But with tenant options to extend to 21 March 2089 (68.1 years)	£20,158,107	<p>GLH Hotels Limited is the guarantor.</p> <p>No security of tenure for tenant.</p> <p>Rent has annual CPI increases (15 March).</p> <p>GLH has confirmed to us that the rent for any agreed renewal term is upward only in line with CPI (i.e. not re-pegged to open market rent).</p> <p>See Minimum Asset Level point at end of this table.</p>

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Thistle Express Luton	Land on service mall and upper levels at Luton Arndale Shopping Centre with the buildings erected, forecourt, all additions and other buildings erections, structures and including flower beds flagpoles and the surface excluding all services, structural and other elements of the Shopping Centre which lie underneath the flower beds and surface covering and underneath the other parts of the forecourt, all walkways structural and supporting elements oversailing the forecourt)	Picton Property Nominee (No.3) Limited	Mall Nominee One Limited	24 December 2069 (48.8 years) Tenant option to renew for an additional 26 years (74.8 years)	£66,000	Ground lease. We understand this rent is payable by Picton Property Nominee (No.3) Limited and not GLH.
	As above	GLH Hotels Limited	Picton Property Nominee (No.3) Limited	23 December 2069 (48.8 years) Tenant option to renew for an additional 26 years (74.8 years)	£250,000	Rent increases to £515,000 from 9 May 2022. Then reviewed 9 May 2029 and every five years (higher of Open Market Rent and CPI).
Thistle Express Swindon	Wiltshire Hotel, Fleming Way, Swindon	The Wiltshire Hotel (Swindon) Limited	UK Commercial Property Estates Holdings Limited	27 September 2064 (43.6 years) Tenant option to renew until 27 September 2079 (58.6 years)	£170,000	Guarantor is GLH Hotels Limited. Rent is from 25 December 2018. To increase to £200,000 from 25 December 2023. Reviews are 5 yearly to the higher of CPI or 5.1% increase. Security of tenure provisions apply. Service charge at £10,000 from 2016 subject to CPI increases. Guarantor guarantees payment of rent and performance of covenants and fully compensate for all and any losses and expenses of any kind incurred as a result of the tenant's breach. Guarantor to accept new lease following forfeiture or disclaimer if required by notice served within six months.

Source: Summarised from information provided by GLH

2.9.2. Important Points

- Dilapidations is a specific area of law relating to breaches of a tenant's lease obligations or covenants. A dilapidations claim can be made by the landlord against the tenant during or towards the end of a lease, or after the lease has ended. The landlord's claim document – usually called a Schedule of Dilapidations – will contain references to breaches of the tenant's lease obligations, mainly relating to physical alterations and their reinstatement, redecoration and repair. With the shorter leasehold properties in the portfolio, potential dilapidations costs will become ever more important as term expires near. The Thistle Trafalgar has only 8.5 years unexpired on the lease and therefore this is likely to be the first property requiring an analysis of potential dilapidations costs. We understand GLH has not started to consider dilapidation costs and we have not been provided with any information on this point. We would recommend this is looked into as dilapidation claims can be substantial.

- Four of the hotels are held on relatively short leases with Topland as landlord (Barbican, Bloomsbury, Piccadilly and Hyde Park). The leases are subject to fixed rents until lease expiry in 2035 and renewal rights for a further 30 (or in the case of Piccadilly 20) years. We have been informed that the rents to be agreed at any renewal of the lease would be in line with Market Rent. This is an important point for Thistle Barbican and Thistle Piccadilly because the current rents are very high and a reversion to Market Rents in 2035 (as opposed to continuation of passing rents) impacts whether a renewal of the lease is in the tenant's best interest.
- The Hard Rock Hotel (including Great Cumberland Place) lease includes a clause which stipulates that the current guarantor must maintain a minimum asset value of £150m (increased with inflation from 2017). If the asset value falls below £90m the lessor may buy back the lease for £1 (subject to conditions). This applies to the current guarantor only, but the lease also states that any assignee must be of sufficient standing for the landlord to consent to an assignment and it is unlikely a financially weaker company would be acceptable to the landlord. We consider this point to reduce the number of parties who would be willing and able to take on an assignment of the lease.
- The outcome of outstanding or upcoming rent reviews could materially affect future value for several assets. The uncertainty is greater where head rent provisions relate to OMR or specifications referring to the date of lease commencement

Unless stated explicitly in the table above, we assume that full rights of access are enjoyed in each case, that no third parties enjoy any rights over the subject properties and that there are no onerous restrictions or obligations connected to ownership.

2.10. Occupational Leases

The majority of the hotels benefit from sub-let rental income, ranging from small scale telecommunication leases to retail parades.

We have been provided by GLH with detailed schedules describing the sub-leases in place at each property. We have not reviewed the numerous leases in each case and have relied upon the summary schedules provided to us. We consider this to be a reasonable approach given the detail of the schedules but our valuations are provided on the assumption that the contents of the schedules are correct and do not omit information which would have a material impact on value.

2.10.1. Summary of Leases

Hotel	Property	Tenant	Term Expiry Approximate Unexpired Term	Current Annual Rent	Comments
The Tower Hotel	Transformer Chamber, The Tower Hotel	London Power Networks	24 December 2032 (11.8 years)	£0	Use as a transformer chamber. LTA1954 provides tenant security of tenure.
	Telecommunication Equipment	H3G	15 September 2009 (-)	£13,141	Original lease expired 2009. GLH inform us that the tenant remains in occupation whilst a new agreement is negotiated.
	Car Parking Spaces	Tesla Motors Limited	17 March 2019 (-)	Peppercorn	£9,000 premium paid on grant. Lease ended March 2019. GLH inform us that Tesla remain in occupation whilst new terms are agreed. Use as a charging station for electric cars (Tesla only).
	ATM	Travelex UK Limited	22 October 2019 Tenant at Will	£8,000	Tenant is a tenant at will whilst renewal terms are negotiated.
	Up to 10 car parking spaces at The Tower Hotel	Yourparkingspace Limited	Until terminated		Either party can terminate on 30 days' notice. Rent receivable is equal to 80% of bookings.
	Parking Space and ancillary area, The Tower Hotel	Avis Budget UK Limited	Tenant at Will	£45,440	

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Amba Hotel Marble Arch	OUT OF MAIN HOTEL LEASE: GVP/RETAIL PARTS LEASE: Parts of the basement and ground floors of the Mount Royal Block, Oxford Street, Old Quebec Street, Bryanston Street and Portman Street	The Great Victoria Partnership (G.P.) Limited	23 March 2110 (89.1 years)	£373,100	Rent is comprised of: main hotel rent plus Casino Rent. Effectively - £13,100 washes through plus 50% of the rent payable under Casino sub-underlease Note – Casino rent is to be increased to £180,000 so the rent payable increases to £373,100. Permitted user retail units/recording studio/casino.
	Ground Floor Shop Unit	PMD Services Limited	4 September 2022 (1.6 years)	£49,050	Annual reviews in line with RPI.
	OUT OF AIRSPACE LEASE: Telecoms Equipment, part of roof space lease	Hutchison 3G UK Limited	3 September 2016 (-)	£23,000	GLH has informed us that the operator is seeking alternative locations. Use only as a telecommunications base station.
	'MIKOM LEASE: 'Part of the sub-basement of the Building'	Andrew Wireless Systems UK Limited			Owner states this is "apparently out of our demise".
	Licence for Christmas lights and camera				
Amba Charing Cross	The Griffin Tavern, Villiers Street	Ashington Property Investments Limited	23 March 2111 (90.1 years)	£0	Property now sub-underlet by a lease dated 31 May 2011 between Wizard Inns Limited and Café Rouge; now vested in Five Guys JV Limited. Co-terminus long lease with zero rent receivable.
	Basement Levels B1, B2 & B3 of the hotel	Ha Ha Bar & Grill Limited	24 March 2026 (5.1 years)	£325,000	Guarantor is La Tasca Restaurant Limited. LTA1954 provides tenant security of tenure. Next rent review 25 March 2021 (upwards only, open market review to shell condition).
	Part Ground Floor	Upwest Estates Limited	20 March 2020 (0 years)	£30,000	Term end was 20 March 2020. GLH inform us that the tenant remains in occupation on a Tenancy at Will as the agreement was contracted out of the 1954 Act. Lease excludes LTA1954 security of tenure provisions.
	Site of Transformer Chamber	London Power Networks	19 February 2047 (26 years)	£0	Use as a transformer chamber. LTA1954 provides tenant security of tenure.
	'Unknown' demise. Installation of Telecommunications Enhancement Equipment	EE Limited	Indefinite lease	Peppercorn	Either party can break at any time.
		London Electricity Board			The owner's documentation makes reference to an additional substation but states that no documents are available.
The Royal Horseguards Hotel	The National Liberal Club, One Whitehall Place (non-structural, - part basement, part ground, the first mezzanine floor, the first floor and first floor terrace, the lift shaft between basement and first floor kitchen, the toilet between first floor and first mezz and the water tank room between second mezzanine and third floor)	The National Liberal Club Limited	2 July 2087 (66.4 years)	£3,000	Use is a high class private members' club. LTA1954 provides tenant security of tenure.
	Rooms Agreement	The National Liberal Club Limited	2 July 2087 (66.4 years)		Obligation to supply up to 20 discounted rooms per night, single or twin. Owner documentation suggests this requirement has been reduced to 10 bedrooms. Room rate to be adjusted annually in line with hotel's tariffs. (2001 memo indicates £99 incl VAT and breakfast).
	Transformer Chamber at Whitehall Place	London Power Networks plc	30 June 2092 (71.3 years)	£0.05	Use as a transformer chamber. LTA1954 provides tenant security of tenure.
	-	-	-	-	The owner's documentation makes reference to a possible additional substation but states that no documents are available.

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	Agreement re supply of hot water.		20 December 2028 (7.8 years)	£1,500 plus a fuel charge	The owner's tenure summary states that the agreement includes provisions requiring the adjoining owner to procure an equivalent agreement from a purchaser in the event of a disposal of its interest. The owner states that they have not seen evidence that this agreement has been novated to the hotel owning company or operating company. GLH has informed us that the agreement is with their neighbour. GLH no longer use the hot water as an independent supply has been established but the agreement does not allow termination so GLH remain liable the maintenance costs.
The Grosvenor Hotel	Part of roof space at Grosvenor Hotel	Everything Everywhere Limited	21 December 2015	£27,751.16	NB this is the whole of the area demised by the supplemental head lease described in the tenure section above. GLH inform us that the tenant remains in occupation whilst a new agreement is negotiated. Use: Telecommunications base station.
	Electricity substation (22 sqm) at the basement floor	London Power Networks	23 June 2058	Peppercorn	As a transformer chamber for or in connection with the transformation and distribution of electrical energy.
Thistle Kensington Gardens	Part ground floor & basement, comprising petrol filling and service station, motor car showroom and petrol tanks at ground floor and basement 104 & 105 Bayswater Rd & 2A Porchester Terrace together with the reinforced canopy projecting	Shell UK Limited	28 December 2058 (37.7 years)	£5,000	LTA1954 provides tenant security of tenure. Use: Premises for the supply and sale of fuel together with ancillary use of a food-centred convenience offer.
	Forecourt premises at 106-107 Bayswater Road	Shell UK Limited	26 December 2058 (37.8 years)	£1,750	LTA1954 provides tenant security of tenure. Use: Forecourt and accessway in connection with use of the petrol filling station.
	Part of roof of Premises	Everything Everywhere Limited	19 November 2012 (-)	£19,875	GLH inform us that EE remain in occupation whilst new terms are negotiated. Rent reviewed annually to RPI. Use: As a telecommunications base station.
	12 metre square equipment cabin on part of roof of Premises with associated antennae	Vodafone Limited	29 July 2027 (6.4 years)	£20,000	Use: Electronic communications base station
	Part of lower roof level of hotel premises but excluding the airspace 3 metres above	UK Broadband Limited	27 November 2025 (4.75 years)	£24,500	Reviewed in 2019, 2022 and 2025 to open market rent. Use: use for the provision of electronic communications networks and electronic communications services.
	An electricity Substation at 104/105 Bayswater Road, London	London Power Networks	28 September 2021 (0.6 years)	£0.05	Use: As a transformer chamber for or in connection with the transformation and distribution of electrical energy.
	Various car parking spaces (4 + 2 + 6 + 1 + 1 + 1 + 1 + 2 + 2 + 1)	Various	Until terminated	Approx. £24,000	Licences until terminated. Assuming those with set termination dates are still occupying.
	Thistle Heathrow	The Beach, Heathrow Park Hotel	Europcar Group UK Limited	29 September 2032	£500,000
Gas Governor Kiosk		National Grid	23 June 2070	-	

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			(49.3 years)		
	The area near the exit of the car park or such other area as is designated	Traveldeal Limited	Until terminated	£9,300	Licence to occupy until terminated (either party on two months' notice).
	4 parking spaces	Traffic Self Drive (Herts) Limited		£5,823.96	Use – taxi booking service. Licence to occupy until terminated (either party on one months' notice).
Thistle Trafalgar	No sub-tenants				
Thistle Hyde Park	3 separate car parking spaces (unallocated)	Yourparkingspace Limited	Until terminated	£7,500 total	£3,000 per space per annum inclusive of VAT. Can terminate – either party on one months' notice.
Thistle Barbican	Transformer Chamber, Dingley Road	UK Power Networks	30 September 2032 (11.6 years)	£0	Use as a transformer chamber. LTA1954 provides tenant security of tenure.
	Cell Site	Telefonica UK Limited	8 December 2025 (4.8 years)	£18,000	Either party can break with 12 months' notice. Communications site for electronic communications purposes.
	Telecommunications Equipment at Thistle Barbican Hotel	Hutchison 3G UK Limited	14 May 2012 (-)	£17,919	Term end was 14 May 2012. We have been informed that the tenant remains in occupation whilst a new agreement is negotiated. Use as a telecommunications base station.
Thistle Bloomsbury Park	No sub-tenants				
Thistle Piccadilly	31 Coventry Street	J&G Davey Limited	22 January 2029	£72,500	Rent Reviews due in 2021, 2023, 2025. (Two thirds of total Hutchison rent goes to FH / SL. £6,000 shown is net to Hotel).
	32 Coventry Street	Fadi Saliba	17 October 2028	£126,500	
	33 Coventry Street	FB Coventry Street Limited	24 December 2023	£140,000	
	34 Coventry Street	Dream London Limited	30 November 2021	£152,600	
	35 Coventry Street	Mohammed Saber Valizadeh	24 December 2023	£144,000	
	36 Coventry Street	Samir Amer	23 April 2025	£87,000	
	37-38 Coventry Street	The Change Group London Limited	30 March 2021	£142,750	
	39 Coventry Street	Pret a Manger (Europe) Limited	24 March 2028	£187,500	
	Air conditioning licence 39 Coventry Street	Pret a Manger (Europe) Limited	24 March 2028	£8,000	
	Part of roof space	Hutchison 3G UK Limited	5 May 2013	£6,000	

Source: Summarised from information provided by GLH

The most important sub-tenancies are:

- Amba Hotel Marble Arch. The largest sub-tenant, The Great Victoria Partnership (G.P.) Limited (Great Portland Estates), is responsible for meeting GLH's head rent obligations and is continuing to pay rent.
- Amba Hotel Charing Cross. The Mitchells and Butler let unit generates £325,000 per annum in rental income for the hotel. We understand there is £43,396 of rent outstanding.
- Thistle Heathrow. A large part of the south side of the site is sublet to Europcar at a current rent of £500,000 per annum, increasing to £525,000 in September 2021 and reviewed to the higher of open market rent or RPI in 2022 and 2027. We understand Europcar have paid all due rents.
- Thistle Piccadilly. The ground floor fronting Coventry Street includes eight retail units sub-let to small scale tourist / souvenir retailers, Pret a Manger and The Change Group. There are rent arrears of approximately £940,000.

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2.10.2. Current payments

GLH has provided us with the following summary setting out the amount of unpaid rent for sub-tenants.

Property	Occupier	Rent due since pandemic (March 2020)	Covid Debt
Piccadilly	F Saliba	£126,650.00	£126,650
Piccadilly	J&G Davey	£72,500.00	£58,489
Piccadilly	THE CHANGE GROUP INTERNAT	£142,750.00	£116,789
Piccadilly	M.S.VALIZADEH	£144,000.00	£125,083
Piccadilly	SAMIR AMER	£87,000.00	£87,000
Piccadilly	Pret A Manger	£195,500.00	£166,175
Piccadilly	Dream London Ltd	£152,600.00	£152,600
Piccadilly	FB Coventry Street Ltd (Auntie Annie)	£116,666.67	£106,917
Charing Cross	MITCHELLS & BUTLER	£325,000.00	£43,396
Charing Cross	Upwest Estates	£30,000.00	£30,000
Marble Arch	GPE	£373,100.00	0.00
Marble Arch	PMD Services Ltd	£43,468.00	£43,468
Tower	Avis Rent a Car	£37,868.33	£30,294
Heathrow	Europcar	£500,000.00	0.00
Heathrow	Travel Deal Ltd	£7,750.00	£7,750
Hyde Park	Yourparkingspace Ltd	£6,250.00	£625
Kensington	Malaysian High Commission	£7,500.00	£1,088
Kensington	Yourparkingspace Ltd	£8,333.33	£1,250
Kensington	Mohammed Alrufaei	£3,000.00	£2,250
Kensington	Ed McDermott	£3,000.00	£500
Kensington	CARL RICHARDSON	£6,302.00	£1,580
Kensington	SHELL UK OIL PRODUCTS	£5,000.00	£0.00
		£2,394,238	£1,101,904



2.11. Summary of the Business

2.11.1. Business Overview

The portfolio comprises 15 limited service and full service hotels with a total of 4,869 bedrooms. The properties operate under the Thistle, Thistle Express, Amba and Hard Rock brands, as well as two non-branded (though Guoman affiliated) hotels – The Tower Hotel and Royal Horseguards Hotel. The hotels are located in Central London (12 of the 15), Heathrow Airport, Luton and Swindon. The hotels are owner-operated by GLH, with only the Hard Rock hotel trading under a non-owned brand.

The internal management fees are equal to 4% of total revenue plus 8% of GOP. In the case of Hard Rock, licence fees are payable in accordance with the Hard Rock licence agreement.

2.11.2. Management Accounts & Forecast Summary

We have reviewed the management accounts and trading forecasts data and summarise in the table below. For 2017 – 2019 the portfolio achieved a Total Revenue of £230-245m, but the impact of Covid-19 on 2020 performance and 2021 forecasts is clear to see, with occupancy falling to 54.0% and 7.1% respectively. GLH forecasts a return to 2019 revenue between year end June 2023 and 2024 (though Rooms Revenue recovery is approximately a year later).

The Net Operating Income is shown post-management fees but before a deduction for an FF&E reserve or head rent payments (this is also the case in each property appendix report). NOI margin fell from 38.6% in 2017 to 34.1% in 2019 and is forecast to return to 2019 levels (in cash terms) by 2024.

GLH Portfolio (15 hotels) Year End June	2017	2018	2019	2020	2021f	2022f	2023f	2024f	2025f	2026f
Occupancy	75.6%	73.8%	77.2%	54.0%	7.1%	61.9%	69.4%	74.1%	75.1%	75.3%
Average Daily Rate	£147.20	£141.44	£145.29	£152.77	£119.36	£138.59	£143.53	£146.30	£149.85	£154.17
RevPAR	£111.26	£104.35	£112.18	£82.47	£8.52	£85.79	£99.65	£108.47	£112.48	£116.15
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Rooms Revenue	£190,738	£184,560	£198,775	£146,138	£15,156	£152,534	£177,162	£193,373	£199,983	£205,438
F&B Revenue	£21,478	£21,716	£23,628	£19,281	£2,328	£20,852	£23,755	£25,767	£26,630	£27,849
M&E Revenue	£16,909	£17,590	£16,918	£11,056	£988	£8,751	£13,468	£17,824	£22,193	£24,169
Other Revenue	£5,520	£5,634	£5,640	£6,693	£3,598	£7,427	£7,938	£8,301	£8,416	£8,527
Total Revenue	£234,646	£229,501	£244,961	£183,168	£22,070	£189,564	£222,323	£245,264	£257,221	£265,983
Gross Operating Profit (GOP) before management fees	£127,885	£120,653	£124,009	£83,159	-£17,656	£97,824	£117,084	£129,791	£136,016	£140,193
GOP (% of Total Revenue)	54.5%	52.6%	50.6%	45.4%	-80.0%	51.6%	52.7%	52.9%	52.9%	52.7%
Net Operating Income (pre-FF&E and head rents)	£90,631	£84,560	£83,466	£52,979	-£23,591	£61,635	£77,509	£87,818	£92,621	£95,570
NOI (% of Total Revenue)	38.6%	36.8%	34.1%	28.9%	-106.9%	32.5%	34.9%	35.8%	36.0%	35.9%

Source: GLH

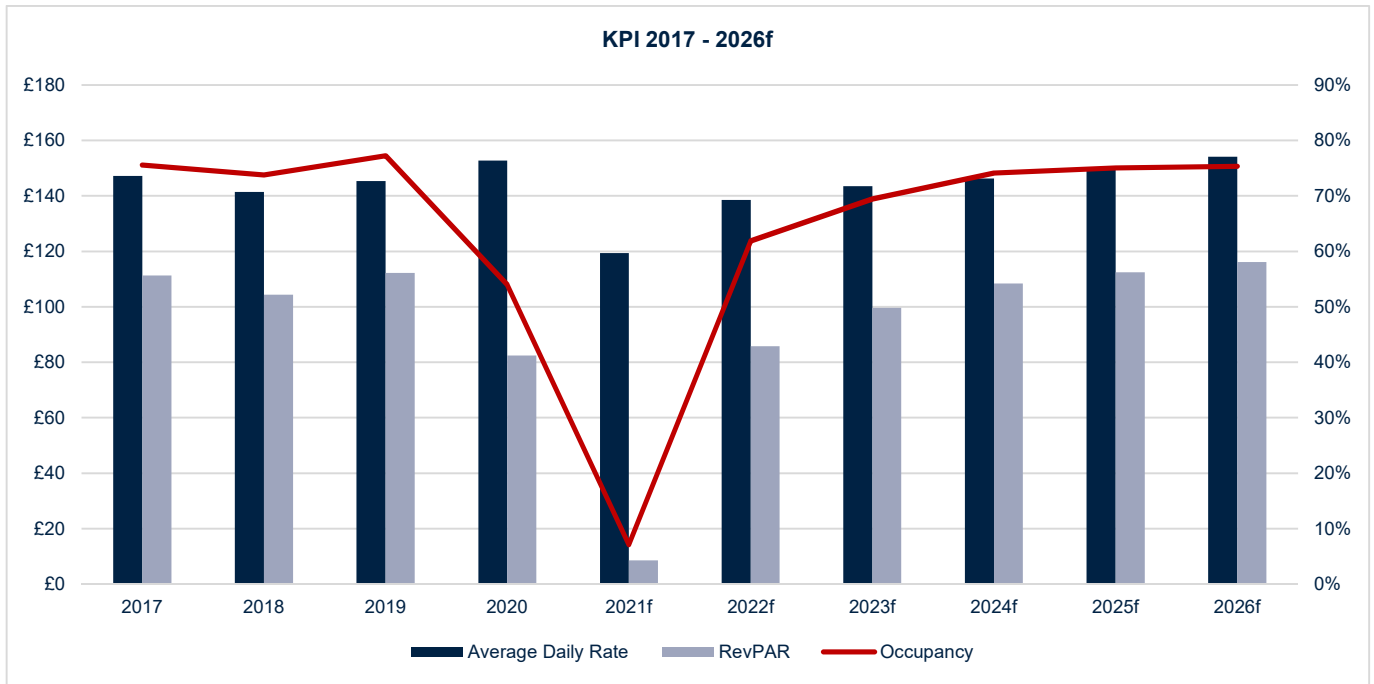
Following the introduction of the new accounting standards on leases (IFRS16), GLH no longer shows rents payable in their operating forecasts so we are not able to present a net operating income after head rent payments in the table above. However, we understand that for 2019 the total

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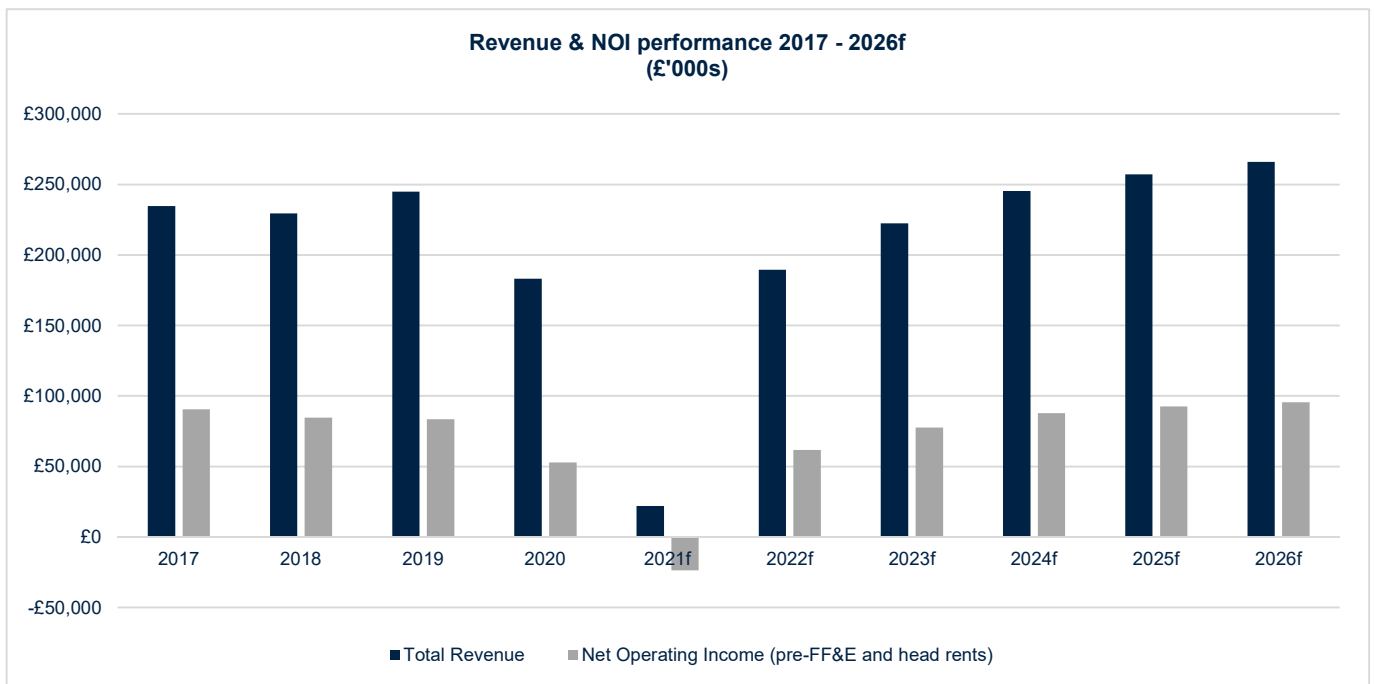
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head rent payments equated to £32,300,000. This would reduce the NOI to approximately £51,166,000 (still pre-FF&E reserve deductions), being 20.9% of total revenue.



Source: GLH data

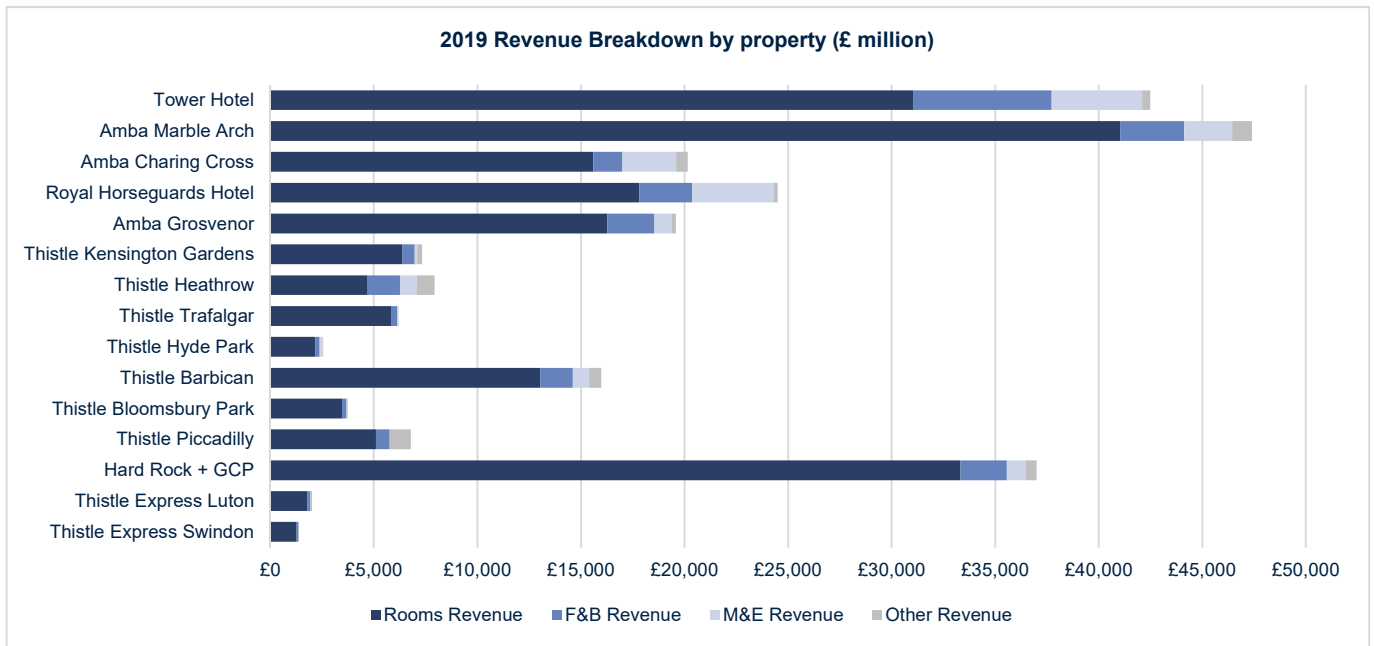


Source: GLH data

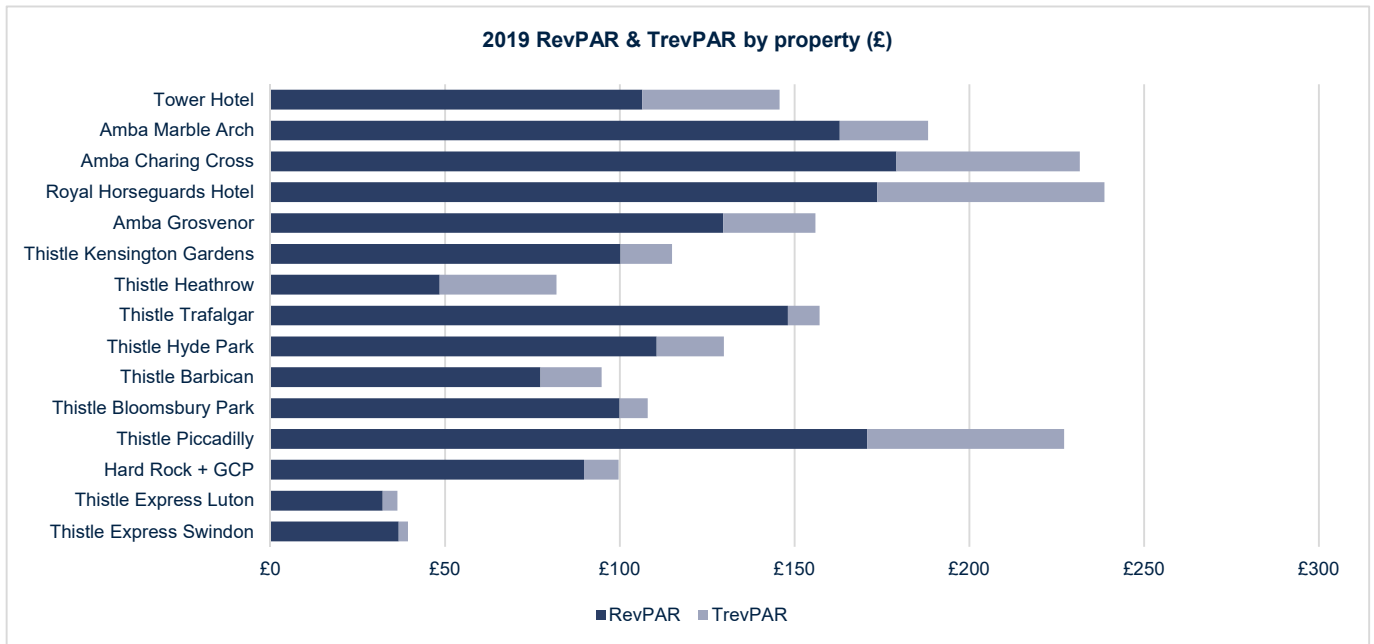


2.11.3. Revenue Analysis

The hotels are predominantly bedrooms-driven businesses, with 81% of total revenue from room sales (2019 data). Food and Beverage (F&B) sales make up 10% of total revenue, with Meetings and Events (M&E) at 7% and Other Revenue at 2%. The chart below illustrates revenue breakdown per property. The Tower Hotel has a higher percentage of non-rooms revenue versus the other hotels due to its large M&E space.



Source: GLH data



Source: GLH data

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In terms of RevPAR, the best performer in the portfolio is the Amba Hotel Charing Cross with a RevPAR of £179.18 in 2019. This is followed by the Royal Horseguards Hotel and Thistle Piccadilly. The highest TrevPAR is achieved at the Royal Horseguards Hotel.

2.11.4. Reopening

All properties, with the exception of the Royal Horseguards Hotel, Thistle Express Swindon and Thistle Express Luton, are currently closed. We have been provided with a schedule setting out GLH's current planned dates for reopening (green indicating open).

22/01/2021	RHG, SWI & LUT	VIC	CHX	TWR	HRHL	MAR	HEA	BLO	KNG	PIC	TRA	HYD, GCP & BAR
Jan												
Feb												
Mar												
Apr												
May												
Jun												
Jul												
Aug												
Sep												
Oct												
Nov												
Dec												



3. MARKET COMMENTARY

3.1. Hotel Market Overview

In general, the UK hotel industry experienced downward pressure on both occupancy and room rates caused by the economic downturn (2008 onwards), resulting in declines in Revenue per Available Room (RevPAR) in many markets between 2007 and 2010. However, the trend from 2010 to 2019 has been generally positive with initial stabilisation giving way to strong growth in many markets post-2014.

Following the outbreak of the Novel Coronavirus (COVID-19) (declared by the World Health Organisation as a “Global Pandemic” on the 11 March 2020), the UK Government instructed all UK hotels to close and wider lockdown conditions were enforced from 23 March 2020. Clearly the UK’s hotel KPI performance has been affected, with most hotels ceasing operations and those which did remain open (for key workers / the homeless) generally trading at low occupancies. On the 4 July 2020, the government permitted the re-opening of hotels, bed and breakfasts accommodation and campsites in England along with the easing of other restrictions. However, with the easing of restrictions, the UK saw a rise in number of cases and deaths and as a result there was a more localised approach to tighter restrictions. England’s second lockdown started on 5 November 2020 for a period of 4 weeks in an effort to curb the spread of the virus. Government support was continued throughout with the announcement of an extension to the furlough scheme until March 2021.

London hotel performance is summarised in the table below.

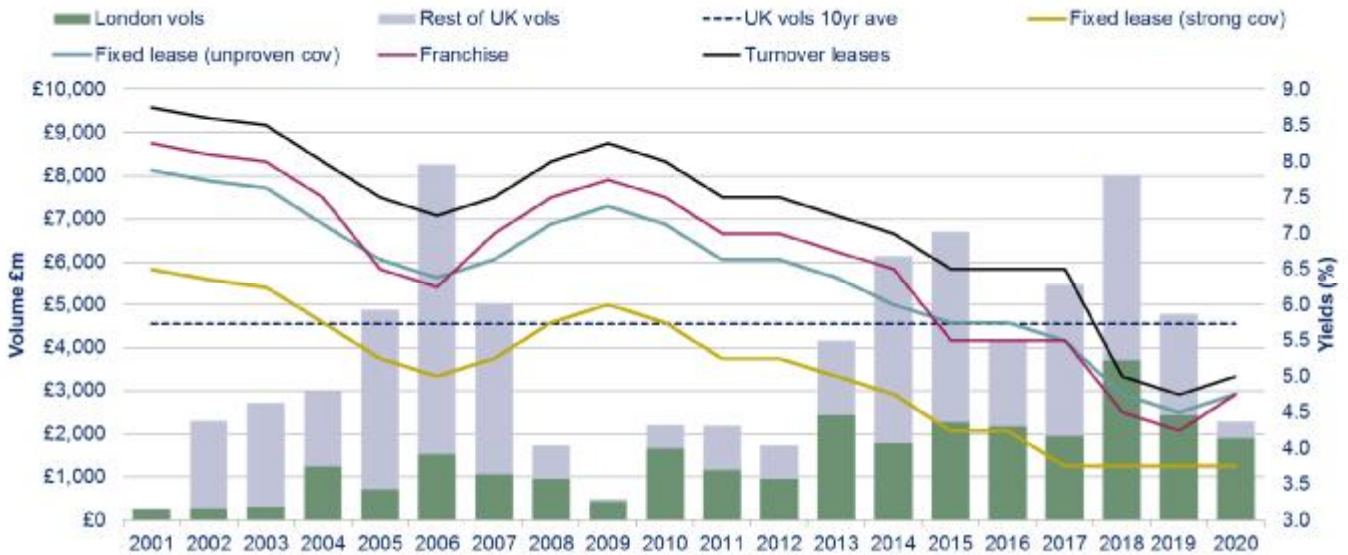
London Hotels	2015	2016	2017	2018	2019	2020
Occupancy	82.2%	81.3%	81.7%	83.3%	83.5%	25.7%
Average Daily Rate	£143.95	£143.44	£149.01	£149.69	£154.58	£111.28
RevPAR	£118.27	£116.68	£121.70	£124.73	£129.14	£28.55

Source: STR/AMPM

On the 5 January 2021 England returned to a national lockdown which meant the temporary closure of all non-essential businesses including hotels. Any policy changes leading to an easing of restrictions will be informed by the progress of the vaccination programme and any developments of the virus into new variants.

This ‘third-wave’ lockdown will have a significant impact on the performance and recovery of the hospitality industry. It is too early to accurately forecast the UK hotel performance recovery pattern. There will also be questions asked of how Covid-19 may impact longer term travel demand – from a leisure, commercial and events perspective – and how particular sectors and locations will fare relative to the wider market.

2020 hotel transactions reached £2.22m compared to £4.94m in 2019 and £8.71m in 2018. 2020 Q1 volumes were skewed by the inclusion of The Ritz London (circa £625-650m). For Q2-Q4, transactions in 2020 were only 28% of previous year figures. The wider health, economic, financial and travel challenges are all feeding through to increased risk in buyer appraisals. Underlying hotel operating issues, lack of accommodation demand and uncertainty about recovery periods are affecting hotel buyers in particular. There is also reduced debt available for hotel acquisitions, with that which is available being more expensive than in 2019.



Source: Savills

3.2. Hotel Competition & New Supply

We have reviewed each hotel's STR competitor set data provided to us by GLH. We have also had regard to current hotel supply levels in each market and also potential increases to supply. A summary of each hotel's competitor / pipeline market is provided in each property appendix report.

3.3. Comparable Transactions

We have undertaken research and investigations into recent comparable transactions of hotels with a similar market positioning to that of the subject hotels. The hotel market, unlike other commercial property sectors, is more secretive about providing detailed information on transactions, as analysis is required of trading information, which is extremely sensitive between operators. For the purpose of our Valuation, we have had regard to other hotels that we have valued or sold and analysed Turnover, Net Operating Profit (before tax and interest) and achieved prices, albeit on a confidential basis.

Transactions we are aware of are listed below and whilst these provide a useful guide, we would again point out that some of this information has been obtained from third parties and we cannot validate its accuracy. Furthermore, many of the transactions that we have considered during our valuation are subject to confidentiality clauses and as such we are unable to refer to them directly. The transactions which follow are nevertheless of assistance in providing a broad "cross-check".

There were very few hotel transactions in the UK in 2020, which reduces the amount of directly comparable sales data available to us. In the table below we have included the main hotel transactions in 2020 even where the properties are not comparable to the subject properties (e.g. The Ritz and Grosvenor House Suites). We have also included a selection of hotel investments (hotels subject to leases with fixed rents); whilst these are not directly comparable to the subject properties in operational structure they can provide useful price per key data. Several of the transactions in the table below are now historic, but in some respects these properties provide the better comparables (for some of the subject portfolio) in terms of product type (e.g. the 2017 sales of the Doubletree by Hilton hotels). There are no directly comparable transactions relevant for the Luton and Swindon assets – these are leasehold assets to which we have attributed negative values and it is extremely rare that such assets transact.

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Finally we would state that most of the subject properties are held leasehold with unexpired terms of under 90 years (in several cases under 15 years). There are very few hotels sold on this basis and therefore direct comparison is not possible. We have carefully analysed each of the principal comparable transactions and made adjustments where necessary to account for the specific characteristics of the subject properties.

Date	Property	Keys	Price	Price per key	Net Yield	Comments
On the market	Kingsway Hall Hotel Covent Garden	170	£115,000,000	£676,471	n/a	Being sold by Shiva Hotels. A 125 year leasehold interest with a ground rent payable of £1,489,127 (£8,760 per key) subject to annual RPI reviews (0%-5%). Recently underwent a complete refurbishment and extension.
Under Offer	Motel One London Tower Hill	291	£67,550,000	£232,131	3.85%	Let to Motel One UK Limited until 2047 with parent company as guarantor on the lease. At a topped up rent of £2,777,164 per annum (£9,544 per key) the property is under-rented. 5 yearly RPI reviews (2%-5%). Building has significant façade maintenance issues.
On the market	Yotel Clerkenwell	212	£92,000,000	£433,962	n/a	The property achieved practical completion in May 2020. Hotel is subject to a HMA with Yotel and also includes 5 apartments and 3,110 sq ft NIA of retail space. Guide price stated appears aspirational.
Feb-21	Zetter Portfolio Clerkenwell / Marylebone	96	c.£34,000,000	c.£354,167	-	Portfolio includes Zetter Townhouse Marylebone (24 rooms), The Zetter Hotel (59 rooms) and the Zetter Townhouse Clerkenwell (13 rooms). The Marylebone hotel is held leasehold, expiring 2035 (15 years unexpired), and we understand an allocation in the region of £1 million (c. £76,900 per key) has been attributed to it. The two other hotels are held freehold and were the driving force behind the offers received.
Feb-21	Holiday Inn Express London Ealing	80	£15,000,000	£198,750	< 5.0%	The property has planning consent to extend by a further 27 bedrooms. The yield reflects the opportunity for additional guestrooms. Operated under a HMA with IHG.
Oct-20	Grosvenor House Suites Mayfair	130	£320,000,000	£2,406,015	4.3%	Leasehold property with c. 84 years remaining and low head rent of £50,000 per annum. The property is in a prominent position facing west over Hyde Park. The price reflects 1,512 per sq ft.
Aug-20	SoHostel Soho	67	£31,250,000	£466,418	-	Very well located hostel in Soho. Sale price agreed above guide price and exchanged post-lockdown. 295 bed spaces and sold with the view to redevelop within C1 use class. £950 per sq ft.
Apr-20	Chrysos Hotel Paddington	57	£18,000,000	£315,789	-	Tourist hotel located near a major transport hub. Purchased by the Tourist Collection. Deal largely agreed pre-lockdown. Price > £1,000 per sq ft.
Mar-20	The Ritz London St James's	136	c. £625,000,000	£4,595,588	c.2.5%	The Ritz provides a full service hotel with 136 bedrooms, extensive food and beverage space and (until recently) a casino. It is held largely freehold and is considered a 'trophy' asset. The negotiations for the sale took place pre-covid and the price represents a yield of around 2.5%. On an estimated 250,000 sq ft GIA, the price equated to £2,500 per sq ft.
Jan-20	Premier Inn London Westferry Canary Wharf	400	£106,000,000	£265,000	3.9%	Aviva Investors have acquired, through its Lime Property Fund, the freehold interest in a hotel development site. The site, adjacent to Westferry DLR station, will be developed by Rockwell. It will comprise a 30-storey, 400-bed Premier Inn hotel. Whitbread, Premier Inn's parent company, will take a 35-year lease on the hotel and restaurant at an initial rent of £4.4m pa, subject to 5-yearly rent reviews to annual increases in CPI.
Jan-20	Sanderson (Fitrovia) & St Martin's Lane Hotel (Covent Garden)	354	£255,000,000	£720,339	2.9%	Part freehold and part long leasehold (125 years) and subject to a management contract. Operated by Morgans Hotel Group. Located in Berners Street W1 and Covent Garden W2.
Withdrawn 2019	Marriott Grosvenor Square Mayfair	237	£190,000,000	£801,688	5.3%	Short leasehold hotel in prime central London. Lease expires on 29 September 2057 and was marketed at £190m, being a 5.3% yield. Savills received bids up to £183.5m, but the vendor wouldn't accept less than £185m. The head rent to Grosvenor is £40,000 p.a. Recently re-introduced to the market for the 3rd time in 3 years.
Aug-19	Days Inn Hotel Waterloo	162	£55,000,000	£340,000	2.6%	Asset sale of a franchised hotel. Guide price was £50m and received high levels of interest with competitive bidding pushing the price up.

Report & Valuation

GLH Portfolio – 15 UK hotels



Date	Property	Keys	Price	Price per key	Net Yield	Comments
Apr-19	Crowne Plaza London Kensington	163	£83,000,000	£509,202	3.46%	4-star hotel with a yield profile (at sub 3.5%) reflecting the potential to enhance EBITDA in the medium term. Purchased by Heeton Holdings Ltd.
Jan-19	Clayton Hotel Aldgate	212	£91,000,000	£429,245	-	Long Leasehold property sold with vacant possession previously set to be an Indigo hotel and subsequently bought by Dalata and developed as a Clayton. Hotel opened in Q1 2019.
Jan-19	Premier Inn & Staycity Paddington	620	£203,000,000	£327,419	4.25%	M&G's Secured Property Income Fund purchased the LLH interest to finance the development of a limited-service and apart-hotel scheme, subject to 30 year operating leases (FRI, index-linked). The transaction demonstrates the ongoing appetite for long , index-linked rental income.
Sep-18	Arbor City Hotel Aldgate	115	£36,500,000	£317,391	c.5.25%	This hotel sold off-market to Dominvs alongside a sister hotel in Bayswater. The Arbor City is Freehold and unencumbered and represents a branding and development opportunity. The hotel is mid-market, but is likely to trade under a limited service brand. The hotel is in close proximity to the Tower Bridge Hotel, although represents an inferior quality building, being converted from office use.
Sep-18	Arbor Hyde Park Hotel Lancaster Gate	40	£15,600,000	£390,000	-	Sold alongside the above transaction. Freehold hotel in Lancaster Gate now operated as the Signature Townhouse London Hyde Park.
Feb-17	Threadneedles Hotel City	74	£36,000,000	£486,486	4.5%	The leasehold has a ground rent of either 6% of Total Rooms Revenue or £220,000 per annum (whichever is higher). 56 year unexpired term. The hotel operates under a franchise agreement with Marriott, for its soft brand, Autograph Collection. The property was sold by Westmont Hospitality Group and purchased by YTL Corporation Berhad at a yield of 4.5%. The property comprises 74 guest rooms, a restaurant, 2 bars, and 3 meeting rooms.
Feb-17	DoubleTree by Hilton Hotel, Westminster	460	£187,500,000	£407,609	4.6%	Freehold hotel. 4.6% yield based on 2016 actual NOI. Marketed with option to secure vacant possession. Ancillary areas include City Café, Millbank Lounge, 5 meeting rooms, fitness studio, 20 parking spaces. This transaction represented £790 psf.
Sep-16	Academy Hotel Bloomsbury	48	£13,500,000	£281,250	-	86 year lease interest with head rent of £75,000 per annum plus turnover rent. Purchased by YTL.
Aug-16	DoubleTree by Hilton Hotel, Tower of London	583	£300,000,000	£514,580	5.6%	Freehold, held under a management contract. The sale reflected a NIY of 5.6%. Purchased by Gulshan Bhatia from Blackstone. Management agreement in place to Hilton. Built in 2010 (former Mint Hotel) and includes the Sky Lounge on the top floor. The hotel has relatively compact rooms (like its 'sister' hotel at Westminster). The transaction also reflected in excess of £1,000 psf.

It is also worth noting, given the location of the subject properties, the 2019 sale of the former Grange Portfolio, although this portfolio transaction was concluded at a significantly higher price per bedroom than our valuations. The freehold portfolio comprised 1,307 keys and was sold for £915,000,000, equating to £700,077 per bedroom. The sale reflected a 5.3% yield on recent trading performance. Most of these hotels now have operational leases in place and have been rebranded to Leonardo Hotels.

There are few directly comparable transactions with which to benchmark our valuations, given the current low transaction volume market and the specific tenure characteristics of many of the subject properties. The timing of the above transactions in relation to Covid-19 is incredibly important, with the hotel capital markets seeing a significant change from March 2020 onwards.

Reviewing the above transactions and taking into account the characteristics of the subject properties, current market conditions and investor sentiment we feel the values for the GLH hotels held freehold or long leasehold (over 70 years unexpired) would likely lie in the £250,000 per key to £500,000 per key range. Clearly this is a broad range, but the subject hotels vary considerably in terms of lease length, head rent, condition, size and product quality.

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GLH Portfolio – 15 UK hotels



For a range of reasons (tenure, size, location, product quality), we consider the most useful comparable transactions to be:

- The Zetter Portfolio (February 2021) – approximately £354,000 per key;
- Crowne Plaza Kensington (April 2019) - £509,202 per key;
- Clayton Aldgate (January 2019) - £429,425 per key;
- Threadneedles Hotel (February 2017) - £486,486 (56 year lease interest);
- Doubletree by Hilton Westminster (February 2017) - £407,609 per key;
- Doubletree by Hilton Tower of London (August 2016) - £514,580 per key.

4. VALUATION ADVICE

4.1. Principal Valuation Considerations

The principal matters that impact on the value of the Property are as follows:

PROPERTY ASSESSMENT		
Macro Location	Very Good	<ul style="list-style-type: none"> The UK is the sixth largest economy in the world and one of the most visited countries, with strong tourism and corporate demand. London is a truly global city with strengths in many industries and is one of the top three visited cities in the world. The majority of the portfolio is located in Central London. Before Covid affected travellers volumes these hotel locations would be ideally placed to benefit from strong demand. However, Covid has severely restricted international travel and this has impacted London far more than other UK markets. The UK has been one of the most severely impacted countries by Covid-19 – in terms of casualties, infections, lockdown measures and economic impact. There remains much uncertainty about the short and medium term impact on the economy, the shape of recovery and longer term impacts on public finances. A trading agreement between the UK and EU was agreed on 24 December 2020. However, this did not cover many parts of the Services Sector and there remains uncertainty regarding the City of London's financial cluster's access to European markets.
Micro Location	Good	<ul style="list-style-type: none"> The portfolio's London hotels generally benefit from central locations, proximity to key transport hubs, tourist areas or corporate centres. Many benefit from very good accessibility and strong prominence. The Heathrow property is not one of the better located hotels near Heathrow Airport, but does benefit from being adjacent to Heathrow Pod Parking (currently closed). The Thistle Express hotels in Luton and Swindon operate in low rate, non-leisure markets. Business will be driven by their town centres locations.
Accommodation	Good	<ul style="list-style-type: none"> Most of the hotels are of a scale to benefit from operational efficiencies. The Tower Hotel (801 bedrooms), Amba Marble Arch (692 bedrooms) and Hard Rock Hotel London (including Great Cumberland Place - 1,017 bedrooms) are amongst the largest hotels in London. It should also be noted that these will be difficult to yield manage during periods of low demand (which is expected in the short term). Accommodation ranges from budget to upper mid-scale. Although several hotels require refurbishment, the general quality and offering are suitable for their respective markets. The hotel businesses are focused on bedroom revenue but several hotels have significant M&E and F&B space too (e.g. The Tower Hotel and Royal Horseguards Hotel).
Building Condition	Reasonable	<ul style="list-style-type: none"> The portfolio comprises a mix of building types and sizes, ranging from attractive and historic properties (e.g. Royal Horseguards Hotel, Amba Charing Cross) to more modern and unattractive properties (The Tower Hotel, Thistle Heathrow). In general, it appears the majority of the hotels would benefit from capital expenditure into building services, plant and facades / roof as well as some refurbishment / modernisation of guest areas. GLH has identified some hotels which require immediate works and these are described in our Valuation Approach section below. The Tower Hotel has façade / structural defects, with portions of the property's concrete façade failing. We understand a strategy of attaching netting will prevent pieces falling but a longer term solution will be required. Other high cost projects include repair / replacement of services and plant at The Tower, roof and air conditioning works at Amba Marble Arch and balcony repair works at Hyde Park. The Thistle Barbican requires full window replacement and works to remove / isolate asbestos at basement level.
Tenure Status	Reasonable	<ul style="list-style-type: none"> The Tower Hotel and Thistle Kensington Gardens are owned freehold. The remaining hotels are held leasehold, with the larger, valuable assets held with unexpired terms of 70 – 90 years. Consideration should be given to discussing lease extensions with landlords. This would enhance the liquidity of some of the assets and ensure value is not eroded in the medium and longer term. Four of the hotels are held on relatively short leases with Topland as landlord (Barbican, Bloomsbury, Piccadilly and Hyde Park). The leases are subject to fixed rents until lease expiry in 2035 and renewal rights for a further 30 (or in the case of Piccadilly 20) years. These assets have high rents and low/negative current values.



		<ul style="list-style-type: none"> Whilst the Thistle Heathrow, Hard Rock Hotel, Thistle Express Swindon and Thistle Express Luton benefit from 59 to 148 year unexpired terms (including renewal rights) the values are severely restricted by the high rents payable, resulting in low / negative values. The Thistle Trafalgar is held leasehold with only 8.5 years unexpired (no extension options). Dilapidations costs will become ever more important as the leases near their expiry. We have not been provided with any estimates by GLH.
Development Potential	N/A	<ul style="list-style-type: none"> In accordance with your instructions the Properties have been valued for existing use. We have specifically not taken regard of any alternative use value.
CASHFLOW ANALYSIS		
Income Profile	<p>Short term – Poor</p> <p>Long term – Reasonable</p>	<ul style="list-style-type: none"> The portfolio comprises 15 budget / mid-scale hotels which are owner-operated. The businesses are predominantly bedrooms-sales driven. The income derived by GLH is not a fixed or inflationary linked rent, but the variable EBITDA (operating revenue less operating costs), which will fluctuate depending on market performance and the effectiveness of management. The yields we adopt in our valuations reflect the nature of this income. Pre-Covid-19 the hotels operated in the mid-70% occupancy (with some far higher) and an average daily rate in line with the London market average (albeit three of the hotels in the portfolio are outside Central London). EBITDA conversion had been around 34-39% of total revenue (pre-FF&E and head rents) before 2020. GLH forecasts a return to 2019 revenue levels between year end June 2023 and 2024 (though Rooms Revenue recovery is approximately a year later). The hotels are generally well located to benefit from a recovery, but are dependent on the wider increase in travel demand to London. Several of the hotels are subject to high head rents payable. Thistle Barbican and Hard Rock Hotel in particular have very high head rent versus current and assumed stabilised EBITDA levels. This results in negative EBITDA, which of course impacts value. In our cash flows, all hotels are forecast to make a loss at EBITDA level in Year 1, with the recovery period specific to each property. Whilst we are aware of some buyers pricing assets off stabilised income where a return to pre-Covid operating performance is expected, the severity and length of projected loss making will impact value. Several properties benefit from sub-lease income and we have taken this income into account in our valuations. Thistle Piccadilly, Thistle Heathrow and Amba Charing Cross in particular benefit from significant additional income from retail tenants, car hire operator and leisure tenants respectively.
Sustainability of Income	<p>Short term – Poor</p> <p>Long term – Good</p>	<ul style="list-style-type: none"> The future sustainability of income will depend on the recovery in demand. This will be determined by social distancing regulations, travel restrictions, public attitudes to travel and hotels and wider economic and employment developments. There is potential to operate at strong profit levels, but long term income will be determined by the effectiveness of management, regular capex, hotel, F&B and M&E demand levels and wider economic trends. We have identified several hotels which could be loss-making beyond the short term, in particular the Thistle Barbican, and others which stabilise EBITDA at levels very similar to head rent payable. These assets offer poor sustainability of income.
MARKET FACTORS		
Current Liquidity	<p>Short term – Poor</p> <p>Long term – Good</p>	<ul style="list-style-type: none"> There have been extremely limited hotel transactions since lockdown conditions were implemented at the end of March 2020. Hotel owners are focusing on existing portfolios and property lenders are focusing on existing clients rather than seeking new opportunities. Both equity and debt markets perceive there to be increased risk, especially due to a lack of visibility over any recovery scenario. The UK is the second most active hotel investment market in world (after the USA) and benefits from established legal and financial frameworks and high international visitor volumes (in a normal year). Upon the 'normalisation' of trading conditions and relaxation of current travel restrictions there is potential for a vastly more active market. Despite current conditions, we are aware of large amounts of private equity seeking to deploy capital in the UK hotel market. Liquidity would be enhanced for the long leasehold properties if the lease terms were extended. We consider the properties with negative value to offer limited liquidity. We have estimated that reverse premiums would be payable to secure assignees for the leases at Barbican, Piccadilly, Hard Rock, Luton and Swindon. The number of parties willing and able to take on such liabilities will be few, especially considering current market conditions.
Capital Growth Prospects	Good	<ul style="list-style-type: none"> Long term capital value will be determined by a number of factors including the effectiveness of management, regular capex, hotel demand levels, investor sentiment, availability of debt and wider economic factors (such as interest rates and pricing of other property and non-property asset classes). Should operational, investor and lending markets recover, it is likely capital values will increase.



4.2. Approach To Valuation

4.2.1. Valuation Context

This valuation is being undertaken at a time of global pandemic. Covid-19 has led to hundreds of thousands of deaths, travel restrictions, national and regional 'lockdowns', unprecedented government spending and has severely impacted economies and financial markets. The UK entered its first lockdown at the end of March 2020, with the most prohibitive restrictions lifted on 4 July 2020. A 'second wave' of infections emerged in Autumn, with a second lockdown imposed in November 2020 and a third from December 2020.

The hotel industry has faced nothing like this before. Demand for accommodation has dwindled: corporate demand has vastly reduced as companies allow only essential travel; many international visitors are unable to visit the UK with flight restrictions; large scale events and conference business have been hit by cancellations; and domestic leisure business, whilst strong in some locations in the summer months, has dwindled as new lockdown measures are imposed. Hotels were required to close from the end of March to the beginning of July and again in November and then December 2020. Even when open, hotels were required to put in place stringent health and safety protocols, increasing costs and limiting capacity. Government initiatives and support schemes (such as the furlough scheme, business rates relief and a cut in VAT for hospitality) have helped hotel businesses, but the costs of operating in the current market at vastly reduced demand levels have taken their toll. Many hotels, particularly in urban markets focused on international or corporate demand, have remained closed.

In the main, banks and other lenders have remained supportive of hoteliers. Loan covenants have been waived and interest payments delayed. However, this may change as we get further into 2021.

2020 hotel transactions reached £2.22bn compared to £4.94bn in 2019 and £8.71m in 2018. 2020 Q1 volumes were skewed by the inclusion of The Ritz London (circa £650m). For Q2-Q4, transactions in 2020 were only 28% of previous year figures. The wider health, economic, financial and travel challenges are all feeding through to increased risk in buyer appraisals. Underlying hotel operating issues, lack of accommodation demand and uncertainty about recovery periods are affecting hotel buyers in particular. There is also reduced debt available for hotel acquisitions, with that which is available being more expensive than 2019 options. These points, together with the logistical difficulties in launching and concluding a transaction have led to smaller buyer pools, higher required returns and lower prices. In general, buyer pools are now characterised by opportunistic or cash buyers seeking discounts to 'Pre-Covid' pricing, focused more on properties which can be repositioned, redeveloped or converted for alternative uses.

Property valuations are being undertaken against a backdrop of significantly reduced transactions (therefore limited comparable evidence), worsening investor sentiment (versus say 2019), reduced availability of debt and immense uncertainty about how long a recovery in operational and financial markets could take. We consider there to be very few cases where a hotel would not have decreased in value from Pre-Covid levels. It is hoped that the current conditions are temporary. A vaccine would be successfully rolled out, infections subside, travel restrictions lifted, accommodation demand grow, financial markets return to normality and investor interest return. However, there is no clear path on when these things will happen and the current market, as at the valuation date, is characterised by heightened levels of risk and uncertainty, which in turn affect values. Whilst the UK is making great strides in its vaccine programme, many of the source markets which have traditionally filled London hotels are significantly behind.

4.2.2. Valuation Basis and Methodology

You have asked us to provide valuations on the basis of Market Value for each individual property. We are not providing a valuation assuming a portfolio sale. In undertaking our valuations we have had regard to the information available to us, including our own due diligence enquiries and market research which includes development pipeline and the competitive landscape relating to each asset.



In order to arrive at our Valuations our principal approach to valuation has been to utilise the Profits Method of valuation within discounted cash flows (DCF). Future estimated EBITDA over the term of each cash flow is discounted back to present day values using an appropriate discount rate and the EBITDA in the assumed Exit Year (typically Year 10) is capitalised into perpetuity or, in the case of leasehold assets, to the head lease expiry at an appropriate capitalisation rate, again discounted back to present day values. Our capitalisation rates are based on comparable evidence and market sentiment and the discount rates are based on our capitalisation rates plus our assumed inflation rate modelled in our cash flows (2.0%). In each case, our valuations take into account the tenure of each property and the specific lease and rent terms are modelled.

The DCF calculations have been undertaken within Savills own Excel model. We have cross checked the values on a price per bedroom based upon comparable evidence where available.

By its very nature the profits method of valuation is more subjective than other methods as it involves more components and we expect potential purchasers to take this subjectivity into account when making offers. The actual price paid for a trade related property may vary if it is trading at, above or below the forecasts. Should the turnover and profit decline, this is likely to affect the value.

Negative Values

For five of the properties we have estimated negative market values. This is the result of those properties having negative EBITDAs for part or the duration of our projected cash flows. This is caused by short and medium term revenue falls linked to Covid-19, but also due to the head rents payable being higher than sustainable EBITIDAR. In these scenarios, any transaction (an assignment of the lease) will attract a reverse premium – i.e. the current lessee will need to pay an assignee to 'take on' their responsibilities and liabilities under the lease.

It is likely that there will be few parties willing to take on leases with negative values and these assets may require extended periods (18 – 24 months) to conclude a transaction.

The precise approaches we have adopted for each property are summarised in the table below.

Ref.	Property	Valuation Approach
1	The Tower Hotel	<p>We have used the discounted cash flow approach. Our Year 10 EBITDA is capitalised into perpetuity to reflect the freehold tenure.</p> <p>We have factored into our cash flow the service charge payable to St Katherine's Dock and the rental income receivable from the sub-leases.</p> <p>We have made a capital expenditure deduction of £13.7m to account for urgent and medium term façade and plant works.</p> <p>Our choice of cap rate (5.50%) reflects the freehold tenure and the prominent location, but also the ongoing challenges with the property's façade, the significant capex and refurbishment required, the limitations on redevelopment (asbestos and potential planning limitations) and significant M&E business pre-Covid.</p> <p>Market Value: £204,000,000 (£255,000 per key)</p>
2	Amba Hotel Marble Arch	<p>We have used the discounted cash flow approach. Our Year 10 EBITDA is capitalised to the head lease term expiry to reflect the long leasehold tenure (89.1 years unexpired).</p> <p>We have not explicitly modelled the head rent payable as it is paid by GLH's tenant (Great Portland Estates) who have maintained payments throughout Covid-19. We have modelled rent receivable from the sub-leases and modelled a 1.5 year period of non-payment of rent which we believe a hypothetical purchaser may factor into their valuation given the current retail / leisure market challenges.</p> <p>We have made a capital expenditure deduction of £3.12m to account for required works to the M&E space including air conditioning and roof covering works.</p>



		<p>Our choice of cap rate (5.75%) reflects the strong location, but also the long leasehold tenure, albeit head rents are met by the sub-tenant on a co-terminus lease.</p> <p>Market Value: £276,100,000 (£399,000 per key)</p>
3	Amba Hotel Charing Cross	<p>We have used the discounted cash flow approach. Our Year 10 EBITDA is capitalised to the head lease term expiry to reflect the long leasehold tenure (90.1 years unexpired).</p> <p>Only a peppercorn rent is payable. We have modelled rent receivable from the sub-leases and modelled a 1 year period of non-payment of rent which we believe a hypothetical purchaser may factor into their valuation given the current retail / leisure market challenges.</p> <p>We have made a capital expenditure deduction of £312,000 to account for the refurbishment of the lobby, restaurant and bar.</p> <p>Our choice of cap rate (5.75%) reflects the strong location, asset management potential, leasehold tenure and zero head rent payable.</p> <p>Market Value: £112,000,000 (£399,000 per key)</p>
4	The Royal Horseguards Hotel	<p>We have used the discounted cash flow approach. Our Year 10 EBITDA is capitalised to the head lease term expiry to reflect the long leasehold tenure (71.4 years unexpired).</p> <p>We have modelled the head rent payable – currently £450,000 per annum – and increased this to £482,000 per annum from 2023 (being our estimate of 7.75% of market rent at that time) in line with the head lease terms. The rent increases again in 2028. We have modelled rent receivable from the sub-lease (£3,000 per annum).</p> <p>We have made no capital expenditure deductions.</p> <p>Our choice of cap rate (5.50%) reflects the leasehold tenure (only 71 years unexpired term), but exceptional location and attractive, historic property type and a head rent tied to a low percentage of market rent at review. Part of the property (meetings space and associated back of house) is held on a separate lease with 65.1 years unexpired and we have taken this into account in our valuation.</p> <p>Market Value: £132,000,000 (£468,000 per key)</p>
5	Amba Hotel Grosvenor	<p>We have used the discounted cash flow approach. Our Year 10 EBITDA is capitalised to the head lease term expiry to reflect the long leasehold tenure (87 years unexpired).</p> <p>We have modelled the head rent payable (being only around £10,000 and tied to the rooftop telecommunications lease). We have modelled rent receivable from the telecommunications lease (£28,000 per annum).</p> <p>The property has recently undergone a £14.3m refurbishment, covering all bedrooms and meetings and events space. We have made a capital expenditure deduction of £562,000 in our valuation to complete the refurbishment (M&E and F&B space) and to cover roof repairs.</p> <p>Our choice of cap rate (5.75%) reflects the leasehold tenure (87 years unexpired term), peppercorn head rent (plus proportion of telecommunication rent), strong location, recently refurbished product and high levels of new supply in the area.</p> <p>Market Value: £121,400,000 (£349,000 per key)</p>
6	Thistle Kensington Gardens	<p>We have used the discounted cash flow approach. Our Year 10 EBITDA is capitalised into perpetuity to reflect the freehold tenure.</p> <p>We have factored into our cash flow the rental income receivable from the sub-leases – mainly telecommunications leases and car parking, plus £6,750 per annum from the petrol filling station at street level.</p> <p>We have made a capital expenditure deduction of £44,135 for repairs to the service lift.</p> <p>Our choice of cap rate (5.00%) reflects the freehold tenure and good location facing Hyde Park, but also an unattractive building with petrol station at street level, and high levels of supply in the local area.</p> <p>Market Value: £52,600,000 (£301,000 per key)</p>
7	Thistle Heathrow Airport	<p>We have used the discounted cash flow approach. Our Year 10 EBITDA is capitalised to the head lease term expiry to reflect the long leasehold tenure (147.8 years unexpired).</p>



		<p>We have modelled the rent payable, being £1,450,762.50 per annum. At the review in December 2024 our calculations currently suggest that an uplift is unlikely and we have assumed no rent increase. We have modelled rent receivable from Europcar (£500,000 per annum, increasing to £525,000 per annum and then reviewed in 2022 and 2027 in line with market rent or RPI). The tenant is paying rent, but we have factored in a one year period of zero rent which we believe a hypothetical purchaser may factor into their valuation given the current air travel challenges.</p> <p>The hotel also receives £290,000 per annum from GLH Hotels Management (UK) Limited. This is an internal agreement. In our valuation we have modelled an income of £200,000 (approximately £7.50 per sq ft) rent and factored in a two year void period.</p> <p>We have made no capital expenditure deductions.</p> <p>We have applied a cap rate of 11.00% and a discount rate of 13.00% in our valuation. Our choice of yields and resultant value reflect the airport location (severely impacted by Covid), high head rent, poor product and high supply in the area. The hotel is likely to trade at significant losses in the short term at least. In recent years there have been discussions about a potential Compulsory Purchase Order which could be used to acquire the hotel site for airport expansion. However, GLH has informed us that discussions are 'on ice'. The threat of a CPO being used to purchase the hotel may dissuade some hypothetical purchasers and this is factored into our yield profile.</p> <p>Market Value: £2,000,000 (£8,000 per key)</p>
8	Thistle Trafalgar	<p>The hotel is owned on a short leasehold basis with only 8 years unexpired and we have therefore valued the property using an eight year discounted cash flow. The value of the leasehold interest is the sum of the eight years EBITDA after rent, discounted to present day values.</p> <p>We have modelled the head rent payable, currently £1,175,000 per annum. The rent review for 2020 is to be settled and the next will be in 2024. GLH expect zero uplift in both cases. There is no sub-let income and no planned capital expenditure.</p> <p>GLH have not estimated potential dilapidations costs or had advice in this regard. This could potentially be a substantial sum and any further clarity on this point could have a material impact on valuation. In our valuation we have modelled an FF&E reserve equal to 4% of total revenue – totalling £1.58m over the term.</p> <p>We have applied a discount rate of 12.00% in our valuation. Our choice of yield and resultant value reflect the short unexpired term, dilapidations risk, rent review risks, but also very strong location.</p> <p>Market Value: £1,100,000 (£10,000 per key)</p>
9	Thistle Hyde Park	<p>The property is held on a lease with 14.2 years unexpired (fixed rent) and an option to renew the lease for a further 30 years at market rent. Therefore, we have valued the property using a 15 year discounted cash flow. The 15 year term allows us to model the potential rental uplift in Year 15. Our Year 15 EBITDA is capitalised to the head lease renewed term expiry. The owner of the leasehold interest has the right to not renew in Year 15, but our valuation assumes such a renewal does take place whilst doing so results in a positive value.</p> <p>The head rent - £406,000 per annum – has been modelled in our cash flow and is fixed until the end of the current lease term (in 14.2 years). We have then estimated market rent in 2035.</p> <p>We have also included sub-lease income of £7,500 per annum in our cash flow (three car parking spaces).</p> <p>We have made a capital expenditure deduction of £573,000 in our valuation to cover essential maintenance.</p> <p>Our choice of cap rate (13.00%) and discount rate (15.00%) reflect the leasehold tenure, short lease term, a head rent initially static and then linked to open market levels, high EBITDA losses in the short term and essential maintenance works required.</p> <p>Market Value: £400,000 (£7,000 per key)</p>
10	Thistle City Barbican	<p>We have adopted a different approach to our valuation of the Thistle Barbican. The future cash flow for this property differs from all of the other subject hotels in that a return to profitability is not achieved over the course of a 10 or 15 year period; the head rents payable remain significantly higher than our (and GLH's) expectations for EBITDAR. This means that any hypothetical buyer of GLH's leasehold interest would be taking on a loss-making asset, essentially committing to meet future liabilities rather than benefit from income. Therefore, a reverse premium would be applicable (a negative value) - an assignee would need to be paid by the assignor to take on the future liabilities.</p> <p>The first valuation consideration is the assumed length of term. GLH has the option to extend its lease beyond the initial term expiry in 2035. However, we do not believe any prudent purchaser would factor any potential benefit of head rent reverting to Market Rent in 2035 in their bid price, especially given the significant risks of there being substantial dilapidations and capex requirements.</p>



		<p>In our valuation we have estimated the future annual shortfalls over the period of the term certain (14 years) and we feel a potential assignee of the lease would total these liabilities in calculating an acceptable reverse premium. There are other factors which could affect this valuation. Firstly, a reversion to market rent at the end of the initial lease term could result in the hotel returning to profit at EBITDA level for any renewed term. However, there are of course no certainties about what the head rent could be set at in 2035. In addition, the present value of any capitalised rent at this stage is a relatively small sum given the renewal (and reversion to Market Rent) doesn't occur until 2035. There are also uncertainties surrounding the amount of dilapidation costs which may become payable by GLH at lease expiry and this is a risk an assignee would factor into current pricing. We feel any potential upside of operating the hotel at a profit from 2035 (when the head rent reverts to market rent) is offset by the risks of incurring future capex and dilapidations costs, as well as the complications of 'taking on' an interest of this type with several complications. Therefore, our opinion of current market value for the leasehold interest is equal to the sum of the future estimated liabilities, £32,600,000, less the approximate costs to remedy basement level asbestos and replace windows (c.£1,000,000). This results in a value of negative £33,600,000.</p> <p>This is an unusual situation, which has come about as a result of the high rents agreed at lease conception, the longer term increase in supply in this part of London and exacerbated by Covid-19 induced market disruption. We feel our approach to valuation is prudent and one which a hypothetical assignee may adopt. However, there are many variables which could materially impact valuation for this property and there will inevitably be a high degree of subjectivity in estimating value. The largest liabilities are forecast to occur in Years 1 and 2 of our cash flow so there is potential for this value to increase (become less negative) over time, but of course any future value is reliant on a range of factors, not least the leaseholder's operating performance and willingness to continue to drive the business.</p> <p>There would be only a limited number of parties willing to take an assignment of this lease and an extended period of marketing / negotiations may be required to secure an assignment. It is not immediately clear who the assignee could be but perhaps it would be a party who is keen to establish a brand in London or who can operate a different concept at the property (e.g. hostel / quasi student accommodation).</p> <p>Market Value: (£33,600,000)</p>
11	Thistle Bloomsbury Park	<p>The property is held on a lease with 14.2 years unexpired (fixed rent) and an option to renew the lease for a further 30 years at market rent. Therefore, we have valued the property using a 15 year discounted cash flow. The 15 year term allows us to model the potential rental uplift in Year 15. Our Year 15 EBITDA is capitalised to the head lease renewed term expiry. The owner of the leasehold interest has the right to not renew in Year 15, but our valuation assumes such a renewal does take place whilst doing so results in a positive value.</p> <p>The head rent - £622,582 per annum – has been modelled in our cash flow and is fixed until the end of the current lease term (in 14.2 years). We have then estimated market rent in 2035.</p> <p>There is no sub-lease income receivable and we have made no capital expenditure deductions.</p> <p>Our choice of cap rate (13.00%) and discount rate (15.00%) reflect the leasehold tenure, short lease term, a head rent initially static and then linked to open market levels and high EBITDA losses in the short term.</p> <p>Market Value: £2,500,000 (£26,000 per key)</p>
12	Thistle Piccadilly	<p>The property is held on a lease with 14.2 years unexpired and an option to renew the lease for a further 20 years at market rent. Therefore, we have valued the property using a 15 year discounted cash flow. The 15 year term allows us to model the rent change in Year 15. Our Year 15 EBITDA is capitalised to the head lease renewed term expiry. The owner of the leasehold interest has the right to not renew in Year 15, but our valuation assumes such a renewal does take place whilst doing so results in a positive value.</p> <p>The head rent is currently comprised of two parts – a Basic Rent of £1,600,924 per annum and fixed for the initial lease term (14.2 years unexpired) and a Head Lease Rent of £1,000,000 per annum which is payable during the initial lease term and is reviewed in 2022 to 67.67% of market rent. We understand, and have assumed for valuation purposes, that the obligation on the owner of the subject leasehold interest to pay a separate 'Head lease rent' falls away at lease renewal in 2035, and that a single rent at market rent level will be payable.</p> <p>We have modelled an initial head rent of £2,600,924 per annum, increasing in 2022 to reflect the review of 'Head Lease rent' element and then reverting to market rent in 2035.</p> <p>The property also benefits from sub-lease rental income of £1,069,000 per annum, though none of the tenants are currently paying rents. We have factored in a two year period of zero rents receivable and then a reversion to 80% of pre-Covid rents. The retail sector, especially in Central London, is facing unprecedented challenges and the lack of international visitors to London will severely restrict retail operators' ability to trade profitably, thereby impacting market rents. It remains to be seen when and if retail footfall, revenue and rents will return to pre-Covid levels and there will be great subjectivity around valuing such assets. We have adopted an approach we feel a prudent hypothetical purchaser may adopt.</p> <p>There are no capital expenditure deductions in our valuation.</p> <p>Our choice of cap rate (11.00%) and discount rate (13.00%) reflect the central location, the leasehold tenure, short lease term, a head rent static from 2022 and then linked to open market levels from 2025, high EBITDA losses in the short term and high levels of new supply entering the market in this location.</p>



		<p>Market Value: (£2,600,000)</p>
13	<p>Hard Rock Hotel (and Great Cumberland Place Hotel)</p>	<p>We have adopted a similar approach to that used for our valuation of the Thistle Barbican.</p> <p>Our cash flow for the hotel shows head rent is higher than EBITDAR for the first four years, but does show a return to profitability in Year 5. However, it is a relatively small amount (0.3% of total revenue) and this position remains for the remainder of the cash flow as head rents and EBITDAR both increase at 2.0% per annum (the former in accordance with the lease and any subsequent renewal and the latter in line with our long term inflation assumptions).</p> <p>A traditional discounted cash flow would capitalise the EBITDA at the assumed exit year, but in this case there is very little to capitalise, which contributes little to current market value once discounted to present day values.</p> <p>The leasehold interest expires in 2031 and benefits from rights to renew the lease more a maximum term up to 68.1 years. However, with negligible EBITDA (or 'profit rent') at the point of initial term expiry we have not assumed the lease is renewed.</p> <p>Any hypothetical buyer of GLH's leasehold interest would be taking on a loss-making asset, essentially committing to meet large liabilities in the first few years of operation and then revert to a very small positive cash flow (subject to trading performance). Therefore, a reverse premium would be applicable (a negative value) - an assignee would need to be paid by the assignor to take on the future liabilities.</p> <p>In our valuation we have estimated the near term annual shortfalls followed by minor positive income over the period of the term certain (10 years) and we feel a potential assignee of the lease would total these liabilities and income in calculating an acceptable reverse premium. This amount is negative £31,000,000.</p> <p>There are other factors which could affect this valuation. An assignee may feel there is long term asset management potential at the property or potential to trade significantly above the current operator's expectations. However, there are also complications which may limit that asset management potential given the several stakeholders in the property (Hard Rock, Pike Investments and Great Portland Estates).</p> <p>There is no sub-lease income receivable and we have made no capital expenditure deductions.</p> <p>This is an unusual situation, which has come about as a result of the high rents agreed at lease conception and exacerbated by Covid-19 induced market disruption.</p> <p>We feel our approach to valuation is prudent and one which a hypothetical assignee may adopt. However, there are many variables which could materially impact valuation for this property and there will inevitably be a high degree of subjectivity in estimating value. The largest liabilities are forecast to occur in Years 1 and 2 of our cash flow (£28,500,000) so there is potential for our valuation to increase (become less negative or even positive) over time, but of course any future value is reliant on a range of factors, not least the leaseholder's operating performance and willingness to continue to drive the business at the property.</p> <p>An added complication for this property is a clause in the lease which stipulates that the current guarantor must maintain a minimum asset value of £150m (increased with inflation from 2017). If the asset value falls below £90m the lessor may buy back the lease for £1 (subject to conditions). This applies to the current guarantor only, but the lease also states that any assignee must be of sufficient standing for the landlord to consent to an assignment and it is unlikely a financially weaker company would be acceptable to the landlord. We consider this point to further reduce the number of parties who would be willing and able to take on an assignment of the lease.</p> <p>There would be only a limited number of parties willing to take an assignment of this lease and an extended period of marketing / negotiations may be required to secure an assignment.</p> <p>Market Value: (£31,000,000)</p>
14	<p>Thistle Express Luton</p>	<p>The property is held on a lease with 48.8 years unexpired with a tenant option to renew the lease for a further 26 years (total 74.8 years unexpired). The current rent is £250,000 per annum, rising to £515,000 in Year 2 of our cash flow, followed by a rent review in 2029 to the higher of Market Rent or CPI increases.</p> <p>We have valued the property using a standard 10 year discounted cash flow, allowing us to model the potential rental uplift in Year 9. Our Year 10 EBITDA is capitalised to the head lease renewed term expiry.</p> <p>There is no sub-lease income receivable and we have made no capital expenditure deductions.</p> <p>Our cash flow shows negative EBITDA in Years 1 – 4 as the property builds back performance, followed by years of small positive EBITDA. At the 2029 review year the EBITDA is approximately zero, meaning the present value of the capitalised Year 10 EBITDA is negligible. The value of the leasehold interest in this property is derived principally from the present value of Years 1 – 10 EBITDA (positive and negative). Given the heavy losses in Years 1 – 3 the value is negative (-£800,000). A potential assignee may think they could drive future EBITDA above the levels modelled in our cash flow, thereby generating a positive value in the longer term. However, the short term EBITDA projections are strongly negative and there is risk in whether medium to long term EBITDA can keep pace with head rents and it is these two factors which will be more important to hypothetical assignees at the present time.</p> <p>We have adopted a discount rate (19.00%) to derive our value and also cross-checked our value using a more simple approach of totalling the losses and incomes over a 10 year period.</p>



		Market Value: (£800,000)
15	Thistle Express Swindon	<p>The property is held on a lease with 43.6 years unexpired with a tenant option to renew the lease for a further 15 years (total 58.6 years unexpired). The current rent is £170,000 per annum, rising to £200,000 in 2024, followed by 5 yearly rent reviews to the higher of CPI and 5.1%.</p> <p>We have valued the property using a standard 10 year discounted cash flow, allowing us to model the potential rental uplift in Year 9. Our Year 10 EBITDA is capitalised to the head lease renewed term expiry.</p> <p>There is no sub-lease income receivable and we have made no capital expenditure deductions.</p> <p>Our cash flow shows negative EBITDA in Years 1 – 3 as the property builds back performance, followed by years of small positive EBITDA. At the 2029 review year the EBITDA is approximately £26,000, meaning the present value of the capitalised Year 10 EBITDA is negligible. The value of the leasehold interest in this property is derived principally from the present value of Years 1 – 10 EBITDA (positive and negative). Given the heavy losses in Years 1 – 2 the value is negative (-£400,000). A potential assignee may think they could drive future EBITDA above the levels modelled in our cash flow, thereby generating a positive value in the longer term. However, the short term EBITDA projections are strongly negative and there is risk in whether medium to long term EBITDA can keep pace with head rents and it is these two factors which will be more important to hypothetical assignees at the present time.</p> <p>We have adopted a discount rate (19.00%) to derive our value and also cross-checked our value using a more simple approach of totalling the losses and incomes over a 10 year period.</p> <p>Market Value: (£400,000)</p>

4.2.3. Cashflow Inputs

Our valuation cashflows are appended to this report and present our trading forecasts in detail. Each cashflow has been considered and prepared individually taking into account the characteristics of each property and the specifics of the market. We set out below general comments and valuation approaches which are consistent across the portfolio.

- The impacts of Covid-19 on hotel businesses in the short and medium term have been discussed in this report. In our valuation cashflows we have modelled short term revenues at levels substantially lower than achieved in 2019. We have had regard to GLH projections, market data and forecasts, trading data for other hotels we have valued and other due diligence.
- In general, our cashflows show a four to five year recovery period (i.e. a return to 2019 revenue levels) but we emphasise that each cash flow has been considered on a case-by-case basis, taking into account the characteristics of the particular market, guest type, facilities and location. The shape of the hotel operating recovery in the UK is unknown and different markets will be affected in different ways.
- The hotels are operated under internal management agreements with fees set at 4% of total revenue and 8% of adjusted gross operating profit. We have adopted a Reasonably Efficient Operator approach to valuation and, whilst we have had regard to recent hotel performance, our operating costs and management fees are based on market norms. Therefore, we have disregarded the current management fees and instead modelled typical management fees equal to 2% of total revenue plus 6% of adjusted gross operating profit (with the exception of the Thistle Express Luton and Thistle Express Swindon at 3% and 7% respectively to reflect their locations and products).
- Head rents payable and sub-lease income receivable are modelled in each cash flow as appropriate and take into account the terms and review provisions of each lease.



- In each case we have modelled an FF&E reserve fund contribution equal to 3% to 4% of total revenue (depending on the property grade and size).

4.2.3.1. Comparable Evidence

We have described the principal valuation methodology, namely modelling the trading performance of a hypothetical reasonably efficient operator (REO) in a discounted cash flow and adopting market capitalisation and discount rates to derive the net present value of future income. Another important element of our valuations is the comparable method, analysing sale prices of similar properties and making adjustments to reflect the characteristics of the subject properties. Whilst a discounted cash flow will form the foundation of any value analysis, a consideration of value per key will be an important cross-check for investors.

There have been an extremely limited number of transactions in 2020 and Q1 2021 and this presents challenges for benchmarking valuations against relevant transactions. We have reviewed the comparable evidence at section 3.4 and compared price per key and yield information against our valuations, taking into account the current market dynamics.

Reviewing the above transactions and taking into account the characteristics of the subject properties, current market conditions and investor sentiment we feel the values for the GLH hotels held freehold or long leasehold (over 70 years unexpired) would likely lie in the £250,000 per key to £500,000 per key range. Clearly this is a broad range, but the subject hotels vary considerably in terms of lease length, head rent, condition, size and product quality. For a range of reasons (tenure, size, location, product quality), we consider the most useful transactions to be:

- The Zetter Portfolio (February 2021) – approximately £354,000 per key;
- Crowne Plaza Kensington (April 2019) - £509,202 per key;
- Clayton Aldgate (January 2019) - £429,425 per key;
- Threadneedles Hotel (February 2017) - £486,486 (56 year lease interest);
- Doubletree by Hilton Westminster (February 2017) - £407,609 per key;
- Doubletree by Hilton Tower of London (August 2016) - £514,580 per key.

It should be noted that several of the subject properties are owned leasehold with less than 50 years unexpired, with Trafalgar as low as eight years unexpired. Also, several hotels are subject to relatively high rents which reflect operating lease structures, rather than head lease rents. Very few hotels with under 50 year terms and 'full' rents transact and therefore direct comparison is not possible.

4.2.4. Valuation Assumptions

In undertaking property valuation work it is often necessary to make a number of general and property specific assumptions. Section 5 sets out the General Assumptions and Conditions for the valuation. We have also made the following assumptions in estimating the market values for the subject properties.

Title

Unless identified in this report, for each property we assume that full rights of access are enjoyed, and that no third parties enjoy any rights over the Properties. Your solicitors should confirm that there are no onerous restrictions or obligations. Unless otherwise stated, our Valuations have assumed that the properties are free from any restrictive covenants or other encumbrances on free use.

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Head Leases

We have assumed that the tenure, head lease and sub-lease summaries provided to us by GLH Hotels are correct and that no material lease clauses are omitted from the various schedules which would impact our valuations.

Guarantor

If a loss making leasehold interest were owned in a Special Purpose Vehicle (SPV) with no guarantor stated on the lease, then the owner of that SPV may decide to declare the company insolvent and seek to exit the lease. This *may* mean the value of that leasehold interest would be no lower than £0 – if it were the owner could try to dissolve the company. However, several of the subject hotels are held on leases where GLH Hotels Limited is the guarantor. This company has a tangible net worth of £577,898,000 and a Dun & Bradstreet rating of 5A 1 – Minimum Risk (source: Dun & Bradstreet 12 February 2021). Should the tenant in each case be unable to meet their lease obligations, including the payment of rent, the hotel landlords have recourse to GLH Hotels Limited. We are not qualified to comment on the financial strength of companies, but the point we are making for valuation purposes is that GLH Hotels Limited is liable for rent payments at several of the properties and there is currently no clear exit from its obligations under the lease terms. Therefore, negative values are a possibility for these properties, where head rent payments are higher than EBITDA.

Should there be any change in the guarantor provisions in the leases, or a material change in the covenant strength of GLH Hotels Limited, or a change in the stated guarantor to these leases then there could be a material impact on value.

Our valuations are provided on the assumption that GLH Hotels Limited remains the guarantor on the leases.

GLH head rent payments

We have **not** deducted from our valuations any amount of unpaid rent which GLH owes its respective landlords. Any assignment of the leasehold interests would likely be consented to by landlords only if all rent payments are up to date. Also, any deduction of outstanding rent from our valuations would result in an estimation of net worth to GLH Hotels Limited, rather than a sum a hypothetical purchaser would pay for each property. It is the latter which aligns with the definition of Market Value. Whilst a true enterprise value (for example) may include these debts, our property Market Values exclude any debt held by the owning companies.

Connected to this point, we further assume that any legal proceedings being brought against GLH for non-payment of rent cease. We understand GLH's landlords at Hard Rock Hotel London (Pike) and the Thistles at Barbican, Hyde Park, Bloomsbury and Piccadilly (Topland) have commenced legal proceedings.

Management Agreements

We have assumed that in the event of a hypothetical sale the properties would be made available free from internal management agreements. The existing fees on the owner-operated assets are equal to 4% of total revenue plus 8% of GOP. We consider these fees to be higher than market norms and have modelled management fees of 2% of total revenue plus 6% of adjusted gross operating profit in our valuations (with the exception of the Thistle Express Luton and Thistle Express Swindon at 3% and 7% respectively to reflect their locations and products).

In the case of Hard Rock, we have modelled the fees payable in accordance with the Hard Rock licence agreement.



Sub-lease rental income

Since March 2020 and the subsequent moratorium on commercial property evictions in the UK, GLH have collected approximately 55% of rent due from the properties' sub-tenants. The overall collection rate has been aided significantly by Europcar (Heathrow) and Great Portland Estates (Marble Arch) paying rents in full and Mitchells & Butler (Charing Cross) paying 87% of rent owed.

In our valuations we have made no allowance for a 'claw-back' of unpaid sub-let income. In reality it may be that repayment plans could be agreed with some tenants, but other tenants may fail and rents would need to be written off. We do not believe a hypothetical buyer for the hotels would estimate a purchase price including the hope of recovering this income.

We have also factored into our cashflow void periods of zero rent receivable for the retail / restaurant / bar / car parking / car hire units at Piccadilly, Charing Cross, Marble Arch (excluding GPE), Tower and Kensington and Heathrow. This is to reflect the risks of further non-payment of rents and re-letting risks should current tenants fail.

Capital Expenditure

We have had regard to recent capital expenditure data provided by GLH and relied on the Project Management Progress Report to identify upcoming and urgent capital expenditure requirements. Such items include essential maintenance, health and safety improvements and committed refurbishment works. We have assumed that there are no material additional requirements that a hypothetical purchaser would need to have regard to and that the properties are structurally sound and free from defects (with the exception of comments made in this report). Items of a capital nature have been deducted as one off payments from our gross valuations, whereas ongoing repairs and maintenance costs are deducted within the Property Operations and Maintenance cost lines in each hotel cash flow. In line with industry practice we have also modelled annual deductions to allow for an FF&E reserve.

Environmental Assumptions

Our assumptions regarding standard environmental considerations are stated at section 2.6 of this report.

We understand the Amba Marble Arch hotel had issues with Legionella after the first UK-wide lockdown in 2020. We have been informed that the situation has now been rectified. As with any hotel during and following periods of closure, it is vitally important to ensure that all plant, machinery and facilities are regularly tested and maintained to ensure the safe and reliable running upon re-opening. We have assumed that this case of Legionella is an exceptional, isolated incident and that the hotels are well maintained and capable of reopening safely and promptly.

The Thistle Barbican has a significant amount of asbestos at basement level to the extent that access to this part of the building is forbidden. We have been informed that the property is safe at present but that there have been signs of deterioration recently and works are required. GLH are in the process of costing works but these are not yet available. We have made an allowance for management of this asbestos in our valuation (see section 4.2.2) but confirmation of the costs of these works could impact our valuation. We have been informed that asbestos in the rest of the property is encapsulated.



Purchaser Costs

As described above, our valuations assume that a hypothetical purchaser could acquire each or any property unencumbered, free from the existing internal GLH management agreements. Where hotels are not subject to operating leases or long term management agreements the RICS directs us to value hotels using gross yields – i.e. applying yields which are implicit of purchaser costs, rather than applying net yields and deducting purchaser costs explicitly. We confirm this has been our approach.

4.2.5. Date of Valuation

The Date of Valuation is the date of this report. The importance of the date of valuation must be stressed as property values can change over a relatively short period. This is important now more than ever.

The valuations presented in this report are valid at the Date of Valuation. At this date the UK is in the midst of a pandemic and in its third period of 'lockdown'. Hotels, where open, are operating at low occupancies never seen before and a route to recovery is not yet clear. Hotel values are affected by a range of external factors including economic forecasts, traveller volumes, financial markets, government policies and lending markets. Our valuations are sensitive to developments in these areas, all of which can change significantly over a period of just weeks, as well as being based on information currently available to us.



4.3. Valuations

4.3.1. Market Values

Our valuations are as at the date of this report and subject to the information available to us.

Ref.	Property	Tenure	Keys	Market Value (£)	Value per key (£)	Cap Rate	Discount Rate
1	The Tower Hotel	Freehold	801	£204,000,000	£254,682	5.50%	7.50%
2	Amba Hotel Marble Arch	Leasehold	692	£276,100,000	£398,988	5.75%	7.75%
3	Amba Hotel Charing Cross	Leasehold	239	£112,000,000	£468,619	5.75%	7.75%
4	The Royal Horseguards Hotel	Leasehold	282	£132,000,000	£468,085	5.50%	7.50%
5	Amba Hotel Grosvenor	Leasehold	348	£121,400,000	£348,851	5.75%	7.75%
6	Thistle Kensington Gardens	Freehold	175	£52,600,000	£300,571	5.00%	7.00%
7	Thistle Heathrow Airport	Leasehold	266	£2,000,000	£7,519	11.00%	13.00%
8	Thistle Trafalgar	Leasehold	108	£1,100,000	£10,185	n/a	12.00%
9	Thistle Hyde Park	Leasehold	54	£400,000	£7,407	13.00%	15.00%
10	Thistle City Barbican	Leasehold	463	-£33,600,000	-£72,750	n/a	n/a
11	Thistle Bloomsbury Park	Leasehold	95	£2,500,000	£26,316	13.00%	15.00%
12	Thistle Piccadilly	Leasehold	82	-£2,600,000	-£31,707	11.00%	13.00%
13	Hard Rock Hotel (and Great Cumberland Place Hotel)	Leasehold	1,017	-£31,000,000	-£30,482	n/a	n/a
14	Thistle Express Luton	Leasehold	152	-£800,000	-£5,263	17.00%	19.00%
15	Thistle Express Swindon	Leasehold	95	-£400,000	-£4,211	17.00%	19.00%
			4,869	£835,700,000	£171,637		

We consider that a period of up to 18 months is a reasonable period within which to negotiate completion of a sale by private treaty for each individual property at the level of our valuation, taking into account the nature of the properties and the state of the market. We would suggest an extended period of, say, 18 – 24 months for those properties with negative values.

4.3.2. Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, “lockdowns” have been applied to varying degrees in response to further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.



Material valuation uncertainty

In respect of hotels, we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the subject portfolio will therefore be reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations 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 this explanatory note, including the 'material valuation uncertainty' declaration, does not mean that the valuation cannot be relied upon. Rather, 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.

5. GENERAL ASSUMPTIONS & CONDITIONS TO VALUATIONS

General Assumptions

Unless otherwise stated in this report, our valuation has been carried out on the basis of the following General Assumptions. If any of them are subsequently found not to be valid, we may wish to review our valuation, as there may be an impact on it.

- That the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoing interests contained in the Freehold Title. Should there be any mortgages or charges, we have assumed that the property would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.
- That we have been supplied with all information likely to have an effect on the value of the property, and that the information supplied to us and summarised in this report is both complete and correct.
- That the building has been constructed and is used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control. Likewise, that any future construction or use will be lawful (other than those points referred to above).
- That the property is not adversely affected, nor is likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
- That the building is structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the property and this report do not constitute a building survey.
- That the property is connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
- That in the construction or alteration of the building no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.
- That the property has not suffered any land contamination in the past, nor is it likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
- That the property does not suffer from any risk of flooding. We have not carried out any investigation into this matter.
- That the property either complies with the Disability Discrimination Acts and all other Acts relating to occupation, or if there is any such non-compliance, it is not of a substantive nature.
- That the property does not suffer from any ill effects of Radon Gas, high voltage electrical supply apparatus and other environmental detriment.
- That the tenants are capable of meeting its obligations, and that there are no arrears of rent or undisclosed breaches of covenant.

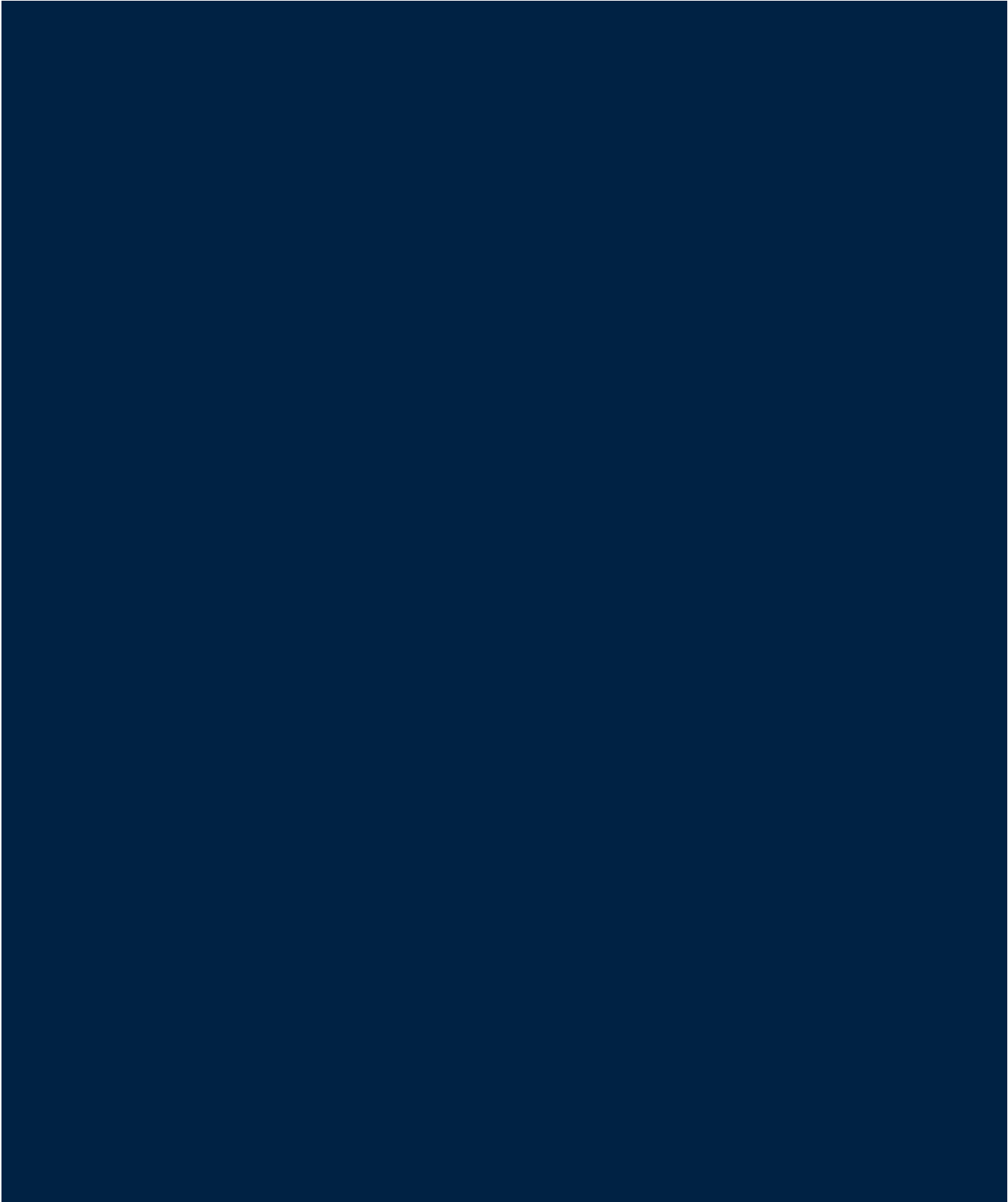
General Conditions

Our valuation has been carried out on the basis of the following general conditions:

- We have made no allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the property.
- Our valuation is exclusive of VAT (if applicable).
- No allowance has been made for any expenses of realisation.
- Excluded from our valuation is any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.
- Energy Performance Certificates (EPCs) are required for the sale, letting, construction or alteration of all residential buildings on non-domestic residential buildings over 538 sq ft (50 sq m) in England and Wales and on all buildings in Scotland. The effect of EPCs on value is as yet unknown, given that the market has yet to respond to their introduction. Therefore, we have not considered the property's EPC rating in forming our opinion of value. However, should this position alter, we reserve the right to reconsider our opinion of value.
- Each property has been valued individually and no allowance has been made, either positive or negative, should it form part of a larger disposal. The total stated is the aggregate of the individual Open Market Values.
- We have not taken account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the property in the market and its subsequent valuation, or the ability of such a Receiver to realise the value of the property in either of these scenarios.
- No allowance has been made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it has been assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation.
- Our valuation is based on market evidence which has come into our possession from numerous sources. That from other agents and valuers is given in good faith but without liability. It is often provided in verbal form. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions, we are unable to warrant that the information on which we have relied is correct although we believe it to be so.



Appendices



APPENDIX 1 – CONFIRMATION OF INSTRUCTIONS



28 January 2021

James Bradley MRICS
E: jbradley@savills.com
DL: +44 (0) 207 408 8771
M: +44 (0) 7972 000034

GL Limited
1 Wallich Street
#15-02 Guoco Tower
Singapore 078881

33 Margaret Street, London, W1G 0JD
savills.com

For the attention of Ho Kah Meng

Dear Sir

PROPERTIES: GLH PORTFOLIO

CONFIRMATION OF TERMS OF ENGAGEMENT FOR THE PROVISION OF VALUATION ADVICE

1. Thank you for your correspondence dated 21 January 2020. We are grateful to you for your kind instructions to advise and now write to confirm the terms upon which Savills Advisory Services Limited (**Savills, we or us**) will provide GL Limited (**you**) with a valuation report (the **Valuation or Report**) in respect of the above property or properties (each being a **Property**).
2. Our Valuation will be undertaken on the terms set out in this letter, including its appendices.
3. Please sign and return a copy of this letter to us to confirm your acceptance of the terms set out herein. In particular, we draw your attention to the fact that when signing this letter you are confirming your agreement to the limitation of our liability set out at paragraphs 8 - 12 inclusive.
4. Please note we will be unable to formally issue our final Report to you, and you will be unable to rely upon the contents of our Report, until such time as we have received your signed copy of this letter.
5. To the extent that there is conflict or inconsistency between this confirmation of instruction letter and your correspondence referred to above, this confirmation of instruction letter will prevail.

CONFLICTS OF INTEREST

6. We confirm that Savills Advisory Services Limited does not have a material connection or involvement with the subject properties or any other parties and there are no other factors that could limit the valuers' ability to provide an impartial and independent valuation. You are aware that Savills is instructed to sell the freehold interest in the Thistle Express Swindon. We do not consider this to represent a conflict of interest in any way but will ensure an information barrier is put in place.

Savills valued the superior lease interest in The Hard Rock Hotel London in January 2019. Savills valued the freehold interest in the Thistle Heathrow in March 2018. Savills provided a feasibility study to GLH relating to the Thistle Kensington in November 2019. Savills provided a range of feasibility and building consultancy advice to GLH relating to the Tower hotel in 2017. These instructions are complete. We do not consider these past instructions to represent conflicts of interest in any way. Therefore, the valuers will report an objective and unbiased valuation.

Notwithstanding any provision in this agreement, we confirm that we are independent in respect of the Transaction.

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills Advisory Services Limited, Chartered Surveyors. Regulated by RICS. A subsidiary of Savills plc. Registered in England No. 2605133.
Registered office: 33 Margaret Street, London, W1G 0JD



RICS RED BOOK

7. We shall prepare our Valuation in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together, where applicable, with the UK National Supplement effective 14 January 2019, together the "**Red Book**", and that our Report will comply with the requirements set out in Rule 26 of The Singapore Code on Take-overs and Mergers (the "**Take-over Code**"), which is set out in the Annex. Accordingly, we confirm that:

(a) Identification and status of the Valuer

- (i) The Valuation will be the responsibility of and the Report will be signed by James Bradley MRICS, RICS Registered Valuer (the **Valuer**). The Valuer will work with colleagues as appropriate, and the Report will be counter-signed by at least one other RICS Registered Valuer.
- (ii) The Valuer has sufficient current knowledge of the particular markets and sufficiently developed skills and understanding to undertake the valuation competently.
- (iii) A panel review will be undertaken between the two main signatories – James Bradley MRICS and Tim Stoyle FRICS – and two independent directors with relevant experience in the sector – Giles Furze MRICS and Ross Connelly MRICS.

We are acting as an "external valuer" as defined in the Red Book and within Appendix 1.

(b) Identification of the client and other intended users

The client is the addressee of this letter. We will address our Report to the Addressee.

(c) Identification of the asset or liability to be valued

- (i) The interests to be valued are detailed below. All properties are hotels:

Property	Address	Tenure
1 Thistle City Barbican	120 Central Street, London EC1V 8DS	Leasehold
2 Thistle Piccadilly	Coventry Street, London W1D 6BZ	Leasehold
3 Thistle Bloomsbury Park	126 Southampton Row, London WC1B 5AD	Leasehold
4 Thistle Hyde Park	90-92 Lancaster Gate, London W2 3NR	Leasehold
5 The Tower Hotel	St Katharine's Way, London E1W 1LD	Freehold
6 Hard Rock Hotel (including Great Cumberland Place Hotel)	Great Cumberland Place, London W1H 7DL & 6 Bryanston Street, London W1H 7AN	Leasehold
7 The Royal Horseguards Hotel	2 Whitehall Court, London SW1A 2EJ	Leasehold
8 Ambar Grosvenor	101 Buckingham Palace Road, London SW1W 0SJ	Leasehold
9 Thistle Heathrow Airport	Bath Road, Longford, West Drayton UB7 0EQ	Leasehold
10 Thistle Kensington Gardens	104 Bayswater Road, London W2 3HL	Freehold
11 Amba Hotel Marble Arch	Bryanston Street, Marble Arch, London W1H 7EH	Leasehold
12 Thistle Trafalgar	Whitcomb Street, Trafalgar Square, London WC2H 7HG	Leasehold
13 Amba Hotel Charing Cross	Strand, London WC2N 6HX	Leasehold
14 Thistle Express Swindon	Fleming Way, Swindon SN1 1TN	Leasehold
15 Thistle Express Luton	The Mall, Library Rd, Luton LU1 2TR	Leasehold



- (ii) The interests will be valued subject to vacant possession, details to be confirmed in our Report.
- (iii) The interests to be valued are held for owner occupation purposes.
- (d) The valuation will be in pounds sterling.
- (e) Purpose of the valuation

The Valuation is required for Stock Exchange purposes in compliance with the Take-over Code. We understand our valuation will be used as part of the due diligence process in advising shareholders in GL Limited in relation to the voluntary conditional General Offer by Guoco Leisure Holdings Limited for all the issued ordinary shares in the capital of GL Limited (the Transaction). It is important that the Report is not used out of context or for the purposes for which it was not intended. We shall have no responsibility or liability to any party in the event that the Report is used outside of the purposes for which it was intended, or outside of the restrictions on its use set out at sub-paragraph (f) below.

- (f) Bases of value

The basis of our Valuation will be Market Value, the definition of which is set out at **Appendix 1** (attached).

- (g) Valuation date

The Valuation date will be the date of our report.

Subject to clause 7(j), our Report will include a market conditions explanatory note and a Material Uncertainty Clause. The current definitions, as drafted by the RICS are set out below. It is possible the definitions will be updated prior to the Valuation date and if this is the case we will include the updated version in our Report.

Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries. In some cases, "lockdowns" have been applied to varying degrees in response to further "waves" of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally.

Material valuation uncertainty

In respect of hotels, we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the subject portfolio will therefore be reported as being subject to 'material valuation uncertainty' as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations 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 this explanatory note, including the 'material valuation uncertainty' declaration, does not mean that the valuation cannot be relied upon. Rather, 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.

- (h) Extent of investigation



We will carry out an inspection of the Property and undertake investigations to the extent necessary to undertake the Valuation. We will not carry out a structural survey or test the services and nor will we inspect the woodwork and other parts of the structures which are covered, unexposed or inaccessible.

(i) Nature and source of information to be relied upon

(i) We will carry out our Valuation based on the information listed below.

Document/Item	Source
Management Accounts	GL Limited
Management Forecasts	GL Limited
Leases and lease summaries	GL Limited
Site plans / floor plans	GL Limited
Other salient information required	GL Limited

(ii) To the extent that you have provided us with information, you agree, unless it is otherwise agreed by us in writing, we can safely rely upon the accuracy, completeness and consistency of this information without further verification and that you will not hold us responsible in the event that any dispute regarding the Valuation arises from the accuracy of such information.

(iii) Floor areas:

We will not be measuring the Properties. It is agreed that we will rely on Gross Internal Area (GIA) floor areas provided to us by GL Limited.

(iv) We will not be measuring any part of the Property which we are unable to access. In such cases we may estimate floor areas from plans, or by extrapolation. Such measurements should not be relied upon for any other purpose.

(v) We will not make formal searches with local planning authorities, but shall rely on the information provided informally by the local planning authority or its officers. We recommend you instruct lawyers to confirm the position in relation to planning and that the Report is reviewed in light of advice from your solicitors in this respect.

(vi) For the avoidance of doubt, we accept no liability for any inaccuracy or omission contained in information disclosed by you or any third party or from the Land Registry or any database to which we subscribe. We will highlight in our Report where we have relied on such information.

j) Assumptions and Special Assumptions

Unless otherwise agreed, our Valuation will be reported on the basis of the general assumptions attached at **Appendix 2** and that our Report will comply with the requirements set out in Rule 26 of the Take-over Code. In the event of any inconsistency between (i) Appendix 2 and (ii) Rule 26 of the Take-over Code, Rule 26 of the Take-over Code shall prevail.

(k) Format of Report

We will adopt the relevant Savills Advisory Services Limited valuation report template, adapted, as necessary, to accommodate your instructions.

(l) Restrictions on use, distribution or publication



- (i) Our Report shall be confidential to, and for the use only of, the Addressee and no responsibility shall be accepted to any third party for the whole or any part of its contents.
- (ii) Notwithstanding the foregoing, we confirm that we consent in principle to our Report or a summary of our Report being made available for inspection and for being included in a circular to shareholders of GL Limited ("the Materials") in connection with the Transaction, in compliance with Rule 26 of the Take-over Code, provided that
 - (a) The Report or any summary shall not be published until such time as we have first approved the form and context in which the Report or summary appears (such approval not to be unreasonably withheld or delayed) and are satisfied that the Report has been accurately reproduced or the summary is sufficiently accurate and comprehensive (as the case may be);
 - (b) the Materials shall make clear that, with the exception of the Report or summary, we do not accept any responsibility for any part of the Materials or any other information issued by GL Limited or any other person in connection with the Proposed Transaction;
 - (c) such Report or summary complies in all respects with the requirements of the Red Book and any applicable regulations or directives including but not limited to the requirements set out in Rule 26 of the Take-over Code; and
- (iii) if, in our opinion, any part of our Report becomes misleading or inaccurate between the date of issue of the Report and the date of issue of any Materials we reserve the right to withdraw our consent to your use of our Report or the summary unless and until we have made such amendments to it as we (acting reasonably and without undue delay) deem necessary or desirable, notwithstanding that our doing so may necessitate deferral of publication of the relevant materials.
- (iv) Where any addressee is a lender, in the event of a proposal to place the loan on the Property in a syndicate, you must notify us so that we can agree the extent of our responsibility to further named parties. If this is not done or we do not agree to be responsible to further named parties, we shall have no responsibility to any party other than the Addressee(s).
- (v) Draft reports, if provided, will be sent on the basis that they are provisional (i.e. subject to completion of our final report) and for your internal purposes only. They must not be published or disclosed and you will not be entitled to rely upon them for any purpose whatsoever. Savills neither owes nor accepts a duty of care to you in connection with any drafts and shall not be liable to you for any loss, damage, cost or expense of whatever nature caused by your use of or reliance on them. Should you choose to rely upon a draft you do so entirely at your own risk and you are responsible for carrying out your own independent investigations.
- (m) Confirmation that the valuation will be undertaken in accordance with IVS and the Take-over Code

We confirm we will prepare our Valuation in accordance with the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2020 together, and where applicable, with the UK National Supplement effective 14 January 2019, together the "Red Book". We confirm that we will prepare our Valuation in accordance with the requirements set out in Rule 26 of the Take-over Code.

We also confirm that the valuers will assess the appropriateness of all significant inputs.
- (n) The basis on which the fee will be calculated:
 - (i) The agreed fee for the provision of the Valuation is £95,000 plus VAT and is payable in pounds sterling. Unless otherwise agreed in writing, all reasonable expenses incurred will be added to the agreed fee. Such

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expenses shall include (but not be limited to) the cost of travelling, photography, plans, artwork for preparation of Report appendices, town planning documents, copying charges, couriers and subsistence.

- (ii) Our agreed fee and any expenses, together with any VAT (at the prevailing rate) on such amounts, shall become due and payable by you to us within 30 days of us issuing you with a valid VAT invoice in respect of such amounts. In the event that our fee is not paid by the date for payment we reserve the right to charge default interest at a rate of 4% above the Barclays Bank base rate for payment.
 - (iii) In the event of our instructions being terminated at any time prior to completion of our work, a fee will become payable on a time basis (at our prevailing rates) for work carried out up to the date of termination, subject to a minimum of 50% of the agreed fee, together with all expenses incurred.
 - (iv) If we incur any expenditure on solicitors or other third parties in order to recover the fee due, such amounts will be payable by you.
 - (v) If we perform any additional services for you, we will agree an additional fee with you in respect of such services and such fee shall be payable in the manner set out above.
 - (vi) You acknowledge that you shall not be entitled to rely upon our Report until such time as our fees have been paid as detailed here.
- (n) **Savills Complaints Handling Procedure**
A copy of our Client Complaints Handling Procedure can be made available to you on request.
- (o) **Monitoring under RICS conduct and disciplinary regulations**
Savills Advisory Services Limited is regulated by RICS for the provision of surveying services. This means we agree to uphold the RICS Rules of Conduct for Firms and all other applicable mandatory professional practice requirements of RICS, which can be found at www.rics.org. As an RICS regulated firm we have committed to cooperating with RICS in ensuring compliance with its standards. The firm's nominated RICS Responsible Principal is Nicola McGinnis (nmcginnis@savills.com), Chief Financial Officer.

LIMITATIONS ON LIABILITY

8. Subject to paragraph 12 below, our aggregate liability to any one, or more, or all of the Addressees or any other party who otherwise becomes entitled to rely upon the Report under or in connection with this agreement and our Valuation, however that liability arises (including, without limitation, a liability arising by breach of contract, arising by tort, including, without limitation, the tort of negligence, or arising by breach of statutory duty) shall be limited to the lower of:
- (a) 33% of the Value (as defined below) of the Property stated in our Report; and
 - (b) £25,000,000
9. In paragraph 8, **Value** means:
- (a) where more than one value is stated for the same Property on different bases, the highest valuation figure recorded in our Report; and
 - (b) in the case of valuations of portfolios, estates, shopping centres and other multi-unit properties within one Report, the aggregate of our valuations included in the one Report.
10. You acknowledge and agree that we shall not be liable under or in connection with this agreement and the provision of our Valuation in tort (including negligence), breach of contract, breach of statutory duty or otherwise due to, under and/or

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arising out of or in connection with this agreement to the extent such loss or damage is consequential, indirect, special or punitive.

11. You acknowledge and agree that none of our employees, partners or consultants individually has a contract with you or owes you a duty of care or personal responsibility. You agree that you will not bring a claim against any such individuals personally in connection with our services.
12. Nothing in this agreement shall exclude or limit our liability for death or personal injury caused by our negligence or for any other liability that cannot be excluded by law.

INSURANCE

13. During the period that we are producing our Valuation and for a period of six years thereafter, we will maintain in force, with insurers or underwriters approved by the RICS, professional indemnity insurance in an amount not less than the amount of our liability cap, as calculated pursuant to clause 8 above and shall, on your request, produce confirmation of the same from our insurance broker.

RELIANCE

14. Save as otherwise agreed in this agreement, as stated above, we accept responsibility for our Report only to the Addressees and no third party may rely on our Report. We do not accept any responsibility to, and shall have no liability in respect of, any third parties unless otherwise agreed in writing even if that third party pays all or part of our fees, or is permitted to see a copy of our Valuation. In addition, the benefit of our Report is personal and neither you nor any other Addressee may assign the benefit of our Report to any third party without our prior written consent (with such consent to be given or withheld at our absolute discretion). You acknowledge that if we agree to extend reliance on our Report to any third party or to the benefit of our Report being assigned, we will require the relevant third party or assignee to enter into a reliance letter before such party is entitled to rely upon our Report. We will provide you with a copy of our reliance letter on request. If we agree to any such extension or assignment, we may charge you an additional fee.

CONFIDENTIALITY

15. Neither party shall disclose any confidential information relating to the affairs, business, customers or clients of the disclosing party to any other party without the disclosing party's prior written consent except to those of the receiving party's employees, officers, representatives and/or advisors who need to know the information for the purposes of carrying out the receiving party's obligations under this agreement (save to the extent that the receiving party is compelled to disclose such information by law).
16. Save as stated in Clause 7(e), our Report may not be used or relied on by any third party and may not be disclosed to any third party other than your advisers in the Transaction and Hong Leong Management Co Sdn Bhd without our prior written approval.

DATA PROTECTION

17. We may use your personal information in our provision of services to you. Please see our Privacy Notice for details of how your personal information will be used. Our Privacy Notice can be found at the following web address: <http://www.savills.co.uk/footer/privacy-policy.aspx>

REINSTATEMENT COSTS

18. If you have instructed us to report on the reinstatement cost of the Property for insurance purposes, we will provide you with an approximate opinion of such cost only. You acknowledge and agree that the provision of our opinion of the reinstatement cost is provided to you strictly without liability and on a non-reliance basis. If you require a reinstatement cost figure on which you may rely, please let us know and we will ask our building surveying colleagues to provide a fee estimate.

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SUB-CONTRACTING

19. We may sub-contract the provision of any services to be performed by us pursuant to this agreement (including, without limitation, to other companies that are direct or indirect subsidiaries of Savills plc) provided that we will remain responsible to you for the provision of those services and the provision of our Report. We may request that you pay any sub-contractor directly for those of our fees which relate to work carried out by the sub-contractor. In these circumstances, the fees in question are to be paid by you directly to the sub-contractor and we will be entitled to assign to the sub-contractor any rights that we have in respect of those fees.

MONEY LAUNDERING

20. You shall promptly, upon request, provide us with any information reasonably required to enable us to comply with our obligations under the Money Laundering Regulations and our internal compliance policies relating to the same. For the avoidance of doubt, searches may also be conducted on your directors and "beneficial owners" as is required by the legislation. You agree that we may retain such information and documentation for these purposes and make searches of appropriate databases electronically. If such information is not provided within a reasonable time or you do not meet the requirements set out in our relevant internal policies, we may terminate this instruction immediately upon written notice to you.

HEALTH AND SAFETY

21. If we are undertaking physical inspections of the Property, you shall take reasonable steps to procure that the owner and/or occupier of the Property: (a) advises us of any hazards to which our staff may be exposed at the Property (b) provides us with any relevant health and safety policies and (c) arranges for any site visits to the Property to be hosted by a representative of the owner/occupier of the Property.

JURISDICTION

22. This agreement and any dispute arising from the Valuation is subject to English jurisdiction and law.

APPENDICES

23. Your attention is drawn to the attached appendices which form part of the agreement between us and on which our Valuation will be reported. By signing a copy of this letter you are also confirming your agreement to them.

Yours faithfully,

A handwritten signature in black ink that reads "Bradley".

James Bradley MRICS
RICS Registered Valuer

For and on behalf of Savills Advisory Services Limited

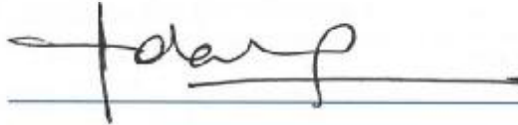
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Client Acceptance

I confirm GL Limited's agreement to this letter and the attached appendices and, in particular, confirm that the limitation on liability set out in paragraph 8 above is acknowledged, considered reasonable and accepted.

Signed by GL Limited, by its duly authorised signatory

Signature



Name (in capitals)

Ho Kah Meng

Position

Chief Financial Officer

Date

29th January 2021

Appendix 1: Definitions and Bases of Valuation

Assumption

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 (RICS Valuation – Global Standards, 2020).

Depreciated Replacement Cost

The current cost of replacing an asset with its modern equivalent asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation (RICS Valuation – Global Standards, 2020).

Existing Use 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 acted knowledgeably, prudently and without compulsion, assuming that the buyer is granted vacant possession of all parts of the asset required by the business and disregarding potential alternative uses and any other characteristics of the asset that would cause its market value to differ from that needed to replace the remaining service potential at least cost (RICS Valuation – Global Standards 2017, UK national supplement).

Existing Use Value is to be used only for valuing property that is owner occupied by a business, or other entity, for inclusion in financial statements

External Valuer

A valuer who, together with any associates, has no material links with the client, an agent acting on behalf of the client or the subject of the assignment (RICS Valuation – Global Standards 2020). Unless otherwise stated, External Valuer does not refer to the role of an external valuer within the context of the Alternative Investment Fund Managers Directive 2011/61/EU and its implementing provisions in the United Kingdom unless agreed otherwise in writing.

Equitable Value

The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties (IVS 104 – Bases of Value), (RICS Valuation – Global Standards 2020).

Fair Value

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 (RICS Valuation – Global Standards 2020).

Gross Development Value (GDV)

The aggregate market value of the proposed development, assessed on the assumption that the development is complete at the date of valuation in the market conditions prevailing at that date.

Investment Value (or Worth)

The value of an asset to a particular owner or prospective owner for individual investment or operational objectives (RICS Valuation – Global Standards 2020).

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 (RICS Valuation – Global Standards 2020).

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 (RICS Valuation – Global Standards 2020).

Special Assumption

An assumption that either assumes facts that differ from the actual facts existing at the valuation date or that would not be made by a typical market participant in a transaction on the valuation date (RICS Valuation – Global Standards 2020).



Appendix 2: General assumptions and conditions applicable to all valuations

Unless otherwise agreed in writing and /or stated in our report, our Valuation will be carried out on the basis of the following general assumptions and conditions in relation to each Property that is the subject of our Report. If any of the following assumptions or conditions are not valid, this may be that it has a material impact on the figure(s) reported and in that event we reserve the right to revisit our calculations.

1. That the Property(ies) is/are not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. Should there be any mortgages or charges, we have assumed that the property(ies) would be sold free of them. We have not inspected the Title Deeds or Land Registry Certificate.
2. That we have been supplied with all information likely to have an effect on the value of the Property(ies), and that the information supplied to us and summarised in this Report is both complete and correct.
3. That the building(s) has/have been constructed and is/are used in accordance with all statutory and bye-law requirements, and that there are no breaches of planning control and any future construction or use will be lawful.
4. That the Property(ies) is not adversely affected, nor likely to become adversely affected, by any highway, town planning or other schemes or proposals, and that there are no matters adversely affecting value that might be revealed by a local search, replies to usual enquiries, or by any statutory notice (other than those points referred to above).
5. That the building(s) is/are structurally sound, and that there are no structural, latent or other material defects, including rot and inherently dangerous or unsuitable materials or techniques, whether in parts of the building(s) we have inspected or not, that would cause us to make allowance by way of capital repair (other than those points referred to above). Our inspection of the Property(ies) and our Report do not constitute a building survey or any warranty as to the state of repair or refurbishment of the Property(ies). Our Valuation is on the basis that a building survey would not reveal material defects or cause us to alter our Valuation materially.
6. That there is unrestricted access to the Property(ies) and that the site(s) is/are connected, or capable of being connected without undue expense, to the public services of gas, electricity, water, telephones and sewerage.
7. Sewers, mains services and roads giving access to the Property(ies) have been adopted, and any lease provides rights of access and egress over all communal estate roadways, pathways, corridors, stairways and the use of communal grounds, parking areas and other facilities.
8. That in the construction or alteration of the building(s) no use was made of any deleterious or hazardous materials or techniques, such as high alumina cement, calcium chloride additives, woodwool slabs used as permanent shuttering and the like (other than those points referred to above). We have not carried out any investigations into these matters.
9. That the Property(ies) is/are free from environmental hazards, including infestation from invasive plants (such as Japanese Knotweed), and has/have not suffered any land contamination in the past, nor is likely to become so contaminated in the foreseeable future. We have not carried out any soil tests or made any other investigations in this respect, and we cannot assess the likelihood of any such contamination.
10. That any tenant(s) is/are capable of meeting its/their obligations, and that there are no arrears of rent or undisclosed breaches of covenant.
11. In the case of a Property(ies) where we have been asked to value the site under the special assumption that the Property(ies) will be developed, there are no adverse site or soil conditions, that the Property(ies) is/are not adversely affected by the Town and Country Planning (Environmental Impact Assessment) Regulations 2017 that the ground does not contain any archaeological remains, nor that there is any other matter that would cause us to make any allowance for exceptional delay or site or construction costs in our Valuation.
12. We will not make any allowance for any Capital Gains Tax or other taxation liability that might arise upon a sale of the Property(ies).
13. Our Valuation will be exclusive of VAT (if applicable).
14. No allowance will be made for any expenses of realisation.
15. Excluded from our Valuation will be any additional value attributable to goodwill, or to fixtures and fittings which are only of value in situ to the present occupier.



16. When valuing two or more properties, or a portfolio, each property will be valued individually and no allowance will be made, either positive or negative, should it form part of a larger disposal. The total stated will be the aggregate of the individual Market Values.
17. In the case of a Property(ies) where there is a distressed loan we will not take account of any possible effect that the appointment of either an Administrative Receiver or a Law of Property Act Receiver might have on the perception of the Property(ies) in the market and its/their subsequent valuation, or the ability of such a Receiver to realise the value of the property(ies) in either of these scenarios.
18. No allowance will be made for rights, obligations or liabilities arising under the Defective Premises Act 1972, and it will be assumed that all fixed plant and machinery and the installation thereof complies with the relevant UK and EU legislation, insofar that the latter is applicable.
19. Our Valuation will be based on market evidence which has come into our possession from numerous sources, including other agents and valuers and from time to time this information is provided verbally. Some comes from databases such as the Land Registry or computer databases to which Savills subscribes. In all cases, other than where we have had a direct involvement with the transactions being used as comparables in our Report, we are unable to warrant that the information on which we have relied is correct.

A handwritten signature in black ink, consisting of a stylized 'S' followed by a flourish.

Annex: Rule 26 of the Singapore Code on Take-overs and Mergers

26.1 Valuations to be reported on if given in connection with an offer

When there is a valuation of assets given in connection with an offer, such valuation must be supported by the opinion of a named independent professional expert. The directors must state in the document containing the asset valuation the basis of the valuation. The document must also state that the expert has given and not withdrawn his consent to the publication of his valuation.

NOTES ON RULE 26.1

1. Type of asset

This Rule applies not only to land and buildings but also to other assets, e.g. plant and machinery, ships, TV rental contracts and individual parts of a business.

2. In connection with an offer

Sometimes, directors' estimates of asset values which are published with a company's accounts in accordance with the Companies Act, are reproduced in an offer document or offeree board circular. The Council would not regard such estimates as "given in connection with an offer" unless asset values are a particularly significant factor in assessing the relevant take-over or merger transaction and the estimates are accordingly given considerably more prominence in the appropriate circulars than merely being referred to in a note to a statement of assets in an appendix. In those circumstances, of course, such estimates must be supported (subject to Rule 26.5 below) by a named independent expert in accordance with this Rule.

3. Where no report is required

If the net book value of the assets to be valued represents less than 30% of the offer value, the Council will normally waive the requirement under this Rule.

26.2 Basis of Valuation

(a) The basis of valuation must be stated and for non-specialised properties this will normally be open market value. A property which is occupied for purposes of the business must be valued at open market value for the existing use. Assumptions should be kept to a minimum and should be fully explained.

(b) For land which is being developed or with development potential, the valuation should include, in addition to the open market value of the land in its existing state at the date of valuation, the following:-

(i) the value after the development has been completed and is ready for occupation;

(ii) the estimated total cost including carrying charges of completing the development and the expected dates of (i) completion, and (ii) letting or occupation; and

(iii) a statement whether planning consent has been obtained and, if so, the date thereof and the nature of any conditions attaching to the consent which affect the value.

(c) Where a property which is occupied for the purposes of the business is valued at open market value for an alternative use, the costs of conversion and/or adaptation should be estimated and shown.

26.3 Potential tax liability

When a valuation is given in connection with an offer, there should be a statement regarding any potential tax liability which would arise if the assets were to be sold at the amount of the valuation, accompanied by an appropriate comment as to the likelihood of any such liability crystallising.

26.4 Current valuation

A valuation must state the date on which the assets were valued and the professional qualifications and address of the valuer. If a valuation is not current, the valuer must state whether a current valuation would be materially different. If the current valuation would be materially different, the valuation must be updated.

26.5 Waiver in certain circumstances

In exceptional cases, companies, in particular property companies, which are the subject of an unexpected bid may encounter difficulty in obtaining the opinion of an independent professional expert to support an asset valuation, as required by Rule 26.1, before the circular to shareholders containing the board's recommendations has to be sent out. In such cases, the Council may consider waiving strict compliance with Rule 26.1. The Council will only do so where the interests of shareholders seem, on balance, to be best served by permitting informal valuations to appear in the circular together with such substantiation as is available. Advisers to offeree companies who wish to make use of this procedure should consult the Council in good time.

26.6 Inspection

Where a valuation of assets is given in an offer document, the valuation should be made available for inspection.



APPENDIX 2 – PROPERTY APPENDICES



Property 1	The Tower Hotel, St Katherine's Way, London, E1W 1LD	
Inspection	Inspected 4 February 2021 by James Bradley MRICS.	
Property Overview:	<ul style="list-style-type: none"> • 801 bedrooms; • 2 Restaurants; Bar; Coffee shop; • Gym; • Extensive meeting / conference rooms • Ballroom. 	
Tenure	Freehold	
Location and Situation	<ul style="list-style-type: none"> • The hotel occupies a prominent position on the edge of the River Thames directly adjacent to Tower Bridge. • The property is bounded by St Katherine's Docks to the north, St Katherine's Way and Tower Bridge Road (A100) to the west and the River Thames to the south. • The hotel is located close to various central London leisure and corporate demand generators. • The property is situated approximately 650m south east of Tower Hill Station. 	
Specification	<ul style="list-style-type: none"> • Finished to 4 star standard. • 801 bedrooms (678 Standard Rooms, 83 Executives, 18 Suites, 19 Family Rooms and 3 Accessible rooms) • Outlets: The Gallery, The Brasserie and Terrace and Xi Bar • 19 meeting rooms with 3 Tower suites catering for up to 550 delegates in theatre layout. 	
Capex/Condition	<ul style="list-style-type: none"> • 92 Exec rooms were last refurbished in 2012 with remaining rooms not refurbished for over 25 years. • Property requires works to roof, façade and plant (see front section report). • The hotel would benefit from capex to upgrade the bedrooms and bathrooms. 	
Planning Considerations	<ul style="list-style-type: none"> • The hotel is not stated to be listed nor in a conservation area. • No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> • Tripadvisor Ranking: 4.0 Very Good / #380 of 1,158 Hotels in London. • Within a 0.5 mile radius there are 31 hotels (5,081 bedrooms), including the subject property. 4-star hotels comprise 54% of bedroom supply. • Within a 0.5 mile radius there are 4 developments (343 bedrooms) in the pipeline. 4-star hotels comprise 60% of the bedroom pipeline, with 204 bedrooms in planning at the Grange Hotel Tower Hill. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> • Freehold • Prominent location on River Thames overlooking Tower Bridge. • Full service hotel. • Extensive M&E and F&B facilities. • East Central London with good proximity to leisure demand generators including Tower Bridge and Tower of London. • Proximity to City of London businesses. 	<ul style="list-style-type: none"> • Large asset with significant number of rooms creates challenges of maintaining a high occupancy rate. • Large amount of competition in immediate vicinity. • The hotel would benefit from capex in the short term. • Unattractive facade which would benefit from updating. • The property has an old plant and complications due to presence of asbestos. • Covid-19: Operational challenges connected to social distancing and hygiene expectations. • Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery.

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Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	72.2%	81.4%	86.9%	60.7%	7.1%	65.7%	72.5%	79.7%	81.1%	82.2%
ADR (£)	125.61	119.70	122.47	125.75	125.33	127.75	126.60	125.19	127.15	127.86
RevPAR (£)	90.72	97.44	106.45	77.42	8.85	83.91	91.79	99.83	103.07	105.12
Rooms Revenue (£)	26,957.90	28,410.89	31,036.79	22,573.05	2,587.70	24,531.12	26,837.06	29,266.34	30,135.26	30,732.40
Other Revenue (£)	8,992.49	10,506.55	11,455.44	8,252.22	987.07	8,101.38	10,437.37	12,608.15	13,346.35	13,784.12
Total Revenue (£000s)	35,950.38	38,917.44	42,492.23	30,825.27	3,574.76	32,632.50	37,274.43	41,874.49	43,481.61	44,516.52
EBITDA (£000s)	13,094.9	14,110.6	14,207.83	9,496.0	-3,916.5	10,932.8	13,035.5	15,036.6	15,557.4	15,797.2
EBITDA (% of Revenue)	36.4%	36.3%	33.4%	30.8%	-109.6%	33.5%	35.0%	35.9%	35.8%	35.5%

Note on accounts – EBITDA before FF&E reserve contribution.

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£204,000,000	£254,682	5.50%	7.50%

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Property 2	Amba Marble Arch, Bryanston Street, Marylebone, London, W1H 7EH	
Inspection	Inspected 1 February 2021 by Ben Packard MRICS.	
Property Overview:	<ul style="list-style-type: none"> 692 bedrooms; Restaurant; Bar; Coffee shop; Extensive meeting / conference rooms. Sub-let retail space. 	
Tenure	Leasehold (89 years unexpired term)	
Location and Situation	<ul style="list-style-type: none"> The property occupies a prominent position at the junction of Oxford Street and Portman Street close to Marble Arch. The hotel is located close to various leisure demand generators such as Hyde Park and Oxford Street. The property is situated approximately 200m north east of Marble Arch Underground Station. 	
Specification	<ul style="list-style-type: none"> The property is currently finished to a 4-star standard. 692 bedrooms (Standard, Deluxe, Executive, Studio Apartment and Family Room). Outlets: The Grill, The Deli, The Amba Lounge, The Bar and 15 meeting and event spaces. 	
Capex/Condition	<ul style="list-style-type: none"> The property has undergone a full refurbishment which was completed in 2015 at a cost of £27m. The refurbishment included refurbishing all bedrooms, excluding 80 on the second floor where only bathrooms were refurbished. Evident damage on 8th floor to 5 rooms. Immediate capex needed for maintenance works to fix a leak in the roof and repair to the heating and cooling system at an estimated cost of £1.2 million. 	
Planning Considerations	<ul style="list-style-type: none"> The property is not stated to be listed but is situated within the Portman Estate Conservation Area. No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> Tripadvisor Ranking: 4.5 Excellent/ #175 of 1,158 Hotels in London. Within a 0.5 mile radius there are 53 hotels (6,537 bedrooms), including the subject property. 4-star hotels comprise 56% of supply. Within a 0.5 mile radius there are 13 developments (625 bedrooms) in the pipeline. 4-star hotels comprise 40% of the bedroom pipeline, with 40 bedrooms in planning/final planning at The Mandeville Hotel. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> Central location with good proximity to tourist attractions and leisure demand generators. Full service hotel. Extensive M&E and good F&B facilities. Strong nearby corporate presence. Substantial asset with large number of bedrooms. Externally the property is somewhat unattractive. Covid-19: Operational challenges connected to social distancing and hygiene expectations. Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 	



Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	80.8%	79.6%	84.9%	59.7%	4.0%	67.7%	71.9%	80.2%	80.2%	80.1%
ADR (£)	184.71	186.28	191.96	200.73	121.09	172.78	183.75	184.69	189.53	194.41
RevPAR (£)	149.26	148.35	162.89	119.80	4.85	117.04	132.10	148.21	152.07	155.70
Rooms Revenue (£)	38,319.46	37,368.33	41,030.61	30,176.59	1,225.31	29,562.60	33,364.95	37,537.27	38,409.78	39,327.50
Other Revenue (£)	6,4310.96	5,697.79	6,369.36	4,878.11	834.98	5,030.17	5,715.42	6,425.76	6,742.20	6,953.46
Total Revenue (£000s)	44,630.42	43,006.12	47,399.97	35,054.70	2,060.28	34,592.77	39,080.37	43,963.03	45,151.98	46,280.96
EBITDA (£000s)	20,333.3	19,332.7	21,859.4	15,507.6	-3,718.1	15,265.7	17,793.4	20,313.1	20,765.6	21,268.0
EBITDA (% of Revenue)	45.6%	44.9%	46.1%	44.2%	180.5%	44.1%	45.5%	46.2%	46.0%	46.0%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£276,100,000	£398,988	5.75%	7.75%

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Property 3	Amba Charing Cross Strand, London, WC2N 5HX	
Inspection	Inspected 9 February 2021 by Nick Newell MRICS.	
Property Overview:	<ul style="list-style-type: none"> • 239 bedrooms; • Restaurant; Bar; Gym; • Conference facilities 	
Tenure	Leasehold (90 years unexpired term)	
Location and Situation	<ul style="list-style-type: none"> • The property occupies a prominent position fronting the Strand (A4) in the City of Westminster. • The hotel forms part of the front ground floor facade to Charing Cross Station and the full width from first floor upwards. • The property is bound by Embankment Station to the south which provides National rail services and access to the Bakerloo, Circle, District and Northern Lines. • Trafalgar Square is situated 0.2 miles west of the property with Leicester Square approximately 0.4 miles to the north. 	
Specification	<ul style="list-style-type: none"> • The property is finished to a 4-star standard and provides the following accommodation: • 239 bedrooms: 156 rooms in the main building, 83 in the Buckingham Wing (accessible via a first floor bridge). • Outlets: Restaurant (32 covers), Lounge (46 covers), Bar (26 covers) and 9 function rooms (130 seated). 	
Capex/Condition	<ul style="list-style-type: none"> • £7.9m of capex was spent on the full refurbishment of the hotel in October 2014 to rebrand the product from a Thistle hotel to Amba Charing Cross (including bedrooms and meeting space). 	
Planning Considerations	<ul style="list-style-type: none"> • The building is stated to be Grade II listed and situated in the Trafalgar Square Conservation area. • No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> • Tripadvisor Ranking: 5.0 Excellent / #63 of 1,158 Hotels in London. • Within a 0.5 mile radius there are 56 hotels (7,204 bedrooms), including the subject property. 4-star hotels comprise 26% of bedrooms. • Within a 0.5 mile radius there are 23 developments (2,578 bedrooms) in the pipeline. 4-star hotels comprise 19% of the bedroom pipeline, with 495 bedrooms in planning/final planning, including The Wellington Hotel with 148 bedrooms in the pipeline. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> • Centrally located with good proximity to tourist attractions. • Close to both London Underground and national rail services. • Refurbished and rebranded in 2014. • Attractive facade, forming part of Charing Cross Station complex. • Some very high quality, historic characteristics including a grand staircase, elaborate ceilings and artwork. 	<ul style="list-style-type: none"> • Large amount of competition in immediate vicinity. • Long leasehold interest, though 90 years unexpired and peppercorn head rent. • Covid-19: Operational challenges connected to social distancing and hygiene expectations. • Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery.

Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	79.2%	83.9%	86.9%	59.8%	6.1%	68.1%	80.5%	84.5%	84.2%	84.4%
ADR (£)	195.67	188.72	206.23	218.46	172.24	183.12	194.25	204.26	210.44	216.11
RevPAR (£)	155.00	158.41	179.18	130.53	10.46	124.63	156.46	172.58	177.17	182.36
Rooms Revenue (£)	13,743.32	13,781.20	15,588.18	11,355.55	912.18	10,872.25	13,648.61	15,096.19	15,455.47	15,908.36
Other Revenue (£)	4,233.61	4,351.71	4,562.26	3,214.31	514.91	2,896.16	3,804.56	4,245.63	4,806.65	4,993.51
Total Revenue (£000s)	17,976.93	18,132.91	20,150.44	14,569.86	1,427.09	13,768.41	17,453.17	19,341.82	20,262.12	20,901.87
EBITDA (£000s)	7,173.0	7,132.2	7,817.7	5,164.3	-1,458.9	4,824.7	6,737.5	7,646.7%	8,052.1	8,315.3
EBITDA (% of Revenue)	39.9%	39.3%	38.8%	35.5%	-102.2%	35.0%	38.6%	39.5%	39.7%	39.8%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£112,000,000	£468,619	5.75%	7.75%



Property 4	Royal Horseguards Hotel, 2 Whitehall Court, London, SW1A 2EJ	
Inspection	Inspected 3 February 2021 by Tim Stoyte FRICS.	
Property Overview:	<ul style="list-style-type: none"> • 282 bedrooms; • Restaurant; 2 Bars; Gym; • Extensive meeting / conference rooms. 	
Tenure	Leasehold (71 years unexpired term)	
Location and Situation	<ul style="list-style-type: none"> • The property occupies a prominent position overlooking Whitehall Gardens and the River Thames. • It is bounded by Whitehall Gardens and Victoria Embankment to the east, Whitehall Court to the west, and Whitehall Place to the north. • The hotel is located close to numerous leisure demand generators include the Palace of Westminster and Buckingham Palace. • The property is situated 0.1 miles from Embankment Station with services on the Circle and District, Bakerloo and Northern lines. 	
Specification	<ul style="list-style-type: none"> • The property is currently finished to an upscale standard. • 282 bedrooms (111 Executive Rooms, 166 Deluxe Rooms and 5 Suites). • Outlets: 1212 Restaurant (60 covers), Equus Cocktail Bar (26 seating), The Terrace and The Lounge (external seating for 35 covers). 	
Capex/ Condition	<ul style="list-style-type: none"> • There has been no significant capital expenditure in the past 2 years. • Potential for large scale repositioning. 	
Planning Considerations	<ul style="list-style-type: none"> • The hotel is listed and located in the Whitehall conservation area. • No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> • Tripadvisor Ranking: 4.5 Excellent/ #235 of 1,158 Hotels in London. • Within a 0.5 mile radius there are 39 hotels (8,606 bedrooms), including the subject property. 5-star hotels comprise 25% of bedrooms. • Within a 0.5 mile radius there are 15 developments (1,486 bedrooms) in the pipeline. 5-star hotels comprise 53% of the bedroom pipeline, with 570 bedrooms in construction, including Raffles London, Waldorf Astoria London Admiralty Arch and The Londoner. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> • Centrally located with good access to tourist attractions. • Prominent location on River Thames close to Buckingham Palace and Westminster Palace. • Full service hotel with extensive M&E and F&B facilities. • Attractive facade. • Good room size and product. • Potential to add value through hotel upgrade. <ul style="list-style-type: none"> • Large amount of competition and pipeline in immediate vicinity. • Grade I listing may make refurbishment / redevelopment difficult. • 71 years unexpired on head lease. • Covid-19: Operational challenges connected to social distancing and hygiene expectations. • Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 	




Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	70.1%	72.2%	77.4%	58.4%	15.2%	68.6%	76.5%	79.9%	80.1%	80.3%
ADR (£)	222.07	217.41	224.18	232.87	207.84	221.16	220.85	223.13	225.45	226.76
RevPAR (£)	155.77	157.08	173.60	136.07	31.59	151.72	168.92	177.90	180.52	182.02
Rooms Revenue (£)	16,296.46	16,123.49	17,819.65	13,967.76	3,251.86	15,616.81	17,386.52	18,361.43	18,581.30	18,735.33
Other Revenue (£)	6,246.86	6,510.74	6,676.49	4,593.13	680.11	3,557.44	4,375.08	5,604.78	7,684.05	8,416.35
Total Revenue (£000s)	22,543.32	22,634.22	24,296.14	18,560.89	3,931.98	19,174.25	21,761.60	23,966.20	26,265.36	27,151.68
EBITDA (£000s)	7,820.6	8,063.6	8,343.5	5,924.4	-1,273.6	6,847.0	7,948.2	8,872.9	9,884.0	10,173.2
EBITDA (% of Revenue)	34.7%	35.6%	34.1%	31.9%	-32.4%	-35.7%	36.5%	37.0%	37.6%	37.5%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£132,000,000	£468,085	5.50%	7.75%

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Property 5	Amba Hotel Grosvenor, 101 Buckingham Palace Road, London, SW1W 0SJ		
Inspection	Inspected 4 February 2021 by Nick Newell MRICS.		
Property Overview:	<ul style="list-style-type: none"> • 348 bedrooms; • Restaurant; 2 Bars; Gym; • Extensive meeting / conference rooms. 		
Tenure	Leasehold (87 years unexpired term)		
Location and Situation	<ul style="list-style-type: none"> • The property occupies a prominent position fronting onto Buckingham Palace Road (A3214) and bounded by Victoria Station to the rear and south of the property and Terminus Place to the north. • The hotel is located close to numerous tourist destinations and is situated approximately 0.5 miles from Buckingham Palace. • Victoria Station situated at the rear of the property is served by National rail services, the Gatwick Express and London Underground services including the Circle, District and Victoria lines. 		
Specification	<ul style="list-style-type: none"> • The property is finished to a 4-star standard. • 348 bedrooms (Standard, Deluxe, Executive rooms and Suites). • Outlets: GA Brasserie and Bar (80 covers), Lounge (60 covers), • Reunion Bar (150 covers), a gym and 9 meeting and event rooms for up to 150 delegates. 		
Capex/Condition	<ul style="list-style-type: none"> • The hotel has recently undergone a £14.3m refurbishment upgrading the bedrooms and F&B areas. • £560,000 is to be spent on completing the F&B upgrade, and repairs to drainage and leaks. 		
Planning Considerations	<ul style="list-style-type: none"> • The Property is Grade II* listed but is not stated to be in a conservation area. • No pertinent planning proposals outstanding. 		
Business Comments	<ul style="list-style-type: none"> • Tripadvisor Ranking: 4.0 Very Good / #389 of 1,158 Hotels in London. • Within a 0.5 mile radius there are 36 hotels (4,526 bedrooms), including the subject property. 4-star hotels comprise 36% of bedrooms. • Within a 0.5 mile radius there are 11 developments (1,119 bedrooms) in the pipeline. 4-star hotels comprise 63% of the bedroom pipeline, with 707 bedrooms in planning/final planning or currently under construction, including the Riu Plaza Hotel London (443 bedrooms). 		
Inspection Photographs			
Principal Valuation Considerations	<ul style="list-style-type: none"> • Centrally located with good public transport accessibility. • Prominent station hotel. Attractive facade. • Full service hotel. Extensive M&E and F&B facilities. • Good room size and product. • Potential to increase F&B business through passing trade. <ul style="list-style-type: none"> • Large amount of competition in immediate vicinity. • Covid-19: Operational challenges connected to social distancing and hygiene expectations. • Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 		

Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	74.6%	84.6%	82.7%	40.8%	5.5%	86.2%	72.4%	75.1%	75.1%	75.0%
ADR (£)	157.82	148.35	156.76	168.91	159.85	161.83	173.70	178.91	183.49	188.11
RevPAR (£)	117.69	125.57	129.63	68.99	8.75	110.49	125.68	134.45	137.86	141.07
Rooms Revenue (£)	15,064.17	15,769.64	16,278.37	8,663.70	1,110.98	14,023.54	15,963.92	17,124.62	17,510.49	17,918.22
Other Revenue (£)	3,473.42	3,534.08	3,304.38	2,449.18	263.60	3,822.05	4,577.95	4,981.18	5,315.49	5,471.05
Total Revenue (£000s)	18,537.59	19,303.72	19,582.75	11,112.87	1,374.57	17,845.59	20,541.87	22,105.80	22,825.98	23,389.27
EBITDA (£000s)	6,936.4	7,365.7	6,950.5	1,766.9	-1,925.4	6,535.8	7,756.1	8,349.0	8,570.4	8,756.2
EBITDA (% of Revenue)	37.4%	38.2%	35.5%	15.9%	-140.1%	36.6%	37.8	37.8%	37.5%	37.4%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£121,400,000	£348,851	5.75%	7.75%

Property 6	Thistle Kensington Gardens, 104 Bayswater Road, London, W2 3HL	
Inspection	Inspected 3 February 2021 by Tim Stoye FRICS.	
Property Overview:	<ul style="list-style-type: none"> • 175 bedrooms; • Restaurant; Bar; • Meeting / conference rooms. 	
Tenure	Freehold	
Location and Situation	<ul style="list-style-type: none"> • The property occupies a prominent position fronting directly onto Bayswater Road. • The property is bound by Bayswater Road to the south and Porchester Terrace to the east. • The hotel is located close to numerous leisure demand generators and is situated adjacent to Hyde Park. • The surrounding area is primarily residential with a number of hotels in the immediate vicinity. • The property is situated approximately 0.2 miles from Queensway station served by the Central Line. • London Paddington station is located 0.6 miles away providing National Rail services and the proposed Crossrail site for 2022. 	
Specification	<ul style="list-style-type: none"> • The property is finished to a 4-star standard. • 175 bedrooms (88 Standard, 73 Deluxe and Executive, 4 Junior Suites and 13 family rooms). • Outlets: The Brasserie and Lounge Bar. 3 meeting rooms which cater for approximately 52 delegates. 	
Capex/Condition	<ul style="list-style-type: none"> • The hotel is in good condition throughout. There has been no major capital expenditure in past year. • Planned capex includes maintenance to the goods lift (£45,000 committed.) 	
Planning Considerations	<ul style="list-style-type: none"> • The property is not stated to be listed but is located in Bayswater conservation area. • No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> • Tripadvisor Ranking: 4.0 Very Good / #378 of 1,158 Hotels in London. • Within a 0.5 mile radius there are 119 hotels (8,403 bedrooms), including the subject property. 4-star hotels comprise 38% of bedroom supply. • Within a 0.5 mile radius there are 15 developments (572 bedrooms) in the pipeline. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> • Freehold. • Prominent location overlooking Hyde Park. • Full service hotel. • Potential to add value through refurbishment. • Strong demand for freehold assets. 	<ul style="list-style-type: none"> • Unattractive 1960's building. • Large amount of competition in immediate vicinity. • Garage located at the ground floor of the hotel may deter buyers. • Covid-19: Operational challenges connected to social distancing and hygiene expectations. • Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery.




Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	87.3%	84.0%	83.0%	57.8%	0.0%	59.7%	63.0%	70.2%	72.9%	72.8%
ADR (£)	117.60	129.75	120.62	121.95	0.00	122.11	125.93	128.93	131.59	134.63
RevPAR (£)	102.61	108.94	100.17	70.51	0.00	72.90	79.37	90.50	95.96	98.07
Rooms Revenue (£)	6,662.0	6,939.68	6,380.69	4,491.44	0.00	4,656.48	5,069.61	5,796.24	6,129.65	6,263.99
Other Revenue (£)	949.17	1,024.45	940.59	701.22	214.42	707.53	754.56	839.87	878.07	891.84
Total Revenue (£000s)	7,611.37	7,964.13	7,321.28	5,192.67	214.42	5,364.01	5,824.17	6,636.11	7,007.72	7,155.83
EBITDA (£000s)	2,848.2	3,331.0	2,600.7	1,370.0	-991.5	1,755.9	1,955.7	2,366.5	2,503.1	2,541.3
EBITDA (% of Revenue)	37.4%	41.8%	35.5%	26.4%	-462.5%	32.7%	33.6%	35.5%	35.7%	35.5%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£52,600,000	£300,571	5.00%	7.00%

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Property 7	Thistle Heathrow, Bath Road, London, UB7 0EQ
Inspection	Inspected 5 February 2021 by Tim Stoyle FRICS.
Property Overview:	<ul style="list-style-type: none"> 266 bedrooms; Restaurant; 2 Bars; Extensive meeting / conference rooms; Ballroom.
Tenure	Leasehold (148 years unexpired term)
Location and Situation	<ul style="list-style-type: none"> The property occupies a prominent position close to Heathrow Terminal 5. The hotel bar and restaurant overlook the northern runway. Bounded by Bath Road to the north, N1 Staff car park to the east and Heathrow POD car parking to the west with transit to the airport. Mary Cassidy House, an immigration hostel is situated adjacent to the hotel off Bath Road. The hotel has approximately 470 car parking spaces around the perimeter of the property. The property is situated approximately 3 miles from Heathrow Terminal 5 London Underground Station.
Specification	<ul style="list-style-type: none"> The property is currently finished to a 3-star standard. 266 bedrooms (208 Standard Rooms, 34 Deluxe, 15 View rooms, 2 Family Rooms and 7 Triple Rooms). Outlets: Runway View Restaurant (130 covers / currently 30 covers due to Covid-19 restrictions), Lounge Bar (60 covers / currently 20 covers due to Covid-19 restrictions) and Lobby Bar (50 covers / currently 20 covers due to Covid-19 restrictions). The property also has approx. 32,000 sq ft (GIA) of office space opposite the hotel entrance, currently occupied by GLH staff on the upper floor and vacant on the ground floor. Europcar sub-let the southern part of the site.
Capex/Condition	<ul style="list-style-type: none"> The hotel has undergone £900,000 of capex since July 2018. There is no significant proposed capex plans.
Planning Considerations	<ul style="list-style-type: none"> The hotel is not stated to be listed nor in a conservation area. No pertinent planning proposals outstanding.
Business Comments	<ul style="list-style-type: none"> Tripadvisor Ranking: 3.5 Very Good / #8 of 15 Hotels in West Drayton. Within a 1 mile radius there are 9 hotels (2,705 bedrooms), including the subject property. 3-star hotels comprise 10% of bedroom supply. Within a 1 mile radius there is 1 development (250 bedrooms) in the pipeline. The ibis Budget Hotel London Heathrow Hotel is in final planning and due to open in June 2023.
Inspection Photographs	  
Principal Valuation Considerations	<ul style="list-style-type: none"> Prominent location opposite Heathrow Airport and adjacent to Heathrow POD. Views of the runway. Extensive M&E and F&B facilities. Offices on ground floor have been vacant for over 1 year. CPO for 3rd runway at Heathrow "on ice". Large head rent payable. Covid-19: Operational challenges connected to social distancing and hygiene expectations. Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery.

Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	81.6%	76.7%	79.4%	58.1%	11.9%	55.3%	60.4%	65.7%	71.9%	73.4%
ADR (£)	60.04	59.67	61.04	57.52	54.69	49.56	50.43	51.87	38.08	54.07
RevPAR (£)	49.02	45.76	48.47	33.40	6.52	27.43	30.48	34.09	68.56	39.69
Rooms Revenue (£)	4,837.98	4,430.38	4,693.50	3,233.90	633.22	2,663.11	2,959.09	3,318.51	3,697.01	3,853.67
Other Revenue (£)	3,038.45	2,937.24	3,231.76	2,398.26	1,103.49	2,414.75	2,842.01	3,383.35	3,730.24	3,936.87
Total Revenue (£000s)	7,876.43	7,367.62	7,925.27	5,632.17	1,736.71	5,077.86	5,801.11	6,701.86	7,427.24	7,790.54
EBITDA (£000s)	2,175.3	1,829.2	2,124.4	998.7	-520.0	1,557.5	1,873.2	2,288.6	2,556.9	2,681.0
EBITDA (% of Revenue)	27.6%	24.8%	26.8%	17.7%	29.9%	30.7%	32.3%	34.1%	34.4%	34.4%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£2,000,000	£7,519	11.00%	13.00%

Property 8	Royal Trafalgar Thistle Hotel, Whitcomb Street, Trafalgar Square, London, WC2H 7HG		
Inspection	Inspected 9 February 2021 by Nick Newell MRICS.		
Property Overview:	<ul style="list-style-type: none"> 108 bedrooms; Restaurant; Lounge area. 		
Tenure	Leasehold (8.5 years unexpired term)		
Location and Situation	<ul style="list-style-type: none"> The property is situated close to Trafalgar Square, bound by Whitcomb Street to the west and St Martin's Street to the east. The hotel is situated adjacent to the National Portrait Gallery and The National Gallery. The property is approximately 0.2 miles from Charing Cross Underground station. 		
Specification	<ul style="list-style-type: none"> The property is currently finished to a mid-market standard. 108 bedrooms (44 Standard rooms, 50 Executive rooms and 14 Junior Suites). Outlets: Squares Restaurant and Lounge (50 covers). 		
Capex/Condition	<ul style="list-style-type: none"> There has been £313,000 of capex spent on the hotel since July 2018. There are no planned capex works. 		
Planning Considerations	<ul style="list-style-type: none"> The property is not stated to be listed but is situated within Trafalgar Square conservation area. No pertinent planning proposals outstanding. 		
Business Comments	<ul style="list-style-type: none"> Tripadvisor Ranking: 4.5 Excellent/ #413 of 1,158 Hotels in London. Within a 0.5 mile radius there are 69 hotels (8,148 bedrooms), including the subject property. 4-star hotels comprise 28% of bedrooms. Within a 1 mile radius there are 31 developments (3,235 bedrooms) in the pipeline. 4-star hotels comprise 18% of the bedroom pipeline, with 549 bedrooms in planning/final planning, including 146 rooms at The Wellington Hotel. 		
Inspection Photographs			
Principal Valuation Considerations	<ul style="list-style-type: none"> Very central location close to many leisure demand generators. Proven trading with high occupancy rates. High profitability (before head rent). Short lease interest and head rent payable. Significant competition in immediate vicinity. Unattractive building. Quiet side street location. Covid-19: Operational challenges connected to social distancing and hygiene expectations. Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 		



Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	78.2%	83.9%	86.8%	63.3%	0.0%	70.3%	78.8%	83.3%	83.7%	83.9%
ADR (£)	178.97	168.10	170.66	172.16	0.00	117.65	131.05	142.87	161.77	177.32
RevPAR (£)	139.93	141.09	148.07	108.95	0.00	82.69	109.96	126.62	135.42	148.81
Rooms Revenue (£)	5,606.52	5,546.44	5,820.77	4,282.97	0.00	3,259.55	4,071.09	4,704.78	5,338.40	5,866.24
Other Revenue (£)	341.78	337.61	357.46	306.55	3.04	215.47	263.64	300.08	333.74	361.82
Total Revenue (£000s)	5,948.30	5,884.05	6,178.23	4,589.51	3.04	3,475.02	4,334.73	5,004.86	5,672.14	6,228.05
EBITDA (£000s)	2,442.3	2,295.9	2,437.5	1,594.0	-915.8	796.7	1,276.0	1,648.0	2,072.4	2,421.0
EBITDA (% of Revenue)	41.1%	39.0%	39.5%	34.7%	-30,166%	22.9%	29.4%	32.9%	36.5%	38.9%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£1,100,000	£10,185	10.00%	12.00%

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Property 9	Thistle Hyde Park, 90-92 Lancaster Gate, London, W2 3NL	
Inspection	Inspected 3 February by Tim Stoye FRICS.	
Property Overview:	<ul style="list-style-type: none"> 54 bedrooms; Restaurant; Bar; Meeting & events space. 	
Tenure	Leasehold (14 years unexpired term)	
Location and Situation	<ul style="list-style-type: none"> The property is situated on Bayswater Road in the London Borough of Westminster. The hotel is bounded by Bayswater Road to the south and Lancaster Gate to the north. Hyde Park is located to the south of the property and the hotel benefits from park views. Queensway Underground Station and Lancaster Gate Station are located 0.3 miles to the west and east respectively. 	
Specification	<ul style="list-style-type: none"> The property is currently finished to a 4-star standard. 54 bedrooms: 18 Standard Double, 18 Deluxe Double, 2 Executive and 11 Suites. Outlets: Restaurant (30 covers), Bar and 3 meeting rooms (20 delegates in theatre layout). 	
Capex/Condition	<ul style="list-style-type: none"> Although dated, the hotel appears in reasonable condition with some minor wear and tear issues. There has been little investment in the property since 2010 when a soft refurbishment of the bedrooms and public areas were undertaken. The property would benefit from upgrade in the short to medium term. Works are planned to repair balconies. 	
Planning Considerations	<ul style="list-style-type: none"> The building is stated to be Grade II Listed and situated within the Bayswater Conservation area. No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> Tripadvisor Ranking: 4.0 Very Good / #549 of 1,158 Hotels in London. Within a 0.5 mile radius there are 147 hotels (9,078 bedrooms), including the subject property. 4-star hotels comprise 36% of bedrooms. Within a 0.5 mile radius there are 18 developments (608 bedrooms) in the pipeline. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> Centrally located with a good proximity to tourist attractions. Views over Hyde Park. Potential to add value through refurbishment. 1840's property with period characteristics throughout. 	<ul style="list-style-type: none"> Large amount of competition in close proximity. The hotel would benefit from capex in the medium term. Limited F&B demand. Diminishing leasehold interest. Covid-19: Operational challenges connected to social distancing and hygiene expectations. Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery.




Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	76.8%	71.2%	83.2%	58.6%	0%	58.1%	82.5%	82.8%	82.9%	82.9%
ADR (£)	132.03	133.04	132.92	138.05	0.00	132.20	135.27	140.49	143.98	147.51
RevPAR (£)	101.38	94.67	110.55	80.85	0.00	76.85	111.65	116.30	199.39	122.26
Rooms Revenue (£)	2,031.	1,860.82	2,173.05	1,589.23	0.00	1,514.65	2,200.58	2,298.46	2,353.16	2,409.76
Other Revenue (£)	288.86	310.91	376.99	264.68	21.34	170.52	245.35	254.12	258.82	263.71
Total Revenue (£000s)	2,320.00	2,171.73	2,550.05	1,853.91	21.34	1,685.17	2,445.93	2,552.58	2,611.98	2,673.47
EBITDA (£000s)	432.8	306.2	512.6	98.8	-545.5	221.4	522.6	537.5	538.8	549.9
EBITDA (% of Revenue)	18.7%	14.1%	20.1%	5.3%	-2,556.0%	13.1%	21.4%	21.1%	20.6%	20.6%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£400,000	£7,407	13.00%	15.00%

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Property 10	Thistle City Barbican Hotel, Central Street, London EC1V 8DS		
Inspection	Inspected 4 February 2021 by Nick Newell MRICS.		
Property Overview:	<ul style="list-style-type: none"> • 463 bedrooms; • Restaurant; 2 Bars; Extensive meeting / conference rooms. • Health & Leisure Club including swimming pool, sauna, steam room and gym. 		
Tenure	Leasehold (14 years unexpired term)		
Location and Situation	<ul style="list-style-type: none"> • The property occupies a prominent position close to Old Street Roundabout, bounded by Dingley Street to the north, Central Street to the west, Hull Street to the east and Lever Street to the south. Exchange Street runs through the middle of the two hotel buildings. • The hotel is located close to various central London leisure and corporate demand generators including the Barbican Centre to the south. • The property is situated approximately 0.4miles north west of Old Street Station and 0.6miles north of Barbican Station. 		
Specification	<ul style="list-style-type: none"> • The property is finished to a 3-star standard and is situated over two buildings which are connected at basement level. • 463 bedrooms in total; 266 guestrooms in the Main Block and 197 in the Front Block. • Outlets: 120 Central Brasserie (150 covers), Bar 120, CoMotion Bar and Otium Health and Leisure Club. • 13 Meeting Rooms (incl. 2 Ballrooms for 200 delegates in a theatre layout). 		
Capex/Condition	<ul style="list-style-type: none"> • Recent capex includes new plant (boilers and pumps) at both blocks and the Replay bar refurbishment in November 2020 (£200,000). • Ongoing capex includes the creation of 2 new meeting rooms with works commencing in December 2020, and the full refurbishment of 30 bedrooms in "the front block" at a cost of £80,000 with works commencing November 2020 (this has since been put on hold). • Further works to install new double glazed windows are currently on hold with an estimated cost of £350,000. • Capex may be necessary in the short to medium term to remove asbestos in the basement at an estimated cost of c. £750,000. 		
Planning Considerations	<ul style="list-style-type: none"> • The hotel is not stated to be listed nor in a conservation area. • No pertinent planning proposals outstanding. 		
Business Comments	<ul style="list-style-type: none"> • Tripadvisor Ranking: 3.0 Average/ #683 of 1,158 Hotels in London. • Within a 0.5 mile radius there are 17 hotels (2,393 bedrooms), including the subject property. 3-star hotels comprise 19% of bedrooms. • Within a 0.5 mile radius there are 7 developments (809 bedrooms) in the pipeline. 3-star hotels comprise 14% of the bedroom pipeline, with 111 bedrooms under construction at the Hampton by Hilton London Old Street. 		
Inspection Photographs			
Principal Valuation Considerations	<ul style="list-style-type: none"> • 'Off pitch' location – inferior location to much of competition. • Full service hotel with wet leisure facilities. • Extensive M&E and F&B facilities. • Strong nearby corporate presence with TMT workers. • Potential to add value through refurbishment. • Potentially significant dilapidations costs at least expiry and capex liabilities in the short term. • Large amount of competition and pipeline in surrounding area. • Dated product with small rooms. • Very high rent payable. • Covid-19: Operational challenges connected to social distancing and hygiene expectations. • Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 		




Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	72.0%	75.8%	77.3%	58.0%	0.0%	37.7%	53.9%	58.5%	58.8%	58.4%
ADR (£)	98.88	98.53	99.99	97.86	-57.48	96.07	88.57	86.95	89.83	92.59
RevPAR (£)	71.17	73.97	77.32	57.73	-0.01	36.23	47.70	50.87	52.81	54.04
Rooms Revenue (£)	2,224.98	12,466.13	13,031.29	9,561.32	-1.49	6,122.04	8,060.90	8,620.99	8,924.81	9,132.62
Other Revenue (£)	2,738.71	2,891.87	2,949.54	2,309.20	330.35	1,396.79	1,998.41	2,395.92	2,549.68	2,949.96
Total Revenue (£000s)	14,963.68	15,358.01	15,980.83	11,870.52	328.86	7,518.84	10,059.31	11,016.92	11,474.49	12,082.58
EBITDA (£000s)	5,247.2	5,219.2	5,629.0	3,467.2	-1,864.5	1,492.4	2,719.4	3,104.6	3,290.4	3,593.8
EBITDA (% of Revenue)	35.1%	34.0%	35.2%	29.2%	-567.0%	19.8%	27.0%	28.2%	28.7%	29.7%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	-£33,600,000	-£72,570	n/a	n/a

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Property 11	Thistle Bloomsbury Park, Southampton Row, London, WC1B 5AD		
Inspection	Inspected 1 February 2021 by Ben Packard MRICS.		
Property Overview:	<ul style="list-style-type: none"> 95 bedrooms; Restaurant; Bar; Limited M&E accommodation. 		
Tenure	Leasehold (14 years unexpired term)		
Location and Situation	<ul style="list-style-type: none"> The property is situated on Southampton Row in the London Borough of Camden. The property is bounded by Southampton Row (A4200) to the west, Cosmo Place to the north and St George's Church to the rear. The British Museum is located approximately 0.3 miles to the west and Great Ormond Street Hospital is approximately 0.2 miles east. Russell Square Station and Holborn Station are each 0.2miles from the hotel. Kings Cross St Pancras is situated 0.8miles to the north. 		
Specification	<ul style="list-style-type: none"> The property is finished to a 3-star standard. 95 bedrooms: 76 Standard Rooms (5 King, 49 Double, 29 Twin, 6 Single, 3 Suites, 3 Family Rooms). Outlets: Bar / Restaurant (120 covers) and 1 meeting room (70 standing). 		
Capex/Condition	<ul style="list-style-type: none"> Although somewhat dated in style, the hotel appears in reasonably good condition. No major capex is planned. 		
Planning Considerations	<ul style="list-style-type: none"> The building is not stated to be listed but is situated in the Bloomsbury Conservation area. No pertinent planning proposals outstanding. 		
Business Comments	<ul style="list-style-type: none"> Tripadvisor Ranking: 4.0 Very Good / #590 of 1,158 Hotels in London. Within a 0.5 mile radius there are 78 hotels (9,858 bedrooms), including the subject property. 3-star hotels comprise 43% of bedrooms. Within a 0.5 mile radius there are 17 developments (1,786 bedrooms) in the pipeline. 3-star hotels comprise 13% of the bedroom pipeline, with 224 bedrooms in currently under construction, including 141 bedrooms at Hotel AMANO. 		
Inspection Photographs			
Principal Valuation Considerations	<ul style="list-style-type: none"> Centrally located with proximity to tourist attractions. Close proximity to transport hubs, including Kings Cross St Pancras. Attractive facade. Large amount of competition in immediate vicinity. Covid-19: Operational challenges connected to social distancing and hygiene expectations. Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 		

Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	65.7%	72.3%	82.1%	56.1%	0.1%	54.7%	79.9%	76.4%	79.3%	80.1%
ADR (£)	125.23	121.05	121.73	123.91	-18.87	120.17	120.10	121.74	123.54	126.49
RevPAR (£)	82.27	87.55	99.92	69.51	-0.01	65.77	87.53	93.02	97.97	101.27
Rooms Revenue (£)	2,899.51	3,027.56	3,455.29	2,403.77	-0.49	2,280.50	3,035.17	3,234.34	3,397.23	3,511.43
Other Revenue (£)	304.03	287.15	279.24	210.50	-0.22	164.04	218.34	232.17	243.30	250.57
Total Revenue (£000s)	3,203.53	3,314.72	3,734.53	2,614.28	-0.71	2,444.54	3,253.51	3,466.51	3,640.53	3,762.00
EBITDA (£000s)	997.9	947.4	1,054.6	571.2	-635.7	538.4	901.9	961.4	1,010.3	1,046.9
EBITDA (% of Revenue)	31.1%	28.6%	28.2%	21.9%	-	22.0%	27.2%	27.7%	27.8%	27.8%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£2,500,000	£26,316	13.00%	15.00%

Property 12	Thistle Piccadilly, Coventry Street, London, W1D 6BZ	
Inspection	Inspected 4 February 2021 by James Bradley MRICS.	
Property Overview:	<ul style="list-style-type: none"> 82 bedrooms; Restaurant; Bar; Coffee Shop (Costa); Gym 	
Tenure	Leasehold (14 years unexpired term)	
Location and Situation	<ul style="list-style-type: none"> The property is situated on Coventry Street in the City of Westminster 0.1miles west of Leicester Square. The property is bounded by Coventry Street to the north and Whitcomb Street to the east. China Town is located approximately 0.1miles north of the subject hotel and the National Gallery is approximately 0.2 miles south of the hotel. Piccadilly Station is situated 0.1miles west with Bakerloo and Piccadilly line services. 	
Specification	<ul style="list-style-type: none"> The property is finished to a 4-star standard. 82 bedrooms: 41 Standard Rooms, 28 Deluxe Rooms and 13 Suites. Outlets: Bar / Breakfast room (48 covers) and small gym. 	
Capex/Condition	<ul style="list-style-type: none"> £320,000 has been spent on the hotel July 2018 – December 2020. There is no major capex planned. 	
Planning Considerations	<ul style="list-style-type: none"> The building is not stated to be listed but is situated in a conservation area. No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> Tripadvisor Ranking: 4.5 Very Good / #217 of 1,158 Hotels in London. Within a 0.5 mile radius there are 70 hotels (8,470 bedrooms), including the subject property. 4-star hotels comprise 27% of bedrooms. Within a 0.5 mile radius there are 30 developments (3,230 bedrooms) in the pipeline. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> Centrally located within close proximity to corporate and leisure demand generators. Close proximity to transport hubs. Income receivable from retail units (though none currently paying rent). Potential medium term asset management opportunities. 	<ul style="list-style-type: none"> Large amount of competition in immediate vicinity. Short leasehold interest with high rent payable. Small entrance. Covid-19: Operational challenges connected to social distancing and hygiene expectations. Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery.



Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	79.4%	85.2%	90.4%	66.5%	20.5%	77.8%	83.0%	87.5%	87.5%	87.3
ADR (£)	194.54	179.81	188.99	182.87	122.55	135.43	154.41	169.23	194.49	199.20
RevPAR (£)	154.41	153.11	170.78	121.59	25.10	105.39	128.19	148.16	170.09	173.99
Rooms Revenue (£)	4,697.38	4,570.00	5,097.30	3,629.10	751.24	3,154.40	3,836.77	4,446.50	5,090.89	5,207.52
Other Revenue (£)	1,514.28	1,642.49	1,683.19	2,002.45	1,187.40	1,535.49	1,642.76	1,741.49	1,841.49	1,878.88
Total Revenue (£000s)	6,211.66	6,212.49	6,780.49	5,631.55	1,938.64	4,689.89	5,479.53	6,187.99	6,932.38	7,086.39
EBITDA (£000s)	2,634.8	2,614.5	2,963.7	2,593.3	410.5	1,859.3	2,308.0	2,703.4	3,177.3	3,240.6
EBITDA (% of Revenue)	42.4%	42.1%	43.7%	46.0%	21.1%	39.6%	42.1%	43.7%	45.8%	45.7%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	-£2,600,000	-£31,707	11.00%	13.00%

Report & Valuation

GLH Portfolio - Property Appendices



Property 13	Hard Rock Hotel London & Great Cumberland Place, London, W1H 7DL	
Inspection	Inspected 1 February 2021 by Ben Packard MRICS.	
Property Overview:	<ul style="list-style-type: none"> 1,017 bedrooms; Restaurant; 2 Bars; Hard Rock Shop and events space; Gym; Extensive conference accommodation. 	
Tenure	Leasehold (10 years unexpired term with option to renew to 68 years)	
Location and Situation	<ul style="list-style-type: none"> The main property is bounded by Oxford Street to the south, Great Cumberland Place to the west, and Bryanston Street to the north. The hotel is located close to numerous leisure demand generators and is situated near Hyde Park. The property is situated above Marble Arch station and 0.5 miles from Bond Street station. 	
Specification	<ul style="list-style-type: none"> The property is currently finished to a 4-star standard. 1,017 bedrooms (900 in Hard Rock Hotel and 117 in Great Cumberland Place). The hotel has 17 meeting and events rooms catering for up to 400 delegates. 	
Capex/Condition	<ul style="list-style-type: none"> Recently refurbished at a cost of over £50 million to provide a new Hard Rock branded product. No significant capex proposed. 	
Planning Considerations	<ul style="list-style-type: none"> The building is not stated to be listed but is situated within the Portman Estate conservation area. No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> Tripadvisor Ranking: 3.5 Very Good / #602 of 1,158 Hotels in London. Within a 0.5 mile radius there are 53 hotels (6,537 bedrooms), including the subject property. 4-star hotels comprise 56% of bedrooms. Within a 0.5 mile radius there are 12 developments (575 bedrooms) in the pipeline. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> Substantial asset with a significant number of bedrooms. Centrally located for easy access to tourist attractions. Adjacent to Hyde Park and Marble Arch. Extensive M&E and F&B facilities. Short unexpired lease term (though options to extend lease). Large amount of competition in immediate vicinity. Very high rent payable to lessor. Covid-19: Operational challenges connected to social distancing and hygiene expectations. Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 	

Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	74.0%	56.7%	55.2%	40.6%	7.4%	61.5%	68.1%	69.5%	70.0%	70.0%
ADR (£)	147.98	152.11	159.78	188.30	138.09	139.10	149.97	156.27	160.36	164.41
RevPAR (£)	109.50	86.31	87.71	76.44	10.22	85.56	102.17	108.68	112.20	115.07
Rooms Revenue (£)	14,396.80	32,014.22	32,532.78	25,040.65	3,804.35	31,823.3	38,002.4	40,531.7	41,731.2	42,798.7
Other Revenue (£)	5,475.30	4,683.50	3,662.54	5,183.85	706.79	6,816.8	8,057.3	8,619.5	9,232.7	9,494.2
Total Revenue (£000s)	46,872.10	36,697.72	36,195.32	30,224.50	4,511.14	38,640.1	46,059.7	49,151.2	50,963.8	52,292.9
EBITDA (£000s)	18,844.9	12,325.2	6,438.1	4,251.6	-5,581.9	8,809.6	12,355.1	13,538.2	14,096.0	14,461.2
EBITDA (% of Revenue)	40.2%	33.6%	17.8%	14.1%	-123.7%	22.8%	26.8%	27.5%	27.7%	27.7%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	£31,000,000	£30,482	n/a	n/a

Report & Valuation

GLH Portfolio - Property Appendices





Property 14	Thistle Express London Luton, The Mall, Library Road, Luton, LU1 2TR		
Inspection	Inspected 5 February 2021 by Giles Furze MRICS.		
Property Overview:	<ul style="list-style-type: none"> • 152 bedrooms; • Restaurant (vacant); • Meeting and events rooms (vacant); • Gym, Pool and Spa (vacant); 		
Tenure	Leasehold (74 years unexpired term)		
Location and Situation	<ul style="list-style-type: none"> • The property occupies a prominent position near Luton Railway Station with services to St Pancras International in 28 minutes. • The hotel is bound by Guilford Street to the north, Luton Job Centre and the School of Art & Design to the east, Luton Central Library to the south, and The Galaxy Leisure Centre to the west. 		
Specification	<ul style="list-style-type: none"> • The property is finished to a 3-star standard. • 152 bedrooms, breakfast room / bar and 16 car parking spaces. • Unused areas include 22 staff bedrooms, 5 meeting rooms, leisure facilities and restaurant (c. 85 seats). 		
Capex/Condition	<ul style="list-style-type: none"> • Public areas (excl. M&E, restaurant and leisure facilities) and bedrooms were fully refurbished (including light bathroom work) in 2017. • The roof, kitchen, boilers and air handling units/pumps were replaced in 2017. • Recent capex has included work on one passenger lift for £40,000 in 2018 and the installation of 20 secondary glazing windows in 2019. • There is no stated major capex planned. 		
Planning Considerations	<ul style="list-style-type: none"> • The hotel is not stated to be listed nor in a conservation area. • No pertinent planning proposals outstanding. 		
Business Comments	<ul style="list-style-type: none"> • Tripadvisor Ranking: 4.0 Very Good / #11 of 25 Hotels in Luton. • Within a 1 mile radius there are 15 hotels (4,446 bedrooms), including the subject property. Budget hotels comprise 64% of bedrooms. • Within a 1 mile radius there are 4 developments (360 bedrooms) in the pipeline. Budget hotels comprise 24% of the bedroom pipeline, with 87 bedrooms currently under construction at Sadie by Best Western Luton. 		
Inspection Photographs			
Principal Valuation Considerations	<ul style="list-style-type: none"> • Well located for rail services. • Pool and spa leisure facilities (vacant). • Staff accommodation and meeting rooms (vacant). • Overnight parking available. • Competitive ADR market. • Covid-19: Operational challenges connected to social distancing and hygiene expectations. • Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 		

Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F	2026F
Occupancy	0.0%	59.2%	75.6%	54.3%	27.6%	57.0%	62.7%	68.8%	70.8%	72.7%
ADR (£)	4.63	42.69	42.52	39.91	34.13	43.38	45.49	47.70	50.05	52.50
RevPAR (£)	0.00	25.27	32.16	21.69	9.42	24.73	28.52	32.81	35.43	38.16
Rooms Revenue (£)	0.05	1,397.87	1,779.24	1,199.91	522.49	1,371.88	1,582.51	1,825.56	1,965.92	2,177.17
Other Revenue (£)	0.12	157.19	230.14	170.00	66.31	190.54	217.44	248.25	264.65	282.25
Total Revenue (£000s)	0.17	1,555.06	2,009.38	1,369.90	588.80	1,562.42	1,799.95	2,073.80	2,230.57	2,399.43
EBITDA (£000s)	-438.0	-133.0	-108.8	-140.7	-369.6	129.3	253.7	381.0	451.8	531.7
EBITDA (% of Revenue)	-	-8.6%	-206.6%	-5.4%	-62.8%	8.3%	14.1%	18.4%	20.3%	22.2%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	-£800,000	-£5,263	17.00%	19.00%



Property 15	Thistle Express Swindon, Fleming Way, Swindon, SN1 1TN	
Inspection	Inspected 3 February 2021 by Giles Furze MRICS.	
Property Overview:	<ul style="list-style-type: none"> 95 bedrooms; Restaurant; Meeting and conferencing facilities. 	
Tenure	Leasehold (58 years unexpired term)	
Location and Situation	<ul style="list-style-type: none"> The property occupies a corner position at the junction of Fleming Way and Islington Street. The hotel is bound by a development site to the north, Whalebridge Multi Storey Car Park to the east, Fleming Way Car Park to the south and The Parade Shopping Centre including a vacant Debenhams store to the east. The property is situated approximately 0.3 miles east of Swindon Railway Station with services to London Paddington in 57 minutes. 	
Specification	<ul style="list-style-type: none"> The property is finished to a 3-star standard. 95 bedrooms (including 6 family rooms and 2 suites) and 2 conference rooms. F&B facilities (maximum 78 covers). Vacant restaurant, bar and meeting rooms (banqueting kitchen stripped out). 	
Capex/Condition	<ul style="list-style-type: none"> Full refurbishment of bedrooms, public areas and showers in 2017. Recent capex includes replacement of tiles in bathrooms in 2018. No imminent capex planned. 	
Planning Considerations	<ul style="list-style-type: none"> The hotel is not stated to be listed nor in a conservation area. No pertinent planning proposals outstanding. 	
Business Comments	<ul style="list-style-type: none"> Tripadvisor Ranking: 4.0 Very Good / #7 of 27 Hotels in Swindon. Within a 1 mile radius there are 13 hotels (736 bedrooms), including the subject property. Budget hotels comprise 52% of bedrooms. Within a 1 mile radius there are 5 developments (3,235 bedrooms) in the pipeline. 3-star hotels comprise 19% of the bedroom pipeline, with 194 bedrooms currently in final planning at Premier Inn Swindon Regent Street. 	
Inspection Photographs		
Principal Valuation Considerations	<ul style="list-style-type: none"> Well located for easy access to Swindon Railway Station. Principal demand generators include key workers, contractors and construction sectors. Rooms finished to a reasonably good quality. Large areas of F&B and M&E have been mothballed and are not fit for use. Significant new supply proposed for this area. Unattractive external appearance - would benefit from capex. Covid-19: Operational challenges connected to social distancing and hygiene expectations. Covid-19: Reduced hotel demand in the short to medium term and a prolonged recovery. 	

Management Accounts – YE June	2017A	2018A	2019A	2020A	2021F	2022F	2023F	2024F	2025F
Occupancy	0.0%	55.4%	71.3%	50.6%	22.2%	67.5%	70.0%	71.9%	73.0%
ADR (£)	0.00	49.34	51.44	49.69	46.60	46.24	47.11	48.41	49.83
RevPAR (£)	0.00	58.95	36.69	25.16	10.34	31.21	32.96	34.79	36.40
Rooms Revenue (£)	0.00	853.59	1,268.68	870.0	358.62	1,082.12	1,142.86	1,209.70	1,262.09
Other Revenue (£)	0.00	67.17	94.58	76.36	0.27	10.46	10.84	11.17	11.32
Total Revenue (£000s)	0.00	920.76	1,363.26	946.4	358.89	1,092.58	1,153.70	1,220.87	1,273.41
EBITDA (£000s)	-261.1	-233.1	-10.6	-187.0	-339.3	12.7	15.8	26.2	35.6
EBITDA (% of Revenue)	-	-25.3%	-0.8%	-19.8%	-94.5%	1.2%	1.4%	2.4%	2.8%

Valuation Basis	Value	Value Per key	Cap Rate	Discount Rate
Market Value	-£400,000	-£4,211	17.00%	19.00%

APPENDIX 3 – SAVILLS CASH FLOWS AND VALUATIONS



HOTEL PROJECTED CASHFLOW: The Tower Hotel

Property Ref:	1	Market Value:	204,000,000
Property Name:	The Tower Hotel	MV per Key:	254,682
Tenure:	Freehold	Cap Rate:	5.50%
Unexpired Term:	0	Discount Rate:	7.50%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	801	801	801	801	801	801	801	801	801	801										
Number of Available Room Nights	292,365	292,365	292,365	292,365	292,365	292,365	292,365	292,365	292,365	292,365										
Number of Occupied Room Nights	73,091	190,037	210,503	233,892	239,739	239,739	239,739	239,739	239,739	239,739										
Occupancy Rate	25.0%	65.0%	72.0%	80.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%										
Average Room Rate (Actual Year Values) £	110.00	115.00	120.00	122.40	124.85	127.34	129.89	132.49	135.14	137.84										
RevPar (Revenue per Available Room) £	27.50	74.75	86.40	0.10	0.10	0.10	0.11	0.11	0.11	0.11										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	8.040	76.6%	21.854	74.3%	25.260	72.5%	28.628	71.4%	29.931	71.9%	30.530	71.9%	31.140	71.9%	31.763	71.9%	32.398	71.9%	33.046	71.9%
Food & Beverage	1.500	14.3%	4.750	16.2%	5.750	16.5%	6.500	16.2%	6.630	15.9%	6.763	15.9%	6.898	15.9%	7.036	15.9%	7.177	15.9%	7.320	15.9%
Meetings & Events	0.800	7.6%	2.500	8.5%	3.500	10.0%	4.500	11.2%	4.590	11.0%	4.682	11.0%	4.775	11.0%	4.871	11.0%	4.968	11.0%	5.068	11.0%
Rental & Other Income	0.150	1.4%	0.300	1.0%	0.350	1.0%	0.450	1.1%	0.459	1.1%	0.468	1.1%	0.478	1.1%	0.487	1.1%	0.497	1.1%	0.507	1.1%
TOTAL REVENUE	10.490	100.0%	29.404	100.0%	34.860	100.0%	40.078	100.0%	41.610	100.0%	42.442	100.0%	43.291	100.0%	44.157	100.0%	45.040	100.0%	45.941	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	2.573	32.0%	6.119	28.0%	6.568	26.0%	7.157	25.0%	7.483	25.0%	7.632	25.0%	7.785	25.0%	7.941	25.0%	8.100	25.0%	8.262	25.0%
Food & Beverage	2.250	150.0%	4.275	90.0%	4.600	80.0%	4.875	75.0%	4.973	75.0%	5.072	75.0%	5.173	75.0%	5.277	75.0%	5.382	75.0%	5.490	75.0%
Meetings & Events	0.400	50.0%	1.000	40.0%	1.050	30.0%	1.238	27.5%	1.262	27.5%	1.287	27.5%	1.313	27.5%	1.340	27.5%	1.366	27.5%	1.394	27.5%
Other	0.113	75.0%	0.225	75.0%	0.245	70.0%	0.293	65.0%	0.298	65.0%	0.304	65.0%	0.310	65.0%	0.317	65.0%	0.323	65.0%	0.329	65.0%
TOTAL DEPARTMENTAL COSTS	5.335	50.9%	11.619	39.5%	12.463	35.8%	13.562	33.8%	14.016	33.7%	14.296	33.7%	14.582	33.7%	14.874	33.7%	15.171	33.7%	15.475	33.7%
GROSS OPERATING INCOME	5.155	49.1%	17.785	60.5%	22.398	64.2%	26.516	66.2%	27.594	66.3%	28.146	66.3%	28.709	66.3%	29.283	66.3%	29.869	66.3%	30.466	66.3%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	1.311	12.50%	1.617	5.5%	1.743	5.0%	1.804	4.5%	1.872	4.5%	1.910	4.5%	1.948	4.5%	1.987	4.5%	2.027	4.5%	2.067	4.5%
Sales & Marketing	0.787	7.50%	1.323	4.5%	1.394	4.0%	1.603	4.0%	1.664	4.0%	1.698	4.0%	1.732	4.0%	1.766	4.0%	1.802	4.0%	1.838	4.0%
Property Operations & Maintenance	0.787	7.50%	1.397	4.8%	1.482	4.3%	1.603	4.0%	1.664	4.0%	1.698	4.0%	1.732	4.0%	1.766	4.0%	1.802	4.0%	1.838	4.0%
Utilities	0.944	9.00%	1.176	4.0%	1.220	3.5%	1.403	3.5%	1.456	3.5%	1.485	3.5%	1.515	3.5%	1.545	3.5%	1.576	3.5%	1.608	3.5%
Other	0.000	0.00%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	3.823	36.50%	5.513	18.8%	5.839	16.8%	6.413	16.0%	6.658	16.0%	6.791	16.0%	6.927	16.0%	7.065	16.0%	7.206	16.0%	7.351	16.0%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	1.326	12.6%	12.272	41.7%	16.559	47.5%	20.104	50.2%	20.937	50.3%	21.355	50.3%	21.782	50.3%	22.218	50.3%	22.662	50.3%	23.116	50.3%
MANAGEMENT FEES																				
Base Management Fee	0.210	2.0%	0.588	2.0%	0.697	2.0%	0.802	2.0%	0.832	2.0%	0.849	2.0%	0.866	2.0%	0.883	2.0%	0.901	2.0%	0.919	2.0%
Management Incentive Fee	0.067	6.0%	0.701	6.0%	0.952	6.0%	1.158	6.0%	1.206	6.0%	1.230	6.0%	1.255	6.0%	1.280	6.0%	1.306	6.0%	1.332	6.0%
TOTAL MANAGEMENT FEES	0.277	2.6%	1.289	4.4%	1.649	4.7%	1.960	4.9%	2.038	4.9%	2.079	4.9%	2.121	4.9%	2.163	4.9%	2.206	4.9%	2.251	4.9%
INCOME BEFORE FIXED CHARGES	1.049	10.0%	10.983	37.4%	14.910	42.8%	18.144	45.3%	18.898	45.4%	19.276	45.4%	19.662	45.4%	20.055	45.4%	20.456	45.4%	20.865	45.4%
FIXED COSTS																				
Insurance	0.289	2.8%	0.295	1.0%	0.301	0.9%	0.307	0.8%	0.313	0.8%	0.319	0.8%	0.325	0.8%	0.332	0.8%	0.339	0.8%	0.345	0.8%
Property Tax	2.643	25.2%	2.693	9.2%	2.747	7.9%	2.801	7.0%	2.857	6.9%	2.915	6.9%	2.973	6.9%	3.032	6.9%	3.093	6.9%	3.155	6.9%
Service Charge	0.056	0.5%	0.057	0.2%	0.058	0.2%	0.059	0.1%	0.061	0.1%	0.062	0.1%	0.063	0.1%	0.064	0.1%	0.066	0.1%	0.067	0.1%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	2.988	28.5%	3.045	10.4%	3.105	8.9%	3.168	7.9%	3.231	7.8%	3.296	7.8%	3.361	7.8%	3.429	7.8%	3.497	7.8%	3.567	7.8%
NET OPERATING INCOME	-1.939	-18.5%	7.938	27.0%	11.804	33.9%	14.976	37.4%	15.667	37.7%	15.981	37.7%	16.300	37.7%	16.626	37.7%	16.959	37.7%	17.298	37.7%
RESERVE																				
Capital Renewal / FF&E Reserve	0.315	3.0%	0.882	3.0%	1.046	3.0%	1.202	3.0%	1.248	3.0%	1.273	3.0%	1.299	3.0%	1.325	3.0%	1.351	3.0%	1.378	3.0%
EBITDA	-2.254	-21.5%	7.056	24.0%	10.758	30.9%	13.774	34.4%	14.419	34.7%	14.707	34.7%	15.001	34.7%	15.301	34.7%	15.607	34.7%	15.920	34.7%
Rent Payable	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Rent Receivable	0.067	0.6%	0.068	0.2%	0.069	0.2%	0.071	0.2%	0.072	0.2%	0.074	0.2%	0.075	0.2%	0.076	0.2%	0.078	0.2%	0.080	0.2%
EBITDA	-2.187	-20.8%	7.124	24.2%	10.828	31.1%	13.845	34.8%	14.491	34.8%	14.781	34.8%	15.076	34.8%	15.376	34.8%	15.685	34.8%	15.999	34.8%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-1.596	-15.2%	9.295	31.6%	13.522	38.8%	17.007	42.4%	17.778	42.7%	18.133	42.7%	18.496	42.7%	18.866	42.7%	19.243	42.7%	19.628	42.7%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.

**HOTEL PROJECTED CASHFLOW: The Tower Hotel****EXISTING VALUATION**

Discount Rate	7.50%
Exit Capitalisation Rate	5.50%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 7.50%	NPV £
1	2021	-2,187	0.9302	-2,034
2	2022	7,124	0.8653	6,165
3	2023	10,828	0.8050	8,716
4	2024	13,845	0.7488	10,367
5	2025	14,491	0.6966	10,094
6	2026	14,781	0.6480	9,577
7	2027	15,076	0.6028	9,087
8	2028	15,378	0.5607	8,622
9	2029	15,685	0.5216	8,181
10	2030	15,999	0.4852	7,763
TOTAL NPV YEARS 1 - 10				76,538

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	15,999
Capitalisation Multiple at 5.50%	18.182
Years	Perpetuity
PV 10 years at 7.50%	0.485
TOTAL YEAR 10 EXIT £	141,140

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	76,538
NPV Yr 10 Exit Value £	141,140
TOTAL NPV £	217,678

VALUATION

Market Value (Gross) £	217,677,826
Refurbishment/Capex £	13,689,698
Market Value £	203,988,128
Purchaser Costs	0
Market Value (Net) £	203,988,128

MARKET VALUE £	204,000,000
Value Per Bedroom £	254,682



HOTEL PROJECTED CASHFLOW: Amba Hotel Marble Arch

Property Ref:	2	Market Value:	276,100,000
Property Name:	Amba Hotel Marble Arch	MV per key:	398,988
Tenure:	Leasehold	Cap Rate:	5.75%
Unexpired Term:	89.1	Discount Rate:	7.75%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	692	692	692	692	692	692	692	692	692	692										
Number of Available Room Nights	252,580	252,580	252,580	252,580	252,580	252,580	252,580	252,580	252,580	252,580										
Number of Occupied Room Nights	63,145	164,177	189,435	202,064	208,379	208,379	208,379	208,379	208,379	208,379										
Occupancy Rate	25.0%	65.0%	75.0%	80.0%	82.5%	82.5%	82.5%	82.5%	82.5%	82.5%										
Average Room Rate (Actual Year Values) £	155.00	170.00	180.00	187.50	191.25	195.08	198.98	202.96	207.02	211.16										
RevPar (Revenue per Available Room) £	38.75	110.50	135.00	150.00	157.78	160.94	164.16	167.44	170.79	174.20										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	9,787	87.9%	27,910	88.2%	34,098	87.5%	37,887	87.5%	39,852	87.9%	40,649	87.9%	41,462	87.9%	42,292	87.9%	43,138	87.9%	44,000	87.9%
Food & Beverage	0,750	6.7%	2,000	6.3%	2,500	6.4%	2,750	6.4%	2,805	6.2%	2,861	6.2%	2,918	6.2%	2,977	6.2%	3,036	6.2%	3,097	6.2%
Meetings & Events	0,500	4.5%	1,500	4.7%	2,000	5.1%	2,250	5.2%	2,295	5.1%	2,341	5.1%	2,388	5.1%	2,435	5.1%	2,484	5.1%	2,534	5.1%
Rental & Other Income	0,100	0.9%	0,250	0.8%	0,350	0.9%	0,400	0.9%	0,408	0.9%	0,416	0.9%	0,424	0.9%	0,433	0.9%	0,442	0.9%	0,450	0.9%
TOTAL REVENUE	11,137	100.0%	31,660	100.0%	38,946	100.0%	43,287	100.0%	45,360	100.0%	46,263	100.0%	47,193	100.0%	48,137	100.0%	49,100	100.0%	50,082	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	3,132	32.0%	7,396	26.5%	8,184	24.0%	8,714	23.0%	9,166	23.0%	9,349	23.0%	9,536	23.0%	9,727	23.0%	9,922	23.0%	10,120	23.0%
Food & Beverage	1,125	150.0%	2,100	105.0%	2,500	100.0%	2,613	95.0%	2,665	95.0%	2,718	95.0%	2,772	95.0%	2,828	95.0%	2,884	95.0%	2,942	95.0%
Meetings & Events	0,225	45.0%	0,525	35.0%	0,550	27.5%	0,619	27.5%	0,631	27.5%	0,644	27.5%	0,657	27.5%	0,670	27.5%	0,683	27.5%	0,697	27.5%
Other	0,045	45.0%	0,113	45.0%	0,158	45.0%	0,180	45.0%	0,184	45.0%	0,187	45.0%	0,191	45.0%	0,195	45.0%	0,199	45.0%	0,203	45.0%
TOTAL DEPARTMENTAL COSTS	4,527	40.6%	10,134	32.0%	11,391	29.2%	12,125	28.0%	12,646	27.9%	12,898	27.9%	13,156	27.9%	13,420	27.9%	13,688	27.9%	13,962	27.9%
GROSS OPERATING INCOME	6,610	59.4%	21,526	68.0%	27,557	70.8%	31,162	72.0%	32,715	72.1%	33,369	72.1%	34,037	72.1%	34,717	72.1%	35,412	72.1%	36,120	72.1%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	1,114	10.00%	1,741	5.5%	1,753	4.5%	1,948	4.5%	2,041	4.5%	2,082	4.5%	2,124	4.5%	2,166	4.5%	2,209	4.5%	2,254	4.5%
Sales & Marketing	1,002	9.00%	1,504	4.8%	1,655	4.3%	1,840	4.3%	1,928	4.3%	1,966	4.3%	2,006	4.3%	2,046	4.3%	2,087	4.3%	2,128	4.3%
Property Operations & Maintenance	0,557	5.00%	1,108	3.5%	1,168	3.0%	1,299	3.0%	1,361	3.0%	1,388	3.0%	1,416	3.0%	1,444	3.0%	1,473	3.0%	1,502	3.0%
Utilities	0,557	5.00%	1,108	3.5%	1,168	3.0%	1,299	3.0%	1,361	3.0%	1,388	3.0%	1,416	3.0%	1,444	3.0%	1,473	3.0%	1,502	3.0%
Other	0,000	0.00%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	3,230	29.00%	5,461	17.3%	5,745	14.8%	6,385	14.8%	6,691	14.8%	6,824	14.8%	6,961	14.8%	7,100	14.8%	7,242	14.8%	7,387	14.8%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	3,381	30.4%	16,065	50.7%	21,812	56.0%	24,777	57.2%	26,024	57.4%	26,545	57.4%	27,076	57.4%	27,617	57.4%	28,169	57.4%	28,733	57.4%
MANAGEMENT FEES																				
Base Management Fee	0,223	2.0%	0,633	2.0%	0,779	2.0%	0,866	2.0%	0,907	2.0%	0,925	2.0%	0,944	2.0%	0,963	2.0%	0,982	2.0%	1,002	2.0%
Management Incentive Fee	0,189	6.0%	0,926	6.0%	1,262	6.0%	1,435	6.0%	1,507	6.0%	1,537	6.0%	1,568	6.0%	1,599	6.0%	1,631	6.0%	1,664	6.0%
TOTAL MANAGEMENT FEES	0,412	3.7%	1,559	4.9%	2,041	5.2%	2,300	5.3%	2,414	5.3%	2,463	5.3%	2,512	5.3%	2,562	5.3%	2,613	5.3%	2,666	5.3%
INCOME BEFORE FIXED CHARGES	2,968	26.7%	14,506	45.8%	19,771	50.8%	22,476	51.9%	23,610	52.0%	24,082	52.0%	24,564	52.0%	25,055	52.0%	25,556	52.0%	26,067	52.0%
FIXED COSTS																				
Insurance	0,412	3.7%	0,420	1.3%	0,429	1.1%	0,437	1.0%	0,446	1.0%	0,455	1.0%	0,464	1.0%	0,473	1.0%	0,483	1.0%	0,492	1.0%
Property Tax	2,297	20.6%	2,340	7.4%	2,387	6.1%	2,435	5.6%	2,484	5.5%	2,533	5.5%	2,584	5.5%	2,636	5.5%	2,688	5.5%	2,742	5.5%
Service Charge	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
Other	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL FIXED COSTS	2,709	24.3%	2,761	8.7%	2,816	7.2%	2,872	6.6%	2,930	6.5%	2,988	6.5%	3,048	6.5%	3,109	6.5%	3,171	6.5%	3,234	6.5%
NET OPERATING INCOME	0,259	2.3%	11,745	37.1%	16,956	43.5%	19,604	45.3%	20,680	45.6%	21,094	45.6%	21,516	45.6%	21,946	45.6%	22,385	45.6%	22,833	45.6%
RESERVE																				
Capital Renewal / FF&E Reserve	0,390	3.5%	1,108	3.5%	1,363	3.5%	1,515	3.5%	1,588	3.5%	1,619	3.5%	1,652	3.5%	1,685	3.5%	1,718	3.5%	1,753	3.5%
EBITDA	-0,131	-1.2%	10,637	33.6%	15,592	40.0%	18,089	41.8%	19,093	42.1%	19,476	42.1%	19,864	42.1%	20,261	42.1%	20,667	42.1%	21,080	42.1%
Rent Payable	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
Rent Receivable	0,002	0.0%	0,115	0.4%	0,231	0.6%	0,235	0.5%	0,240	0.5%	0,245	0.5%	0,250	0.5%	0,255	0.5%	0,260	0.5%	0,265	0.5%
EBITDA	-0,129	-1.2%	10,753	34.0%	15,823	40.6%	18,325	42.3%	19,333	42.6%	19,720	42.6%	20,114	42.6%	20,516	42.6%	20,927	42.6%	21,345	42.6%
EBITDA with FF&E, Man. Fees & Head Rent added-back	0,673	6.0%	13,420	42.4%	19,227	49.4%	22,140	51.1%	23,335	51.4%	23,801	51.4%	24,277	51.4%	24,763	51.4%	25,258	51.4%	25,753	51.4%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.

**HOTEL PROJECTED CASHFLOW: Amba Hotel Marble Arch****EXISTING VALUATION**

Discount Rate	7.75%
Exit Capitalisation Rate	5.75%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 7.75%	NPV £
1	2021	-0.129	0.9281	-0.120
2	2022	10.753	0.8613	9.261
3	2023	15.823	0.7994	12.649
4	2024	18.325	0.7419	13.595
5	2025	19.333	0.6885	13.311
6	2026	19.720	0.6390	12.601
7	2027	20.114	0.5930	11.928
8	2028	20.516	0.5504	11.292
9	2029	20.927	0.5108	10.689
10	2030	21.345	0.4741	10.119
TOTAL NPV YEARS 1 - 10				105.324

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	21.345
Capitalisation Multiple at 5.75%	17.182
Years	79.100
PV 10 years at 7.75%	0.474
TOTAL YEAR 10 EXIT £	173.864

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	105.324
NPV Yr 10 Exit Value £	173.864
TOTAL NPV £	279.189

VALUATION

Market Value (Gross) £	279,188,553
Refurbishment/Capex £	3,120,081
Market Value £	276,068,472
Purchaser Costs	0
Market Value (Net) £	276,068,472

MARKET VALUE £	276,100,000
Value Per Bedroom £	398,988



HOTEL PROJECTED CASHFLOW: Amba Hotel Charing Cross

Property Ref:	3	Market Value:	112,000,000
Property Name:	Amba Hotel Charing Cross	MV per key:	468,619
Tenure:	Leasehold	Cap Rate:	5.75%
Unexpired Term:	90.1	Discount Rate:	7.75%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	239	239	239	239	239	239	239	239	239	239										
Number of Available Room Nights	87,235	87,235	87,235	87,235	87,235	87,235	87,235	87,235	87,235	87,235										
Number of Occupied Room Nights	26,171	61,065	69,788	74,150	74,150	74,150	74,150	74,150	74,150	74,150										
Occupancy Rate	30.0%	70.0%	80.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%										
Average Room Rate (Actual Year Values) £	175.00	165.00	195.00	205.00	209.10	213.28	217.55	221.90	226.34	230.86										
RevPar (Revenue per Available Room) £	52.50	129.50	156.00	0.17	0.18	0.18	0.18	0.19	0.19	0.20										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	4,580	81.0%	11,297	83.9%	13,609	80.8%	15,201	79.1%	15,505	79.1%	15,815	79.1%	16,131	79.1%	16,454	79.1%	16,783	79.1%	17,118	79.1%
Food & Beverage	0,500	8.8%	0,750	5.6%	1,000	5.9%	1,250	6.5%	1,275	6.5%	1,301	6.5%	1,327	6.5%	1,353	6.5%	1,380	6.5%	1,408	6.5%
Meetings & Events	0,500	8.8%	1,250	9.3%	2,000	11.9%	2,500	13.0%	2,550	13.0%	2,601	13.0%	2,653	13.0%	2,706	13.0%	2,760	13.0%	2,815	13.0%
Rental & Other Income	0,075	1.3%	0,175	1.3%	0,225	1.3%	0,275	1.4%	0,281	1.4%	0,286	1.4%	0,292	1.4%	0,298	1.4%	0,304	1.4%	0,310	1.4%
TOTAL REVENUE	5,655	100.0%	13,472	100.0%	16,834	100.0%	19,226	100.0%	19,610	100.0%	20,002	100.0%	20,402	100.0%	20,811	100.0%	21,227	100.0%	21,651	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	1,374	30.0%	3,050	27.0%	3,402	25.0%	3,572	23.5%	3,644	23.5%	3,716	23.5%	3,791	23.5%	3,867	23.5%	3,944	23.5%	4,023	23.5%
Food & Beverage	0,700	140.0%	0,975	130.0%	1,200	120.0%	1,250	100.0%	1,275	100.0%	1,301	100.0%	1,327	100.0%	1,353	100.0%	1,380	100.0%	1,408	100.0%
Meetings & Events	0,200	40.0%	0,438	35.0%	0,600	30.0%	0,750	30.0%	0,765	30.0%	0,780	30.0%	0,796	30.0%	0,812	30.0%	0,828	30.0%	0,845	30.0%
Other	0,021	27.5%	0,048	27.5%	0,062	27.5%	0,076	27.5%	0,077	27.5%	0,079	27.5%	0,080	27.5%	0,082	27.5%	0,083	27.5%	0,085	27.5%
TOTAL DEPARTMENTAL COSTS	2,295	40.6%	4,511	33.5%	5,264	31.3%	5,648	29.4%	5,761	29.4%	5,876	29.4%	5,993	29.4%	6,113	29.4%	6,236	29.4%	6,360	29.4%
GROSS OPERATING INCOME	3,360	59.4%	8,961	66.5%	11,570	68.7%	13,578	70.6%	13,849	70.6%	14,126	70.6%	14,409	70.6%	14,697	70.6%	14,991	70.6%	15,291	70.6%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0,792	14.00%	0,943	7.0%	1,094	6.5%	1,154	6.0%	1,177	6.0%	1,200	6.0%	1,224	6.0%	1,249	6.0%	1,274	6.0%	1,299	6.0%
Sales & Marketing	0,509	9.00%	0,674	5.0%	0,758	4.5%	0,865	4.5%	0,882	4.5%	0,900	4.5%	0,918	4.5%	0,936	4.5%	0,955	4.5%	0,974	4.5%
Property Operations & Maintenance	0,339	6.00%	0,472	3.5%	0,505	3.0%	0,577	3.0%	0,588	3.0%	0,600	3.0%	0,612	3.0%	0,624	3.0%	0,637	3.0%	0,650	3.0%
Utilities	0,254	4.50%	0,438	3.3%	0,505	3.0%	0,577	3.0%	0,588	3.0%	0,600	3.0%	0,612	3.0%	0,624	3.0%	0,637	3.0%	0,650	3.0%
Other	0,000	0.00%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	1,894	33.50%	2,526	18.8%	2,862	17.0%	3,172	16.5%	3,236	16.5%	3,300	16.5%	3,366	16.5%	3,434	16.5%	3,502	16.5%	3,572	16.5%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	1,466	25.9%	6,435	47.8%	8,708	51.7%	10,406	54.1%	10,614	54.1%	10,826	54.1%	11,043	54.1%	11,263	54.1%	11,489	54.1%	11,718	54.1%
MANAGEMENT FEES																				
Base Management Fee	0,113	2.0%	0,269	2.0%	0,337	2.0%	0,385	2.0%	0,392	2.0%	0,400	2.0%	0,408	2.0%	0,416	2.0%	0,425	2.0%	0,433	2.0%
Management Incentive Fee	0,081	6.0%	0,370	6.0%	0,502	6.0%	0,601	6.0%	0,613	6.0%	0,626	6.0%	0,638	6.0%	0,651	6.0%	0,664	6.0%	0,677	6.0%
TOTAL MANAGEMENT FEES	0,194	3.4%	0,639	4.7%	0,839	5.0%	0,986	5.1%	1,005	5.1%	1,026	5.1%	1,046	5.1%	1,067	5.1%	1,088	5.1%	1,110	5.1%
INCOME BEFORE FIXED CHARGES	1,272	22.5%	5,796	43.0%	7,869	46.7%	9,420	49.0%	9,608	49.0%	9,800	49.0%	9,996	49.0%	10,196	49.0%	10,400	49.0%	10,608	49.0%
FIXED COSTS																				
Insurance	0,112	2.0%	0,114	0.8%	0,117	0.7%	0,119	0.6%	0,121	0.6%	0,124	0.6%	0,126	0.6%	0,129	0.6%	0,131	0.6%	0,134	0.6%
Property Tax	1,130	20.0%	1,151	8.5%	1,174	7.0%	1,197	6.2%	1,221	6.2%	1,246	6.2%	1,271	6.2%	1,296	6.2%	1,322	6.2%	1,349	6.2%
Service Charge	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
Other	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL FIXED COSTS	1,242	22.0%	1,265	9.4%	1,290	7.7%	1,316	6.8%	1,343	6.8%	1,369	6.8%	1,397	6.8%	1,425	6.8%	1,453	6.8%	1,482	6.8%
NET OPERATING INCOME	0,030	0.5%	4,531	33.6%	6,6	39.1%	8,1	42.1%	8,3	42.1%	8,4	42.1%	8,6	42.1%	8,8	42.1%	8,9	42.1%	9,1	42.1%
RESERVE																				
Capital Renewal / FF&E Reserve	0,226	4.0%	0,539	4.0%	0,673	4.0%	0,769	4.0%	0,784	4.0%	0,800	4.0%	0,816	4.0%	0,832	4.0%	0,849	4.0%	0,866	4.0%
EBITDA	-0,196	-3.5%	3,992	29.6%	5,905	35.1%	7,335	38.1%	7,481	38.1%	7,631	38.1%	7,784	38.1%	7,939	38.1%	8,098	38.1%	8,260	38.1%
Rent Payable	0.0	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
Rent Receivable	0,000	0.0%	0,284	2.1%	0,290	1.7%	0,295	1.5%	0,301	1.5%	0,307	1.5%	0,314	1.5%	0,320	1.5%	0,326	1.5%	0,333	1.5%
EBITDA	-0,196	-3.5%	4,276	31.7%	6,195	36.8%	7,630	39.7%	7,783	39.7%	7,938	39.7%	8,097	39.7%	8,259	39.7%	8,424	39.7%	8,593	39.7%
EBITDA with FF&E, Man. Fees & Head Rent added-back	0,224	4.0%	5,454	40.5%	7,707	45.8%	9,385	48.8%	9,573	48.8%	9,764	48.8%	9,959	48.8%	10,158	48.8%	10,362	48.8%	10,569	48.8%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.

**HOTEL PROJECTED CASHFLOW: Amba Hotel Charing Cross****EXISTING VALUATION**

Discount Rate	7.75%
Exit Capitalisation Rate	5.75%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 7.75%	NPV £
1	2021	-0.196	0.9281	-0.182
2	2022	4.276	0.8613	3.683
3	2023	6.195	0.7994	4.952
4	2024	7.630	0.7419	5.661
5	2025	7.783	0.6885	5.358
6	2026	7.938	0.6390	5.073
7	2027	8.097	0.5930	4.802
8	2028	8.259	0.5504	4.546
9	2029	8.424	0.5108	4.303
10	2030	8.593	0.4741	4.073
TOTAL NPV YEARS 1 - 10				42.268

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	8.593
Capitalisation Multiple at 5.75%	17.194
Years	80.100
PV 10 years at 7.75%	0.474
TOTAL YEAR 10 EXIT £	70.037

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	42.268
NPV Yr 10 Exit Value £	70.037
TOTAL NPV £	112.305

VALUATION

Market Value (Gross) £	112,304,985
Refurbishment/Capex £	312,000
Market Value £	111,992,985
Purchaser Costs	0
Market Value (Net) £	111,992,985

MARKET VALUE £	112,000,000
Value Per Bedroom £	468,619



HOTEL PROJECTED CASHFLOW: The Royal Horseguards Hotel

Property Ref:	4	Market Value:	132,000,000
Property Name:	The Royal Horseguards Hotel	MV per key:	468,085
Tenure:	Leasehold	Cap Rate:	5.50%
Unexpired Term:	71.4	Discount Rate:	7.50%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PROPERTY DETAILS										
Number of Bedrooms	282	282	282	282	282	282	282	282	282	282
Number of Available Room Nights	102,930	102,930	102,930	102,930	102,930	102,930	102,930	102,930	102,930	102,930
Number of Occupied Room Nights	30,879	66,905	77,198	84,403	84,403	84,403	84,403	84,403	84,403	84,403
Occupancy Rate	30.0%	65.0%	75.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%
Average Room Rate (Actual Year Values) £	195.00	205.00	215.00	220.00	224.40	228.89	233.47	238.14	242.90	247.76
RevPar (Revenue per Available Room) £	58.50	133.25	161.25	180.40	184.01	187.69	191.44	195.27	199.18	203.16
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%
REVENUES										
Rooms	6,021	84.6%	13,715	82.1%	16,597	79.5%	18,569	76.1%	18,940	73.3%
Food & Beverage	0,500	7.0%	1,500	9.0%	2,000	9.6%	2,500	10.2%	2,550	9.9%
Meetings & Events	0,500	7.0%	1,250	7.5%	2,000	9.6%	3,000	12.3%	4,000	15.5%
Rental & Other Income	0,100	1.4%	0,250	1.5%	0,275	1.3%	0,325	1.3%	0,332	1.3%
TOTAL REVENUE	7,121	100.0%	16,715	100.0%	20,872	100.0%	24,394	100.0%	25,821	100.0%
DEPARTMENTAL EXPENSES										
Rooms	1,927	32.0%	3,429	25.0%	3,817	23.0%	3,899	21.0%	3,977	21.0%
Food & Beverage	1,250	250.0%	2,100	140.0%	2,400	120.0%	2,500	100.0%	2,550	100.0%
Meetings & Events	0,225	45.0%	0,438	35.0%	0,640	32.0%	0,960	32.0%	1,280	32.0%
Other	0,050	50.0%	0,125	50.0%	0,138	50.0%	0,163	50.0%	0,166	50.0%
TOTAL DEPARTMENTAL COSTS	3,452	48.5%	6,091	36.4%	6,995	33.5%	7,522	30.8%	7,973	30.9%
GROSS OPERATING INCOME	3,670	51.5%	10,624	63.6%	13,878	66.5%	16,872	69.2%	17,848	69.1%
UNDISTRIBUTED OPERATING EXPENSES										
Administrative & General	0,712	10.00%	1,087	6.5%	1,148	5.5%	1,220	5.0%	1,291	5.0%
Sales & Marketing	0,641	9.00%	0,836	5.0%	0,939	4.5%	1,098	4.5%	1,162	4.5%
Property Operations & Maintenance	0,463	6.50%	0,501	3.0%	0,522	2.5%	0,610	2.5%	0,646	2.5%
Utilities	0,498	7.00%	0,752	4.5%	0,835	4.0%	0,915	3.8%	0,968	3.8%
Other	0,000	0.00%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	2,314	32.50%	3,176	19.0%	3,444	16.5%	3,842	15.8%	4,067	15.8%
GROSS OPERATING PROFIT (GOP)	1,356	19.0%	7,448	44.6%	10,434	50.0%	13,030	53.4%	13,781	53.4%
FRANCHISE FEES										
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	1,356	19.0%	7,448	44.6%	10,434	50.0%	13,030	53.4%	13,781	53.4%
MANAGEMENT FEES										
Base Management Fee	0,142	2.0%	0,334	2.0%	0,417	2.0%	0,488	2.0%	0,516	2.0%
Management Incentive Fee	0,073	6.0%	0,427	6.0%	0,601	6.0%	0,753	6.0%	0,796	6.0%
TOTAL MANAGEMENT FEES	0,215	3.0%	0,761	4.6%	1,018	4.9%	1,240	5.1%	1,312	5.1%
INCOME BEFORE FIXED CHARGES	1,140	16.0%	6,687	40.0%	9,415	45.1%	11,789	48.3%	12,469	48.3%
FIXED COSTS										
Insurance	0,171	2.4%	0,174	1.0%	0,178	0.9%	0,181	0.7%	0,185	0.7%
Property Tax	1,565	22.0%	1,594	9.5%	1,626	7.8%	1,658	6.8%	1,692	6.6%
Service Charge	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
Other	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL FIXED COSTS	1,736	24.4%	1,768	10.6%	1,804	8.6%	1,840	7.5%	1,877	7.3%
NET OPERATING INCOME	-0.596	-8.4%	4,919	29.4%	7,611	36.5%	9,949	40.8%	10,592	41.0%
RESERVE										
Capital Renewal / FF&E Reserve	0,285	4.0%	0,669	4.0%	0,835	4.0%	0,976	4.0%	1,033	4.0%
EBITDA	-0.881	-12.4%	4,250	25.4%	6,776	32.5%	8,974	36.8%	9,560	37.0%
Rent Payable	0,450	6.3%	0,450	2.7%	0,482	2.3%	0,482	2.0%	0,482	1.9%
Rent Receivable	0,003	0.0%	0,003	0.0%	0,003	0.0%	0,003	0.0%	0,003	0.0%
EBITDA	-1,328	-18.6%	3,803	22.8%	6,297	30.2%	8,496	34.8%	9,272	35.2%
EBITDA with FF&E, Man. Fees & Head Rent added back	-0.378	-5.3%	5,683	34.0%	8,633	41.4%	11,193	45.9%	11,908	46.1%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.



HOTEL PROJECTED CASHFLOW: The Royal Horseguards Hotel

EXISTING VALUATION

Discount Rate	7.50%
Exit Capitalisation Rate	5.50%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 7.50%	NPV £
1	2021	-1,328	0.9302	-1,235
2	2022	3,803	0.8653	3,291
3	2023	6,297	0.8050	5,069
4	2024	8,495	0.7488	6,361
5	2025	9,081	0.6966	6,325
6	2026	9,272	0.6480	6,008
7	2027	9,467	0.6028	5,706
8	2028	9,616	0.5607	5,392
9	2029	9,819	0.5216	5,121
10	2030	10,026	0.4852	4,864
TOTAL NPV YEARS 1 - 10				46,903

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	10,026
Capitalisation Multiple at 5.50%	17.503
Years	61,400
PV 10 years at 7.50%	0,485
TOTAL YEAR 10 EXIT £	85,141

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	46,903
NPV Yr 10 Exit Value £	85,141
TOTAL NPV £	132,044

VALUATION

Market Value (Gross) £	132,044,125
Refurbishment/Capex £	0
Market Value £	132,044,125
Purchaser Costs	0
Market Value (Net) £	132,044,125

MARKET VALUE £	132,000,000
Value Per Bedroom £	468,085



HOTEL PROJECTED CASHFLOW: Amba Grosvenor Hotel

Property Ref:	5	Market Value:	121,400,000
Property Name:	Amba Grosvenor Hotel	MV per key:	348,851
Tenure:	Leasehold	Cap Rate:	5.75%
Unexpired Term:	87	Discount Rate:	7.75%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	348	348	348	348	348	348	348	348	348	348										
Number of Available Room Nights	127,020	127,020	127,020	127,020	127,020	127,020	127,020	127,020	127,020	127,020										
Number of Occupied Room Nights	38,106	82,563	93,995	99,076	99,076	99,076	99,076	99,076	99,076	99,076										
Occupancy Rate	30.0%	65.0%	74.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%	78.0%										
Average Room Rate (Actual Year Values) £	155.00	165.00	175.00	180.00	183.60	187.27	191.02	194.84	198.73	202.71										
RevPar (Revenue per Available Room) £	46.50	107.25	129.50	0.14	0.14	0.15	0.15	0.15	0.16	0.16										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	5.906	81.4%	13.623	81.5%	16.449	80.1%	17.834	78.8%	18.190	78.8%	18.554	78.8%	18.925	78.8%	19.304	78.8%	19.690	78.8%	20.084	78.8%
Food & Beverage	1.000	13.8%	2.250	13.5%	3.000	14.6%	3.500	15.5%	3.570	15.5%	3.641	15.5%	3.714	15.5%	3.789	15.5%	3.864	15.5%	3.942	15.5%
Meetings & Events	0.300	4.1%	0.700	4.2%	0.900	4.4%	1.100	4.9%	1.122	4.9%	1.144	4.9%	1.167	4.9%	1.191	4.9%	1.214	4.9%	1.239	4.9%
Rental & Other Income	0.050	0.7%	0.150	0.9%	0.175	0.9%	0.200	0.9%	0.204	0.9%	0.208	0.9%	0.212	0.9%	0.216	0.9%	0.221	0.9%	0.225	0.9%
TOTAL REVENUE	7.256	100.0%	16.723	100.0%	20.524	100.0%	22.634	100.0%	23.086	100.0%	23.548	100.0%	24.019	100.0%	24.499	100.0%	24.989	100.0%	25.489	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	2.008	34.0%	3.542	26.0%	3.783	23.0%	3.923	22.0%	4.002	22.0%	4.082	22.0%	4.164	22.0%	4.247	22.0%	4.332	22.0%	4.418	22.0%
Food & Beverage	1.500	150.0%	2.250	100.0%	2.700	90.0%	2.800	80.0%	2.856	80.0%	2.913	80.0%	2.971	80.0%	3.031	80.0%	3.091	80.0%	3.153	80.0%
Meetings & Events	0.090	30.0%	0.189	27.0%	0.225	25.0%	0.275	25.0%	0.281	25.0%	0.286	25.0%	0.292	25.0%	0.298	25.0%	0.304	25.0%	0.310	25.0%
Other	0.035	70.0%	0.105	70.0%	0.123	70.0%	0.140	70.0%	0.143	70.0%	0.146	70.0%	0.149	70.0%	0.152	70.0%	0.155	70.0%	0.158	70.0%
TOTAL DEPARTMENTAL COSTS	3.633	50.1%	6.088	36.4%	6.831	33.3%	7.138	31.5%	7.281	31.5%	7.427	31.5%	7.575	31.5%	7.727	31.5%	7.881	31.5%	8.039	31.5%
GROSS OPERATING INCOME	3.623	49.9%	10.637	63.6%	13.693	66.7%	15.495	68.5%	15.805	68.5%	16.121	68.5%	16.444	68.5%	16.773	68.5%	17.108	68.5%	17.450	68.5%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0.907	12.50%	1.087	6.5%	1.129	5.5%	1.132	5.0%	1.154	5.0%	1.177	5.0%	1.201	5.0%	1.225	5.0%	1.249	5.0%	1.274	5.0%
Sales & Marketing	0.653	9.00%	0.836	5.0%	0.975	4.8%	1.019	4.5%	1.039	4.5%	1.060	4.5%	1.081	4.5%	1.102	4.5%	1.125	4.5%	1.147	4.5%
Property Operations & Maintenance	0.363	5.00%	0.502	3.0%	0.513	2.5%	0.566	2.5%	0.577	2.5%	0.589	2.5%	0.600	2.5%	0.612	2.5%	0.625	2.5%	0.637	2.5%
Utilities	0.454	6.25%	0.669	4.0%	0.718	3.5%	0.736	3.3%	0.750	3.3%	0.765	3.3%	0.781	3.3%	0.796	3.3%	0.812	3.3%	0.828	3.3%
Other	0.000	0.00%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	2.376	32.76%	3.094	18.5%	3.335	16.3%	3.452	15.3%	3.521	15.3%	3.591	15.3%	3.663	15.3%	3.736	15.3%	3.811	15.3%	3.887	15.3%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	1.247	17.2%	7.543	45.1%	10.358	50.5%	12.044	53.2%	12.284	53.2%	12.530	53.2%	12.781	53.2%	13.036	53.2%	13.297	53.2%	13.563	53.2%
MANAGEMENT FEES																				
Base Management Fee	0.145	2.0%	0.334	2.0%	0.410	2.0%	0.453	2.0%	0.462	2.0%	0.471	2.0%	0.480	2.0%	0.490	2.0%	0.500	2.0%	0.510	2.0%
Management Incentive Fee	0.066	6.0%	0.433	6.0%	0.597	6.0%	0.695	6.0%	0.709	6.0%	0.724	6.0%	0.738	6.0%	0.753	6.0%	0.768	6.0%	0.783	6.0%
TOTAL MANAGEMENT FEES	0.211	2.9%	0.767	4.6%	1.007	4.9%	1.148	5.1%	1.171	5.1%	1.195	5.1%	1.218	5.1%	1.243	5.1%	1.268	5.1%	1.293	5.1%
INCOME BEFORE FIXED CHARGES	1.036	14.3%	6.776	40.5%	9.351	45.6%	10.895	48.1%	11.113	48.1%	11.336	48.1%	11.562	48.1%	11.794	48.1%	12.029	48.1%	12.270	48.1%
FIXED COSTS																				
Insurance	0.125	1.7%	0.128	0.8%	0.130	0.6%	0.133	0.6%	0.135	0.6%	0.138	0.6%	0.141	0.6%	0.144	0.6%	0.146	0.6%	0.149	0.6%
Property Tax	1.451	20.0%	1.479	8.8%	1.508	7.3%	1.538	6.8%	1.569	6.8%	1.600	6.8%	1.632	6.8%	1.665	6.8%	1.698	6.8%	1.732	6.8%
Service Charge	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	1.576	21.7%	1.606	9.6%	1.638	8.0%	1.671	7.4%	1.704	7.4%	1.738	7.4%	1.773	7.4%	1.809	7.4%	1.845	7.4%	1.882	7.4%
NET OPERATING INCOME	-0.541	-7.5%	5.170	30.9%	7.7	37.6%	9.2	40.8%	9.4	40.8%	9.6	40.8%	9.8	40.8%	10.0	40.8%	10.2	40.8%	10.4	40.8%
RESERVE																				
Capital Renewal / FF&E Reserve	0.290	4.0%	0.669	4.0%	0.821	4.0%	0.905	4.0%	0.923	4.0%	0.942	4.0%	0.961	4.0%	0.980	4.0%	1.000	4.0%	1.020	4.0%
EBITDA	-0.831	-11.5%	4.501	26.9%	6.892	33.6%	8.319	36.8%	8.466	36.8%	8.655	36.8%	8.828	36.8%	9.005	36.8%	9.185	36.8%	9.368	36.8%
Rent Payable	0.010	0.1%	0.010	0.1%	0.010	0.1%	0.011	0.1%	0.011	0.0%	0.011	0.0%	0.011	0.0%	0.011	0.0%	0.012	0.0%	0.012	0.0%
Rent Receivable	0.028	0.4%	0.028	0.4%	0.029	0.2%	0.029	0.1%	0.030	0.1%	0.031	0.1%	0.031	0.1%	0.032	0.1%	0.033	0.1%	0.033	0.1%
EBITDA	-0.813	-11.2%	4.519	27.0%	6.910	33.7%	8.338	36.8%	8.505	36.8%	8.676	36.8%	8.848	36.8%	9.025	36.8%	9.206	36.8%	9.390	36.8%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-0.302	-4.2%	5.965	35.7%	8.749	42.6%	10.402	46.0%	10.610	46.0%	10.822	46.0%	11.039	46.0%	11.260	46.0%	11.485	46.0%	11.714	46.0%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.

**HOTEL PROJECTED CASHFLOW: Amba Grosvenor Hotel****EXISTING VALUATION**

Discount Rate	7.75%
Exit Capitalisation Rate	5.75%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 7.75%	NPV £
1	2021	-0.813	0.9281	-0.755
2	2022	4.519	0.8613	3.893
3	2023	6.910	0.7994	5.524
4	2024	8.338	0.7419	6.186
5	2025	8.505	0.6885	5.856
6	2026	8.675	0.6390	5.543
7	2027	8.848	0.5930	5.247
8	2028	9.025	0.5504	4.967
9	2029	9.206	0.5108	4.702
10	2030	9.390	0.4741	4.451
TOTAL NPV YEARS 1 - 10				45.614

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	9.390
Capitalisation Multiple at 5.75%	17.156
Years	77.000
PV 10 years at 7.75%	0.474
TOTAL YEAR 10 EXIT £	76.369

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	45.614
NPV Yr 10 Exit Value £	76.369
TOTAL NPV £	121.984

VALUATION

Market Value (Gross) £	121,983,591
Refurbishment/Capex £	562,000
Market Value £	121,421,591
Purchaser Costs	0
Market Value (Net) £	121,421,591

MARKET VALUE £	121,400,000
Value Per Bedroom £	348,851



HOTEL PROJECTED CASHFLOW: Thistle Kensington Gardens

Property Ref:	6	Market Value:	52,600,000
Property Name:	Thistle Kensington Gardens	MV per key:	300,571
Tenure:	Freehold	Cap Rate:	5.00%
Unexpired Term:	0	Discount Rate:	7.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	175	175	175	175	175	175	175	175	175	175										
Number of Available Room Nights	63,875	63,875	63,875	63,875	63,875	63,875	63,875	63,875	63,875	63,875										
Number of Occupied Room Nights	19,163	41,519	47,906	51,100	52,378	52,378	52,378	52,378	52,378	52,378										
Occupancy Rate	30.0%	65.0%	75.0%	80.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%										
Average Room Rate (Actual Year Values) £	110.00	115.00	125.00	127.50	130.05	132.65	135.30	138.01	140.77	143.59										
RevPar (Revenue per Available Room) £	33.00	74.75	93.75	102.00	106.64	108.77	110.95	113.17	115.43	117.74										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	2.108	91.3%	4.775	90.1%	5.988	89.9%	6.515	89.9%	6.812	90.2%	6.948	90.2%	7.087	90.2%	7.229	90.2%	7.373	90.2%	7.521	90.2%
Food & Beverage	0.125	5.4%	0.350	6.6%	0.450	6.8%	0.500	6.9%	0.510	6.7%	0.520	6.7%	0.531	6.7%	0.541	6.7%	0.552	6.7%	0.563	6.7%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Rental & Other Income	0.075	3.2%	0.175	3.3%	0.225	3.4%	0.230	3.2%	0.234	3.1%	0.239	3.1%	0.244	3.1%	0.248	3.1%	0.253	3.1%	0.258	3.1%
TOTAL REVENUE	2.308	100.0%	5.300	100.0%	6.663	100.0%	7.245	100.0%	7.556	100.0%	7.707	100.0%	7.861	100.0%	8.018	100.0%	8.173	100.0%	8.342	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	0.738	35.0%	1.146	24.0%	1.377	23.0%	1.433	22.0%	1.499	22.0%	1.529	22.0%	1.559	22.0%	1.590	22.0%	1.622	22.0%	1.655	22.0%
Food & Beverage	0.188	150.0%	0.420	120.0%	0.450	100.0%	0.475	95.0%	0.485	95.0%	0.494	95.0%	0.504	95.0%	0.514	95.0%	0.524	95.0%	0.535	95.0%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.019	25.0%	0.044	25.0%	0.056	25.0%	0.057	25.0%	0.059	25.0%	0.060	25.0%	0.061	25.0%	0.062	25.0%	0.063	25.0%	0.065	25.0%
TOTAL DEPARTMENTAL COSTS	0.944	40.9%	1.610	30.4%	1.884	28.3%	1.966	27.1%	2.042	27.0%	2.082	27.0%	2.124	27.0%	2.167	27.0%	2.210	27.0%	2.254	27.0%
GROSS OPERATING INCOME	1.364	59.1%	3.690	69.6%	4.780	71.7%	5.279	72.9%	5.514	73.0%	5.624	73.0%	5.737	73.0%	5.852	73.0%	5.969	73.0%	6.088	73.0%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0.346	15.00%	0.371	7.0%	0.383	5.8%	0.398	5.5%	0.416	5.5%	0.424	5.5%	0.432	5.5%	0.441	5.5%	0.450	5.5%	0.459	5.5%
Sales & Marketing	0.208	9.00%	0.265	5.0%	0.300	4.5%	0.326	4.5%	0.340	4.5%	0.347	4.5%	0.354	4.5%	0.361	4.5%	0.368	4.5%	0.375	4.5%
Property Operations & Maintenance	0.162	7.00%	0.172	3.3%	0.200	3.0%	0.217	3.0%	0.227	3.0%	0.231	3.0%	0.236	3.0%	0.241	3.0%	0.245	3.0%	0.250	3.0%
Utilities	0.162	7.00%	0.185	3.5%	0.200	3.0%	0.217	3.0%	0.227	3.0%	0.231	3.0%	0.236	3.0%	0.241	3.0%	0.245	3.0%	0.250	3.0%
Other	0.000	0.00%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	0.877	38.00%	0.994	18.8%	1.083	16.3%	1.159	16.0%	1.209	16.0%	1.233	16.0%	1.258	16.0%	1.283	16.0%	1.309	16.0%	1.335	16.0%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	0.487	21.1%	2.696	50.9%	3.697	55.5%	4.120	56.9%	4.305	57.0%	4.391	57.0%	4.479	57.0%	4.569	57.0%	4.660	57.0%	4.753	57.0%
MANAGEMENT FEES																				
Base Management Fee	0.046	2.0%	0.106	2.0%	0.133	2.0%	0.145	2.0%	0.151	2.0%	0.154	2.0%	0.157	2.0%	0.160	2.0%	0.164	2.0%	0.167	2.0%
Management Incentive Fee	0.026	6.0%	0.155	6.0%	0.214	6.0%	0.238	6.0%	0.249	6.0%	0.254	6.0%	0.259	6.0%	0.265	6.0%	0.270	6.0%	0.275	6.0%
TOTAL MANAGEMENT FEES	0.073	3.1%	0.261	4.9%	0.347	5.2%	0.383	5.3%	0.400	5.3%	0.408	5.3%	0.417	5.3%	0.425	5.3%	0.433	5.3%	0.442	5.3%
INCOME BEFORE FIXED CHARGES	0.414	18.0%	2.435	45.9%	3.350	50.3%	3.736	51.6%	3.905	51.7%	3.983	51.7%	4.063	51.7%	4.144	51.7%	4.227	51.7%	4.311	51.7%
FIXED COSTS																				
Insurance	0.036	1.6%	0.037	0.7%	0.037	0.6%	0.038	0.5%	0.039	0.5%	0.040	0.5%	0.041	0.5%	0.041	0.5%	0.042	0.5%	0.043	0.5%
Property Tax	0.511	22.1%	0.520	9.8%	0.531	8.0%	0.541	7.5%	0.552	7.3%	0.563	7.3%	0.574	7.3%	0.586	7.3%	0.598	7.3%	0.610	7.3%
Service Charge	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	0.547	23.7%	0.557	10.5%	0.568	8.5%	0.580	8.0%	0.591	7.8%	0.603	7.8%	0.615	7.8%	0.627	7.8%	0.640	7.8%	0.653	7.8%
NET OPERATING INCOME	-0.132	-5.7%	1.878	35.4%	2.782	41.7%	3.157	43.6%	3.314	43.9%	3.380	43.9%	3.448	43.9%	3.517	43.9%	3.587	43.9%	3.659	43.9%
RESERVE																				
Capital Renewal / FF&E Reserve	0.092	4.0%	0.212	4.0%	0.267	4.0%	0.290	4.0%	0.302	4.0%	0.308	4.0%	0.314	4.0%	0.321	4.0%	0.327	4.0%	0.334	4.0%
EBITDAR	-0.225	-9.7%	1.666	31.4%	2.515	37.7%	2.867	39.6%	3.012	39.9%	3.072	39.9%	3.133	39.9%	3.196	39.9%	3.260	39.9%	3.325	39.9%
Rent Payable	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Rent Receivable	0.095	4.1%	0.097	1.8%	0.099	1.5%	0.101	1.4%	0.103	1.4%	0.105	1.4%	0.107	1.4%	0.109	1.4%	0.111	1.4%	0.114	1.4%
EBITDA	-0.130	-5.6%	1.763	33.3%	2.614	39.2%	2.968	41.0%	3.114	41.2%	3.177	41.2%	3.240	41.2%	3.305	41.2%	3.371	41.2%	3.438	41.2%
EBITDA with FF&E, Man. Fees & Head Rent added-back	0.035	1.5%	2.236	42.2%	3.228	48.4%	3.641	50.3%	3.817	50.5%	3.893	50.5%	3.971	50.5%	4.051	50.5%	4.132	50.5%	4.214	50.5%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.



HOTEL PROJECTED CASHFLOW: Thistle Kensington Gardens

EXISTING VALUATION

Discount Rate	7.00%
Exit Capitalisation Rate	5.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 7.00%	NPV £
1	2021	-0.130	0.9346	-0.121
2	2022	1.763	0.8734	1.540
3	2023	2.614	0.8163	2.134
4	2024	2.968	0.7629	2.264
5	2025	3.114	0.7130	2.221
6	2026	3.177	0.6663	2.117
7	2027	3.240	0.6227	2.018
8	2028	3.305	0.5820	1.924
9	2029	3.371	0.5439	1.834
10	2030	3.439	0.5083	1.748
TOTAL NPV YEARS 1 - 10				17.678

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	3.439
Capitalisation Multiple at 5.00%	20.000
Years	Perpetuity
PV 10 years at 7.00%	0.508
TOTAL YEAR 10 EXIT £	34.961

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	17.678
NPV Yr 10 Exit Value £	34.961
TOTAL NPV £	52.638

VALUATION

Market Value (Gross) £	52,638,358
Refurbishment/Capex £	44,135
Market Value £	52,594,223
Purchaser Costs	0
Market Value (Net) £	52,594,223

MARKET VALUE £	52,600,000
Value Per Bedroom £	300,571



HOTEL PROJECTED CASHFLOW: Thistle Heathrow Airport

Property Ref:	7	Market Value:	2,000,000
Property Name:	Thistle Heathrow Airport	MV per Key:	7,519
Tenure:	Leasehold	Cap Rate:	11.00%
Unexpired Term:	147.8	Discount Rate:	13.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
PROPERTY DETAILS										
Number of Bedrooms	266	266	266	266	266	266	266	266	266	266
Number of Available Room Nights	97,090	97,090	97,090	97,090	97,090	97,090	97,090	97,090	97,090	97,090
Number of Occupied Room Nights	19,418	48,545	58,254	67,963	72,818	72,818	72,818	72,818	72,818	72,818
Occupancy Rate	20.0%	50.0%	60.0%	70.0%	75.0%	75.0%	75.0%	75.0%	75.0%	75.0%
Average Room Rate (Actual Year Values) £	50.00	51.00	52.02	53.06	54.12	55.20	56.31	57.43	58.58	59.75
RevPar (Revenue per Available Room) £	10.00	25.50	31.21	37.04	40.74	41.66	42.64	43.67	44.74	45.85
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%
REVENUES										
Rooms	0.971	67.1%	2.476	62.3%	3.030	58.5%	3.606	60.0%	3.941	61.7%
Food & Beverage	0.300	20.7%	0.800	20.1%	1.050	20.3%	1.150	19.1%	1.173	18.4%
Meetings & Events	0.100	6.9%	0.500	12.6%	0.800	15.4%	0.900	15.0%	0.918	14.4%
Rental & Other Income	0.075	5.2%	0.200	5.0%	0.300	5.8%	0.350	5.6%	0.357	5.6%
TOTAL REVENUE	1.446	100.0%	3.976	100.0%	5.180	100.0%	6.006	100.0%	6.389	100.0%
DEPARTMENTAL EXPENSES										
Rooms	0.583	60.0%	1.114	45.0%	1.152	38.0%	1.298	36.0%	1.419	36.0%
Food & Beverage	0.450	150.0%	0.880	110.0%	0.861	82.0%	0.920	80.0%	0.938	80.0%
Meetings & Events	0.040	40.0%	0.113	22.5%	0.120	15.0%	0.135	15.0%	0.138	15.0%
Other	0.023	30.0%	0.060	30.0%	0.090	30.0%	0.105	30.0%	0.107	30.0%
TOTAL DEPARTMENTAL COSTS	1.095	75.7%	2.167	54.5%	2.223	42.9%	2.458	40.9%	2.602	40.7%
GROSS OPERATING INCOME	0.351	24.3%	1.809	45.5%	2.958	57.1%	3.548	59.1%	3.787	59.3%
UNDISTRIBUTED OPERATING EXPENSES										
Administrative & General	0.289	20.00%	0.398	10.0%	0.440	8.5%	0.480	8.0%	0.511	8.0%
Sales & Marketing	0.145	10.00%	0.239	6.0%	0.246	4.8%	0.270	4.5%	0.288	4.5%
Property Operations & Maintenance	0.159	11.00%	0.219	5.5%	0.246	4.8%	0.270	4.5%	0.288	4.5%
Utilities	0.174	12.00%	0.358	9.0%	0.389	7.5%	0.420	7.0%	0.447	7.0%
Other	0.000	0.00%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	0.766	53.00%	1.213	30.5%	1.321	25.5%	1.441	24.0%	1.533	24.0%
FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	-0.415	-28.7%	0.597	15.0%	1.637	31.6%	2.106	35.1%	2.254	35.3%
MANAGEMENT FEES										
Base Management Fee	0.029	2.0%	0.080	2.0%	0.104	2.0%	0.120	2.0%	0.128	2.0%
Management Incentive Fee	0.000	6.0%	0.031	6.0%	0.092	6.0%	0.119	6.0%	0.128	6.0%
TOTAL MANAGEMENT FEES	0.029	2.0%	0.111	2.8%	0.196	3.8%	0.239	4.0%	0.255	4.0%
INCOME BEFORE FIXED CHARGES	-0.444	-30.7%	0.486	12.2%	1.441	27.8%	1.867	31.1%	1.998	31.3%
FIXED COSTS										
Insurance	0.070	4.8%	0.071	1.8%	0.073	1.4%	0.074	1.2%	0.076	1.2%
Property Tax	0.297	20.6%	0.257	6.5%	0.263	5.1%	0.268	4.5%	0.273	4.3%
Service Charge	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	0.367	25.4%	0.329	8.3%	0.335	6.5%	0.342	5.7%	0.349	5.5%
NET OPERATING INCOME	-0.812	-56.1%	0.157	4.0%	1.1	21.3%	1.5	25.4%	1.6	25.8%
RESERVE										
Capital Renewal / FF&E Reserve	0.058	4.0%	0.159	4.0%	0.207	4.0%	0.240	4.0%	0.256	4.0%
EBITDA	-0.869	-60.1%	-0.002	0.0%	0.899	17.3%	1.285	21.4%	1.334	21.8%
Rent Payable	1.451	100.3%	1.451	36.5%	1.451	28.0%	1.451	24.2%	1.451	22.7%
Rent Receivable	0.000	0.0%	0.530	13.3%	0.736	14.2%	0.736	12.2%	0.736	11.5%
EBITDA	-2.320	-160.5%	-0.922	-23.2%	0.183	3.5%	0.570	9.5%	0.679	10.6%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-0.783	-54.1%	0.798	20.1%	2.037	39.3%	2.500	41.8%	2.649	41.3%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.



HOTEL PROJECTED CASHFLOW: Thistle Heathrow Airport

EXISTING VALUATION

Discount Rate	13.00%
Exit Capitalisation Rate	11.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 13.00%	NPV £
1	2021	-2.320	0.8850	-2.053
2	2022	-0.922	0.7831	-0.722
3	2023	0.183	0.6931	0.127
4	2024	0.570	0.6133	0.349
5	2025	0.679	0.5428	0.368
6	2026	0.706	0.4803	0.339
7	2027	0.791	0.4251	0.336
8	2028	0.840	0.3762	0.316
9	2029	0.870	0.3329	0.290
10	2030	0.900	0.2946	0.265
TOTAL NPV YEARS 1 - 10				-4.114

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	0.900
Capitalisation Multiple at 11.00%	9.0909
Years	137.800
PV 10 years at 13.00%	0.295
TOTAL YEAR 10 EXIT £	2.411

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	-0.385
NPV Yr 10 Exit Value £	2.411
TOTAL NPV £	2.026

VALUATION

Market Value (Gross) £	2,025,993
Refurbishment/Capex £	0
Market Value £	2,025,993
Purchaser Costs	0
Market Value (Net) £	2,025,993

MARKET VALUE £	2,000,000
Value Per Bedroom £	7,519



HOTEL PROJECTED CASHFLOW: Thistle Trafalgar

Property Ref:	8	Market Value:	1,100,000
Property Name:	Thistle Trafalgar	MV per key:	10,185
Tenure:	Leasehold	Cap Rate:	10.00%
Unexpired Term:	8.5	Discount Rate:	12.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	108	108	108	108	108	108	108	108	108	108										
Number of Available Room Nights	39,420	39,420	39,420	39,420	39,420	39,420	39,420	39,420	39,420	39,420										
Number of Occupied Room Nights	11,826	27,594	31,536	32,719	32,719	32,719	32,719	32,719	32,719	32,719										
Occupancy Rate	30.0%	70.0%	80.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%										
Average Room Rate (Actual Year Values) £	125.00	140.00	150.00	160.00	163.20	166.46	169.79	173.19	173.19	173.19										
RevPar (Revenue per Available Room) £	37.50	98.00	120.00	0.13	0.14	0.14	0.14	0.14	0.14	0.14										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%		
REVENUES																				
Rooms	1,478	92.8%	3,863	94.1%	4,730	94.2%	5,235	94.6%	5,340	94.6%	5,446	94.6%	5,555	94.6%	5,667	94.6%				
Food & Beverage	0,075	4.7%	0,200	4.9%	0,250	5.0%	0,255	4.6%	0,260	4.6%	0,265	4.6%	0,271	4.6%	0,276	4.6%				
Meetings & Events	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%				
Rental & Other Income	0,040	2.5%	0,041	1.0%	0,042	0.8%	0,042	0.8%	0,043	0.8%	0,044	0.8%	0,045	0.8%	0,046	0.8%				
TOTAL REVENUE	1,593	100.0%	4,104	100.0%	5,022	100.0%	5,532	100.0%	5,643	100.0%	5,756	100.0%	5,871	100.0%	5,988	100.0%				
DEPARTMENTAL EXPENSES																				
Rooms	42.5		39.2		39.0		38.4		38.4		38.4		38.4		38.4					
Food & Beverage	0,090	120.0%	0,220	110.0%	0,250	100.0%	0,255	100.0%	0,260	100.0%	0,265	100.0%	0,271	100.0%	0,276	100.0%				
Meetings & Events	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%				
Other	0,060	150.0%	0,061	150.0%	0,062	150.0%	0,064	150.0%	0,065	150.0%	0,066	150.0%	0,068	150.0%	0,069	150.0%				
TOTAL DEPARTMENTAL COSTS	0,653	41.0%	1,363	33.2%	1,542	30.7%	1,575	28.5%	1,607	28.5%	1,639	28.5%	1,671	28.5%	1,705	28.5%				
GROSS OPERATING INCOME	0,941	59.0%	2,741	66.8%	3,480	69.3%	3,957	71.5%	4,037	71.5%	4,117	71.5%	4,200	71.5%	4,284	71.5%				
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0,239	15.00%	0,287	7.0%	0,301	6.0%	0,332	6.0%	0,339	6.0%	0,345	6.0%	0,352	6.0%	0,359	6.0%				
Sales & Marketing	0,112	7.00%	0,205	5.0%	0,226	4.5%	0,249	4.5%	0,254	4.5%	0,259	4.5%	0,264	4.5%	0,269	4.5%				
Property Operations & Maintenance	0,096	6.00%	0,123	3.0%	0,138	2.8%	0,152	2.8%	0,155	2.8%	0,158	2.8%	0,161	2.8%	0,165	2.8%				
Utilities	0,096	6.00%	0,144	3.5%	0,163	3.3%	0,180	3.3%	0,183	3.3%	0,187	3.3%	0,191	3.3%	0,195	3.3%				
Other	0,000	0.00%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%				
TOTAL UNDISTRIBUTED EXPENSES	0,542	34.00%	0,759	18.5%	0,829	16.5%	0,913	16.5%	0,931	16.5%	0,950	16.5%	0,969	16.5%	0,988	16.5%				
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%				
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%				
GROSS OPERATING PROFIT (GOP)	0,399	25.0%	1,982	48.3%	2,651	52.8%	3,045	55.0%	3,105	55.0%	3,168	55.0%	3,231	55.0%	3,295	55.0%				
MANAGEMENT FEES																				
Base Management Fee	0,032	2.0%	0,082	2.0%	0,100	2.0%	0,111	2.0%	0,113	2.0%	0,115	2.0%	0,117	2.0%	0,120	2.0%				
Management Incentive Fee	0,022	6.0%	0,114	6.0%	0,153	6.0%	0,176	6.0%	0,180	6.0%	0,183	6.0%	0,187	6.0%	0,191	6.0%				
TOTAL MANAGEMENT FEES	0,054	3.4%	0,196	4.8%	0,253	5.0%	0,287	5.2%	0,292	5.2%	0,298	5.2%	0,304	5.2%	0,310	5.2%				
INCOME BEFORE FIXED CHARGES	0,345	21.7%	1,786	43.5%	2,398	47.7%	2,758	49.8%	2,813	49.8%	2,868	49.8%	2,927	49.8%	2,985	49.8%				
FIXED COSTS																				
Insurance	0,047	2.9%	0,048	1.2%	0,049	1.0%	0,050	0.9%	0,051	0.9%	0,052	0.9%	0,053	0.9%	0,054	0.9%				
Property Tax	0,492	30.9%	0,501	12.2%	0,511	10.2%	0,522	9.4%	0,532	9.4%	0,543	9.4%	0,554	9.4%	0,565	9.4%				
Service Charge	0,016	1.0%	0,016	0.4%	0,017	0.3%	0,017	0.3%	0,017	0.3%	0,018	0.3%	0,018	0.3%	0,018	0.3%				
Other	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%				
TOTAL FIXED COSTS	0,555	34.8%	0,566	13.8%	0,577	11.5%	0,589	10.6%	0,600	10.6%	0,612	10.6%	0,625	10.6%	0,637	10.6%				
NET OPERATING INCOME	-0,210	-13.2%	1,220	29.7%	1,8	36.3%	2,2	39.2%	2,2	39.2%	2,3	39.2%	2,3	39.2%	2,3	39.2%				
RESERVE																				
Capital Renewal / FF&E Reserve	0,064	4.0%	0,164	4.0%	0,201	4.0%	0,221	4.0%	0,226	4.0%	0,230	4.0%	0,235	4.0%	0,240	4.0%				
EBITDA	-0,274	-17.2%	1,056	25.7%	1,620	32.3%	1,948	35.2%	1,987	35.2%	2,027	35.2%	2,067	35.2%	2,109	35.2%				
Rent Payable	1,175	73.7%	1,175	28.6%	1,175	23.4%	1,175	21.2%	1,175	20.8%	1,175	20.4%	1,175	20.0%	1,175	19.6%				
Rent Receivable	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%				
EBITDA	-1,449	-90.9%	-0,119	-2.9%	0,445	8.9%	0,773	14.0%	0,812	14.4%	0,852	14.8%	0,892	15.2%	0,934	15.6%	0,000	0.0%	0,000	0.0%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-0,156	-9.8%	1,416	34.5%	2,074	41.3%	2,456	44.4%	2,505	44.4%	2,555	44.4%	2,606	44.4%	2,658	44.4%	0,000	#DIV/0!	0,000	#DIV/0!

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.



HOTEL PROJECTED CASHFLOW: Thistle Trafalgar

EXISTING VALUATION

Discount Rate	12.00%
Exit Capitalisation Rate	10.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 12.00%	NPV £
1	2021	-1,449	0.8929	-1,294
2	2022	-0,119	0.7972	-0,095
3	2023	0,445	0.7118	0,317
4	2024	0,773	0.6355	0,491
5	2025	0,812	0.5674	0,461
6	2026	0,852	0.5066	0,431
7	2027	0,892	0.4523	0,404
8	2028	0,934	0.4039	0,377
9	2029	0,000	0.3606	0,000
10	2030	0,000	0.3220	0,000
TOTAL NPV YEARS 1 - 10				1,092

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	0.000
Capitalisation Multiple at 10.00%	N/A
Years	N/A
PV 10 years at 12.00%	N/A
TOTAL YEAR 10 EXIT £	0.000

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	1,092
NPV Yr 10 Exit Value £	0,000
TOTAL NPV £	1,092

VALUATION

Market Value (Gross) £	1,091,952
Refurbishment/Capex £	0
Market Value £	1,091,952
Purchaser Costs	0
Market Value (Net) £	1,091,952

MARKET VALUE £	1,100,000
Value Per Bedroom £	10,185



HOTEL PROJECTED CASHFLOW: Thistle Hyde Park

Property Ref:	9	Market Value:	400,000
Property Name:	Thistle Hyde Park	MV per Key:	7,407
Tenure:	Leasehold	Cap Rate:	13.00%
Unexpired Term:	44.2	Discount Rate:	15.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	54	54	54	54	54	54	54	54	54	54										
Number of Available Room Nights	19,710	19,710	19,710	19,710	19,710	19,710	19,710	19,710	19,710	19,710										
Number of Occupied Room Nights	5,913	13,797	15,374	16,359	16,359	16,359	16,359	16,359	16,359	16,359										
Occupancy Rate	30.0%	70.0%	78.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%	83.0%										
Average Room Rate (Actual Year Values) £	115.00	125.00	130.00	135.00	137.70	140.45	143.26	146.13	149.05	152.03										
RevPar (Revenue per Available Room) £	34.50	87.50	101.40	112.05	114.29	116.58	118.91	121.29	123.71	126.19										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	0.680	82.9%	1.725	89.4%	1.999	88.3%	2.209	88.3%	2.253	88.3%	2.298	88.3%	2.344	88.3%	2.391	88.3%	2.438	88.3%	2.487	88.3%
Food & Beverage	0.125	15.2%	0.150	7.8%	0.175	7.7%	0.200	8.0%	0.204	8.0%	0.208	8.0%	0.212	8.0%	0.216	8.0%	0.221	8.0%	0.225	8.0%
Meetings & Events	0.000	0.0%	0.025	1.3%	0.050	2.2%	0.051	2.0%	0.052	2.0%	0.053	2.0%	0.054	2.0%	0.055	2.0%	0.056	2.0%	0.057	2.0%
Rental & Other Income	0.015	1.8%	0.030	1.6%	0.040	1.8%	0.041	1.6%	0.042	1.6%	0.042	1.6%	0.043	1.6%	0.044	1.6%	0.045	1.6%	0.046	1.6%
TOTAL REVENUE	0.820	100.0%	1.930	100.0%	2.264	100.0%	2.500	100.0%	2.550	100.0%	2.601	100.0%	2.653	100.0%	2.706	100.0%	2.761	100.0%	2.816	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	0.258	38.0%	0.517	30.0%	0.560	28.0%	0.574	26.0%	0.586	26.0%	0.597	26.0%	0.609	26.0%	0.622	26.0%	0.634	26.0%	0.647	26.0%
Food & Beverage	0.188	150.0%	0.188	125.0%	0.193	110.0%	0.200	100.0%	0.204	100.0%	0.208	100.0%	0.212	100.0%	0.216	100.0%	0.221	100.0%	0.225	100.0%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.023	150.0%	0.042	140.0%	0.052	130.0%	0.053	130.0%	0.054	130.0%	0.055	130.0%	0.056	130.0%	0.057	130.0%	0.059	130.0%	0.060	130.0%
TOTAL DEPARTMENTAL COSTS	0.468	57.1%	0.747	38.7%	0.804	35.5%	0.827	33.1%	0.844	33.1%	0.861	33.1%	0.878	33.1%	0.895	33.1%	0.913	33.1%	0.932	33.1%
GROSS OPERATING INCOME	0.352	42.9%	1.183	61.3%	1.459	64.5%	1.673	66.9%	1.707	66.9%	1.741	66.9%	1.775	66.9%	1.811	66.9%	1.847	66.9%	1.884	66.9%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0.148	18.00%	0.174	9.0%	0.181	8.0%	0.175	7.0%	0.179	7.0%	0.182	7.0%	0.186	7.0%	0.189	7.0%	0.193	7.0%	0.197	7.0%
Sales & Marketing	0.074	9.00%	0.092	4.8%	0.102	4.5%	0.113	4.5%	0.115	4.5%	0.117	4.5%	0.119	4.5%	0.122	4.5%	0.124	4.5%	0.127	4.5%
Property Operations & Maintenance	0.098	12.00%	0.092	4.8%	0.102	4.5%	0.113	4.5%	0.115	4.5%	0.117	4.5%	0.119	4.5%	0.122	4.5%	0.124	4.5%	0.127	4.5%
Utilities	0.074	9.00%	0.101	5.3%	0.136	6.0%	0.150	6.0%	0.153	6.0%	0.156	6.0%	0.159	6.0%	0.162	6.0%	0.166	6.0%	0.169	6.0%
Other	0.000	0.00%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	0.394	48.00%	0.458	23.8%	0.521	23.0%	0.550	22.0%	0.561	22.0%	0.572	22.0%	0.584	22.0%	0.595	22.0%	0.607	22.0%	0.619	22.0%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	-0.042	-5.1%	0.724	37.5%	0.939	41.5%	1.123	44.9%	1.145	44.9%	1.168	44.9%	1.192	44.9%	1.216	44.9%	1.240	44.9%	1.265	44.9%
MANAGEMENT FEES																				
Base Management Fee	0.016	2.0%	0.039	2.0%	0.045	2.0%	0.050	2.0%	0.051	2.0%	0.052	2.0%	0.053	2.0%	0.054	2.0%	0.055	2.0%	0.056	2.0%
Management Incentive Fee	0.000	6.0%	0.041	6.0%	0.054	6.0%	0.064	6.0%	0.066	6.0%	0.067	6.0%	0.068	6.0%	0.070	6.0%	0.071	6.0%	0.073	6.0%
TOTAL MANAGEMENT FEES	0.016	2.0%	0.080	4.1%	0.099	4.4%	0.114	4.6%	0.117	4.6%	0.119	4.6%	0.121	4.6%	0.124	4.6%	0.126	4.6%	0.129	4.6%
INCOME BEFORE FIXED CHARGES	-0.058	-7.1%	0.645	33.4%	0.840	37.1%	1.009	40.3%	1.029	40.3%	1.048	40.3%	1.070	40.3%	1.092	40.3%	1.114	40.3%	1.136	40.3%
FIXED COSTS																				
Insurance	0.023	2.8%	0.023	1.2%	0.024	1.1%	0.024	1.0%	0.025	1.0%	0.025	1.0%	0.026	1.0%	0.026	1.0%	0.027	1.0%	0.027	1.0%
Property Tax	0.179	21.9%	0.183	9.5%	0.186	8.2%	0.190	7.6%	0.194	7.6%	0.198	7.6%	0.202	7.6%	0.206	7.6%	0.210	7.6%	0.214	7.6%
Service Charge	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	0.202	24.7%	0.206	10.7%	0.210	9.3%	0.214	8.6%	0.219	8.6%	0.223	8.6%	0.228	8.6%	0.232	8.6%	0.237	8.6%	0.241	8.6%
NET OPERATING INCOME	-0.261	-31.8%	0.439	22.7%	0.6	27.8%	0.8	31.8%	0.8	31.8%	0.8	31.8%	0.8	31.8%	0.9	31.8%	0.9	31.8%	0.9	31.8%
RESERVE																				
Capital Renewal / FF&E Reserve	0.033	4.0%	0.077	4.0%	0.091	4.0%	0.100	4.0%	0.102	4.0%	0.104	4.0%	0.106	4.0%	0.108	4.0%	0.110	4.0%	0.113	4.0%
EBITDA	-0.293	-35.8%	0.361	18.7%	0.539	23.8%	0.694	27.8%	0.708	27.8%	0.722	27.8%	0.737	27.8%	0.751	27.8%	0.766	27.8%	0.782	27.8%
Rent Payable	0.406	49.5%	0.406	21.0%	0.406	17.9%	0.406	16.2%	0.406	15.9%	0.406	15.6%	0.406	15.3%	0.406	15.0%	0.406	14.7%	0.406	14.4%
Rent Receivable	0.008	0.9%	0.008	0.4%	0.008	0.3%	0.008	0.3%	0.008	0.3%	0.008	0.3%	0.008	0.3%	0.009	0.3%	0.009	0.3%	0.009	0.3%
EBITDA	-0.692	-84.4%	-0.037	-1.9%	0.141	6.2%	0.296	11.9%	0.310	12.2%	0.325	12.5%	0.339	12.8%	0.354	13.1%	0.369	13.4%	0.386	13.7%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-0.237	-28.9%	0.526	27.3%	0.736	32.5%	0.917	36.7%	0.935	36.7%	0.954	36.7%	0.973	36.7%	0.992	36.7%	1.012	36.7%	1.032	36.7%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.

**HOTEL PROJECTED CASHFLOW: Thistle Hyde Park****EXISTING VALUATION**

Discount Rate	15.00%
Exit Capitalisation Rate	13.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 15.00%	NPV £
1	2021	-0.692	0.8696	-0.601
2	2022	-0.037	0.7561	-0.028
3	2023	0.141	0.6575	0.093
4	2024	0.296	0.5718	0.169
5	2025	0.310	0.4972	0.154
6	2026	0.325	0.4323	0.140
7	2027	0.339	0.3759	0.128
8	2028	0.354	0.3269	0.116
9	2029	0.369	0.2843	0.105
10	2030	0.385	0.2472	0.095
11	2031	0.401	0.2149	0.086
12	2032	0.417	0.1869	0.078
13	2033	0.433	0.1625	0.070
14	2034	0.450	0.1413	0.064
15	2035	0.260	0.1229	0.032
TOTAL NPV YEARS 1 - 15		3.754		0.701

CAPITALISATION OF YEAR 15 EBITDA

Year 15 EBITDA £	0.260
Capitalisation Multiple at 13.00%	7.475
Years	29,200
PV 15 years at 15.00%	0.123
TOTAL YEAR 15 EXIT £	0.239

TOTAL NPV

Total NPV Yrs 1 - 15 EBITDA £	0.701
NPV Yr 15 Exit Value £	0.239
TOTAL NPV £	0.940

VALUATION

Market Value (Gross) £	940,295
Refurbishment/Capex £	573,343
Market Value £	366,952
Purchaser Costs	0
Market Value (Net) £	366,952
MARKET VALUE £	400,000
Value Per Bedroom £	7,407



HOTEL PROJECTED CASHFLOW: Thistle City Barbican

Property Ref:	10	Market Value:	(33,800,000)
Property Name:	Thistle City Barbican	MV per Key:	(72,570)
Tenure:	Leasehold	Cap Rate:	0.00%
Unexpired Term:	14.2	Discount Rate:	0.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	463	463	463	463	463	463	463	463	463	463										
Number of Available Room Nights	168,995	168,995	168,995	168,995	168,995	168,995	168,995	168,995	168,995	168,995										
Number of Occupied Room Nights	42,249	84,498	109,847	114,072	118,297	118,297	118,297	118,297	118,297	118,297										
Occupancy Rate	25.0%	50.0%	65.0%	67.5%	70.0%	70.0%	70.0%	70.0%	70.0%	70.0%										
Average Room Rate (Actual Year Values) £	90.00	91.80	93.64	95.51	97.42	99.37	101.35	103.38	105.45	107.56										
RevPar (Revenue per Available Room) £	22.50	45.90	60.86	0.06	0.07	0.07	0.07	0.07	0.07	0.08										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	3,802	86.9%	7,757	85.6%	10,286	84.4%	10,895	83.6%	11,524	83.0%	11,755	83.0%	11,990	83.0%	12,230	83.0%	12,474	83.0%	12,724	83.0%
Food & Beverage	0,400	9.1%	0,800	8.8%	1,000	8.2%	1,020	7.8%	1,040	7.5%	1,061	7.5%	1,082	7.5%	1,104	7.5%	1,126	7.5%	1,149	7.5%
Meetings & Events	0,075	1.7%	0,200	2.2%	0,400	3.3%	0,600	4.6%	0,800	5.8%	0,816	5.8%	0,832	5.8%	0,849	5.8%	0,866	5.8%	0,883	5.8%
Rental & Other Income	0,100	2.3%	0,300	3.3%	0,500	4.1%	0,510	3.9%	0,520	3.7%	0,531	3.7%	0,541	3.7%	0,552	3.7%	0,563	3.7%	0,574	3.7%
TOTAL REVENUE	4,377	100.0%	9,057	100.0%	12,186	100.0%	13,025	100.0%	13,885	100.0%	14,163	100.0%	14,446	100.0%	14,735	100.0%	15,029	100.0%	15,330	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	31.5		27.5		26.2		25.8		3.112		3.174		3.237		3.302		3.368		3.435	
Food & Beverage	0,480	120.0%	0,720	90.0%	0,825	82.5%	0,816	80.0%	0,832	80.0%	0,849	80.0%	0,866	80.0%	0,883	80.0%	0,901	80.0%	0,919	80.0%
Meetings & Events	0,030	40.0%	0,070	35.0%	0,120	30.0%	0,180	30.0%	0,240	30.0%	0,250	30.0%	0,255	30.0%	0,260	30.0%	0,265	30.0%	0,265	30.0%
Other	0,040	40.0%	0,105	35.0%	0,150	30.0%	0,153	30.0%	0,156	30.0%	0,159	30.0%	0,166	30.0%	0,169	30.0%	0,169	30.0%	0,172	30.0%
TOTAL DEPARTMENTAL COSTS	1,881	43.0%	3,222	35.6%	3,975	32.6%	4,091	31.4%	4,340	31.3%	4,427	31.3%	4,515	31.3%	4,606	31.3%	4,698	31.3%	4,792	31.3%
GROSS OPERATING INCOME	2,497	57.0%	5,835	64.4%	8,211	67.4%	8,934	68.8%	9,545	68.7%	9,736	68.7%	9,931	68.7%	10,129	68.7%	10,332	68.7%	10,538	68.7%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0,525	12.00%	0,589	6.5%	0,731	6.0%	0,716	5.5%	0,764	5.5%	0,779	5.5%	0,795	5.5%	0,810	5.5%	0,827	5.5%	0,843	5.5%
Sales & Marketing	0,350	8.00%	0,453	5.0%	0,548	4.5%	0,586	4.5%	0,625	4.5%	0,637	4.5%	0,650	4.5%	0,663	4.5%	0,676	4.5%	0,690	4.5%
Property Operations & Maintenance	0,306	7.00%	0,362	4.0%	0,426	3.5%	0,456	3.5%	0,486	3.5%	0,496	3.5%	0,506	3.5%	0,516	3.5%	0,526	3.5%	0,537	3.5%
Utilities	0,241	5.50%	0,362	4.0%	0,396	3.3%	0,423	3.3%	0,451	3.3%	0,460	3.3%	0,469	3.3%	0,479	3.3%	0,488	3.3%	0,498	3.3%
Other	0,000	0.00%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	1,423	32.50%	1,766	19.5%	2,102	17.3%	2,182	16.8%	2,326	16.8%	2,372	16.8%	2,420	16.8%	2,468	16.8%	2,517	16.8%	2,568	16.8%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	1,074	24.5%	4,069	44.9%	6,109	50.1%	6,753	51.8%	7,219	52.0%	7,364	52.0%	7,511	52.0%	7,661	52.0%	7,814	52.0%	7,971	52.0%
MANAGEMENT FEES																				
Base Management Fee	0,088	2.0%	0,181	2.0%	0,244	2.0%	0,260	2.0%	0,278	2.0%	0,283	2.0%	0,289	2.0%	0,295	2.0%	0,301	2.0%	0,307	2.0%
Management Incentive Fee	0,059	6.0%	0,233	6.0%	0,352	6.0%	0,390	6.0%	0,416	6.0%	0,425	6.0%	0,433	6.0%	0,442	6.0%	0,451	6.0%	0,460	6.0%
TOTAL MANAGEMENT FEES	0,147	3.4%	0,414	4.6%	0,596	4.9%	0,650	5.0%	0,694	5.0%	0,708	5.0%	0,722	5.0%	0,737	5.0%	0,751	5.0%	0,766	5.0%
INCOME BEFORE FIXED CHARGES	0,927	21.2%	3,654	40.3%	5,513	45.2%	6,103	46.9%	6,525	47.0%	6,656	47.0%	6,789	47.0%	6,924	47.0%	7,063	47.0%	7,204	47.0%
FIXED COSTS																				
Insurance	0,134	3.1%	0,137	1.5%	0,139	1.1%	0,142	1.1%	0,145	1.0%	0,148	1.0%	0,151	1.0%	0,154	1.0%	0,157	1.0%	0,160	1.0%
Property Tax	1,211	27.7%	1,233	13.6%	1,258	10.3%	1,283	9.9%	1,309	9.4%	1,335	9.4%	1,362	9.4%	1,389	9.4%	1,417	9.4%	1,445	9.4%
Service Charge	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
Other	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL FIXED COSTS	1,345	30.7%	1,370	15.1%	1,397	11.5%	1,425	10.9%	1,454	10.5%	1,483	10.5%	1,513	10.5%	1,543	10.5%	1,574	10.5%	1,605	10.5%
NET OPERATING INCOME	-0,417	-9.5%	2,284	25.2%	4,1	33.8%	4,7	35.9%	5,1	36.5%	5,2	36.5%	5,3	36.5%	5,4	36.5%	5,5	36.5%	5,6	36.5%
RESERVE																				
Capital Renewal / FF&E Reserve	0,131	3.0%	0,272	3.0%	0,366	3.0%	0,391	3.0%	0,417	3.0%	0,425	3.0%	0,433	3.0%	0,442	3.0%	0,451	3.0%	0,460	3.0%
EBITDA	-0,548	-12.6%	2,013	22.2%	3,750	30.8%	4,286	32.9%	4,655	33.5%	4,748	33.5%	4,843	33.5%	4,940	33.5%	5,038	33.5%	5,138	33.5%
Rent Payable	6,689	152.8%	6,689	73.9%	6,689	54.9%	6,689	51.4%	6,689	48.2%	6,689	47.2%	6,689	46.3%	6,689	45.4%	6,689	44.5%	6,689	43.6%
Rent Receivable	0,036	0.8%	0,037	0.4%	0,037	0.3%	0,038	0.3%	0,039	0.3%	0,040	0.3%	0,040	0.3%	0,041	0.3%	0,042	0.3%	0,043	0.3%
EBITDA	-7,201	-164.5%	-4,639	-51.2%	-2,901	-23.8%	-2,364	-18.1%	-1,995	-14.4%	-1,901	-13.4%	-1,805	-12.5%	-1,708	-11.6%	-1,608	-10.7%	-1,506	-9.8%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-0,235	-5.4%	2,735	30.2%	4,749	39.0%	5,365	41.2%	5,904	41.8%	5,920	41.8%	6,039	41.8%	6,160	41.8%	6,283	41.8%	6,408	41.8%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.



HOTEL PROJECTED CASHFLOW: Thistle City Barbican

EXISTING VALUATION

Discount Rate	0.00%
Exit Capitalisation Rate	0.00%

YEARS 1-14 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 0.00%	NPV £
1	2021	-7,201	1.0000	-7,201
2	2022	-4,639	1.0000	-4,639
3	2023	-2,901	1.0000	-2,901
4	2024	-2,364	1.0000	-2,364
5	2025	-1,995	1.0000	-1,995
6	2026	-1,901	1.0000	-1,901
7	2027	-1,805	1.0000	-1,805
8	2028	-1,708	1.0000	-1,708
9	2029	-1,608	1.0000	-1,608
10	2030	-1,506	1.0000	-1,506
11	2031	-1,403	1.0000	-1,403
12	2032	-1,297	1.0000	-1,297
13	2033	-1,189	1.0000	-1,189
14	2034	-1,079	1.0000	-1,079
TOTAL NPV YEARS 1 - 14		-32,598		-32,598

CAPITALISATION OF YEAR 14 EBITDA

Year 10 EBITDA £	
Capitalisation Multiple at 0.00%	
Years	0.000
PV 10 years at 0.00%	
TOTAL YEAR 14 EXIT £	0.000

TOTAL NPV

Total NPV Yrs 1 - 14 EBITDA £	-32,598
NPV Yr 10 Exit Value £	0.000
TOTAL NPV £	-32,598

VALUATION

Market Value (Gross) £	(32,597,747)
Refurbishment/Capex £	1,000,000
Market Value £	(33,597,747)
Purchaser Costs	0
Market Value (Net) £	(33,597,747)
MARKET VALUE £	(33,597,747)
Value Per Bedroom £	(72,570)



HOTEL PROJECTED CASHFLOW: Thistle Bloomsbury Park

Property Ref:	11	Market Value:	2,500,000
Property Name:	Thistle Bloomsbury Park	MV per Key:	26,316
Tenure:	Leasehold	Cap Rate:	13.00%
Unexpired Term:	44.2	Discount Rate:	15.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	95	95	95	95	95	95	95	95	95	95										
Number of Available Room Nights	34,675	34,675	34,675	34,675	34,675	34,675	34,675	34,675	34,675	34,675										
Number of Occupied Room Nights	8,669	22,539	26,006	28,434	28,434	28,434	28,434	28,434	28,434	28,434										
Occupancy Rate	25.0%	65.0%	75.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%	82.0%										
Average Room Rate (Actual Year Values) £	110.00	115.00	120.00	122.40	124.85	127.34	129.89	132.49	135.14	137.64										
RevPar (Revenue per Available Room) £	27.50	74.75	90.00	100.37	102.38	104.42	106.51	108.64	110.81	113.03										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	0.954	94.1%	2.592	93.8%	3.121	94.0%	3.480	93.9%	3.550	93.9%	3.621	93.9%	3.693	93.9%	3.767	93.9%	3.842	93.9%	3.919	93.9%
Food & Beverage	0.050	4.9%	0.150	5.4%	0.175	5.3%	0.200	5.4%	0.204	5.4%	0.208	5.4%	0.212	5.4%	0.216	5.4%	0.221	5.4%	0.225	5.4%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Rental & Other Income	0.010	1.0%	0.020	0.7%	0.025	0.8%	0.026	0.7%	0.026	0.7%	0.027	0.7%	0.027	0.7%	0.028	0.7%	0.028	0.7%	0.029	0.7%
TOTAL REVENUE	1.014	100.0%	2.762	100.0%	3.321	100.0%	3.706	100.0%	3.780	100.0%	3.855	100.0%	3.933	100.0%	4.011	100.0%	4.091	100.0%	4.173	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	0.343	36.0%	0.829	32.0%	0.874	28.0%	0.905	26.0%	0.923	26.0%	0.941	26.0%	0.960	26.0%	0.979	26.0%	0.999	26.0%	1.019	26.0%
Food & Beverage	0.065	130.0%	0.180	120.0%	0.193	110.0%	0.200	100.0%	0.204	100.0%	0.208	100.0%	0.212	100.0%	0.216	100.0%	0.221	100.0%	0.225	100.0%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.010	100.0%	0.020	100.0%	0.025	100.0%	0.026	100.0%	0.026	100.0%	0.027	100.0%	0.027	100.0%	0.028	100.0%	0.028	100.0%	0.029	100.0%
TOTAL DEPARTMENTAL COSTS	0.418	41.3%	1.029	37.3%	1.091	32.9%	1.130	30.5%	1.153	30.5%	1.176	30.5%	1.200	30.5%	1.224	30.5%	1.248	30.5%	1.273	30.5%
GROSS OPERATING INCOME	0.595	58.7%	1.733	62.7%	2.229	67.1%	2.575	69.5%	2.627	69.5%	2.679	69.5%	2.733	69.5%	2.788	69.5%	2.843	69.5%	2.900	69.5%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0.182	18.00%	0.249	9.0%	0.266	8.0%	0.259	7.0%	0.265	7.0%	0.270	7.0%	0.275	7.0%	0.281	7.0%	0.286	7.0%	0.292	7.0%
Sales & Marketing	0.081	8.00%	0.138	5.0%	0.158	4.8%	0.167	4.5%	0.170	4.5%	0.173	4.5%	0.177	4.5%	0.181	4.5%	0.184	4.5%	0.188	4.5%
Property Operations & Maintenance	0.076	7.50%	0.097	3.5%	0.108	3.3%	0.120	3.3%	0.123	3.3%	0.125	3.3%	0.128	3.3%	0.130	3.3%	0.133	3.3%	0.136	3.3%
Utilities	0.051	5.00%	0.097	3.5%	0.108	3.3%	0.120	3.3%	0.123	3.3%	0.125	3.3%	0.128	3.3%	0.130	3.3%	0.133	3.3%	0.136	3.3%
Other	0.000	0.00%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	0.390	38.50%	0.580	21.0%	0.639	19.3%	0.667	18.0%	0.680	18.0%	0.694	18.0%	0.708	18.0%	0.722	18.0%	0.736	18.0%	0.751	18.0%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	0.205	20.2%	1.153	41.7%	1.590	47.9%	1.908	51.5%	1.947	51.5%	1.985	51.5%	2.025	51.5%	2.066	51.5%	2.107	51.5%	2.149	51.5%
MANAGEMENT FEES																				
Base Management Fee	0.020	2.0%	0.055	2.0%	0.066	2.0%	0.074	2.0%	0.076	2.0%	0.077	2.0%	0.079	2.0%	0.080	2.0%	0.082	2.0%	0.083	2.0%
Management Incentive Fee	0.011	6.0%	0.066	6.0%	0.091	6.0%	0.110	6.0%	0.112	6.0%	0.115	6.0%	0.117	6.0%	0.119	6.0%	0.122	6.0%	0.124	6.0%
TOTAL MANAGEMENT FEES	0.031	3.1%	0.121	4.4%	0.158	4.8%	0.184	5.0%	0.188	5.0%	0.192	5.0%	0.195	5.0%	0.199	5.0%	0.203	5.0%	0.207	5.0%
INCOME BEFORE FIXED CHARGES	0.174	17.1%	1.031	37.3%	1.432	43.1%	1.724	46.5%	1.759	46.5%	1.794	46.5%	1.830	46.5%	1.866	46.5%	1.904	46.5%	1.942	46.5%
FIXED COSTS																				
Insurance	0.022	2.2%	0.022	0.8%	0.023	0.7%	0.023	0.6%	0.024	0.6%	0.024	0.6%	0.025	0.6%	0.025	0.6%	0.026	0.6%	0.026	0.6%
Property Tax	0.285	28.1%	0.291	10.5%	0.296	8.9%	0.302	8.2%	0.308	8.2%	0.314	8.2%	0.321	8.2%	0.327	8.2%	0.334	8.2%	0.340	8.2%
Service Charge	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	0.307	30.3%	0.313	11.3%	0.319	9.6%	0.326	8.8%	0.332	8.8%	0.339	8.8%	0.346	8.8%	0.352	8.8%	0.359	8.8%	0.367	8.8%
NET OPERATING INCOME	-0.133	-13.2%	0.718	26.0%	1.113	33.5%	1.399	37.7%	1.427	37.7%	1.455	37.7%	1.484	37.7%	1.514	37.7%	1.544	37.7%	1.575	37.7%
RESERVE																				
Capital Renewal / FF&E Reserve	0.041	4.0%	0.110	4.0%	0.133	4.0%	0.148	4.0%	0.151	4.0%	0.154	4.0%	0.157	4.0%	0.160	4.0%	0.164	4.0%	0.167	4.0%
EBITDAR	-0.174	-17.2%	0.608	22.0%	0.980	29.5%	1.250	33.7%	1.275	33.7%	1.301	33.7%	1.327	33.7%	1.353	33.7%	1.380	33.7%	1.408	33.7%
Rent Payable	0.623	61.4%	0.623	22.5%	0.623	18.7%	0.623	16.8%	0.623	16.5%	0.623	16.1%	0.623	15.8%	0.623	15.5%	0.623	15.2%	0.623	14.9%
Rent Receivable	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
EBITDA	-0.797	-78.6%	-0.015	-0.5%	0.358	10.8%	0.628	16.9%	0.653	17.3%	0.678	17.6%	0.704	17.9%	0.731	18.2%	0.758	18.5%	0.786	18.8%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-0.102	-10.1%	0.840	30.4%	1.271	38.3%	1.583	42.7%	1.614	42.7%	1.647	42.7%	1.680	42.7%	1.713	42.7%	1.747	42.7%	1.782	42.7%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.

**HOTEL PROJECTED CASHFLOW: Thistle Bloomsbury Park****EXISTING VALUATION**

Discount Rate	15.00%
Exit Capitalisation Rate	13.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 15.00%	NPV £
1	2021	-0.797	0.8696	-0.693
2	2022	-0.015	0.7561	-0.011
3	2023	0.358	0.6575	0.235
4	2024	0.628	0.5718	0.359
5	2025	0.653	0.4972	0.325
6	2026	0.678	0.4323	0.293
7	2027	0.704	0.3759	0.265
8	2028	0.731	0.3269	0.239
9	2029	0.758	0.2843	0.215
10	2030	0.786	0.2472	0.194
11	2031	0.814	0.2149	0.175
12	2032	0.842	0.1869	0.157
13	2033	0.872	0.1625	0.142
14	2034	0.902	0.1413	0.127
15	2035	0.455	0.1229	0.056
TOTAL NPV YEARS 1 - 15				2.079

CAPITALISATION OF YEAR 15 EBITDA

Year 15 EBITDA £	0.455
Capitalisation Multiple at 13.00%	7.475
Years	29,200
PV 15 years at 15.00%	0.123
TOTAL YEAR 15 EXIT £	0.418

TOTAL NPV

Total NPV Yrs 1 - 15 EBITDA £	2.079
NPV Yr 15 Exit Value £	0.418
TOTAL NPV £	2.497

VALUATION

Market Value (Gross) £	2,497,129
Refurbishment/Capex £	0
Market Value £	2,497,129
Purchaser Costs	0
Market Value (Net) £	2,497,129
MARKET VALUE £	2,500,000
Value Per Bedroom £	26,316



HOTEL PROJECTED CASHFLOW: Thistle Piccadilly

Property Ref:	12	Market Value:	(2,600,000)
Property Name:	Thistle Piccadilly	MV per key:	(31,707)
Tenure:	Leasehold	Cap Rate:	11.00%
Unexpired Term:	34.2	Discount Rate:	13.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	82	82	82	82	82	82	82	82	82	82										
Number of Available Room Nights	29,930	29,930	29,930	29,930	29,930	29,930	29,930	29,930	29,930	29,930										
Number of Occupied Room Nights	10,476	20,951	23,944	26,189	26,189	26,189	26,189	26,189	26,189	26,189										
Occupancy Rate	35.0%	70.0%	80.0%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%	87.5%										
Average Room Rate (Actual Year Values) £	145.00	155.00	170.00	180.00	183.60	187.27	191.02	194.84	198.73	202.71										
RevPar (Revenue per Available Room) £	50.75	108.50	136.00	157.50	160.65	163.86	167.14	170.48	173.89	177.37										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	1,519	90.5%	3,247	88.9%	4,070	88.1%	4,714	87.9%	4,808	87.9%	4,904	87.9%	5,003	87.9%	5,103	87.9%	5,205	87.9%	5,309	87.9%
Food & Beverage	0.150	8.9%	0.375	10.3%	0.500	10.8%	0.600	11.2%	0.612	11.2%	0.624	11.2%	0.637	11.2%	0.649	11.2%	0.662	11.2%	0.676	11.2%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Rental & Other Income	0.010	0.6%	0.030	0.8%	0.050	1.1%	0.051	1.0%	0.052	1.0%	0.053	1.0%	0.054	1.0%	0.055	1.0%	0.056	1.0%	0.057	1.0%
TOTAL REVENUE	1,679	100.0%	3,652	100.0%	4,620	100.0%	5,365	100.0%	5,472	100.0%	5,582	100.0%	5,693	100.0%	5,807	100.0%	5,923	100.0%	6,042	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	49.3		43.4		40.8		41.4		1,106	23.0%	1,128	23.0%	1,151	23.0%	1,174	23.0%	1,197	23.0%	1,221	23.0%
Food & Beverage	0.188	125.0%	0.356	95.0%	0.425	85.0%	0.510	85.0%	0.520	85.0%	0.531	85.0%	0.541	85.0%	0.552	85.0%	0.563	85.0%	0.574	85.0%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.010	100.0%	0.030	100.0%	0.050	100.0%	0.051	100.0%	0.052	100.0%	0.053	100.0%	0.054	100.0%	0.055	100.0%	0.056	100.0%	0.057	100.0%
TOTAL DEPARTMENTAL COSTS	0.714	42.5%	1.296	35.5%	1.452	31.4%	1.645	30.7%	1.678	30.7%	1.742	30.7%	1.746	30.7%	1.781	30.7%	1.816	30.7%	1.853	30.7%
GROSS OPERATING INCOME	0.965	57.5%	2,357	64.5%	3,169	68.6%	3,720	69.3%	3,794	69.3%	3,870	69.3%	3,947	69.3%	4,026	69.3%	4,107	69.3%	4,189	69.3%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0.235	14.00%	0.237	6.5%	0.266	5.8%	0.295	5.5%	0.301	5.5%	0.307	5.5%	0.313	5.5%	0.319	5.5%	0.326	5.5%	0.332	5.5%
Sales & Marketing	0.151	9.00%	0.173	4.8%	0.196	4.3%	0.215	4.0%	0.219	4.0%	0.223	4.0%	0.228	4.0%	0.232	4.0%	0.237	4.0%	0.242	4.0%
Property Operations & Maintenance	0.109	6.50%	0.119	3.3%	0.127	2.8%	0.134	2.5%	0.137	2.5%	0.140	2.5%	0.142	2.5%	0.145	2.5%	0.148	2.5%	0.151	2.5%
Utilities	0.109	6.50%	0.119	3.3%	0.127	2.8%	0.134	2.5%	0.137	2.5%	0.140	2.5%	0.142	2.5%	0.145	2.5%	0.148	2.5%	0.151	2.5%
Other	0.000	0.00%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	0.604	36.00%	0.648	17.8%	0.716	15.5%	0.778	14.5%	0.793	14.5%	0.808	14.5%	0.826	14.5%	0.842	14.5%	0.859	14.5%	0.876	14.5%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	0.361	21.5%	1,709	46.8%	2,452	53.1%	2,942	54.8%	3,001	54.8%	3,061	54.8%	3,122	54.8%	3,184	54.8%	3,246	54.8%	3,313	54.8%
MANAGEMENT FEES																				
Base Management Fee	0.034	2.0%	0.073	2.0%	0.092	2.0%	0.107	2.0%	0.109	2.0%	0.112	2.0%	0.114	2.0%	0.116	2.0%	0.118	2.0%	0.121	2.0%
Management Incentive Fee	0.020	6.0%	0.098	6.0%	0.142	6.0%	0.170	6.0%	0.173	6.0%	0.177	6.0%	0.180	6.0%	0.184	6.0%	0.188	6.0%	0.192	6.0%
TOTAL MANAGEMENT FEES	0.053	3.2%	0.171	4.7%	0.234	5.1%	0.277	5.2%	0.283	5.2%	0.289	5.2%	0.294	5.2%	0.300	5.2%	0.306	5.2%	0.312	5.2%
INCOME BEFORE FIXED CHARGES	0.307	18.3%	1,537	42.1%	2,218	48.0%	2,664	49.7%	2,718	49.7%	2,772	49.7%	2,828	49.7%	2,884	49.7%	2,942	49.7%	3,001	49.7%
FIXED COSTS																				
Insurance	0.038	2.3%	0.039	1.1%	0.040	0.9%	0.040	0.8%	0.041	0.8%	0.042	0.8%	0.043	0.8%	0.044	0.8%	0.045	0.8%	0.045	0.8%
Property Tax	0.476	28.4%	0.485	13.3%	0.495	10.7%	0.505	9.4%	0.515	9.4%	0.525	9.4%	0.536	9.4%	0.546	9.4%	0.557	9.4%	0.568	9.4%
Service Charge	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	0.514	30.6%	0.524	14.3%	0.534	11.6%	0.545	10.2%	0.556	10.2%	0.567	10.2%	0.578	10.2%	0.590	10.2%	0.602	10.2%	0.614	10.2%
NET OPERATING INCOME	-0.207	-12.3%	1,014	27.8%	1,684	36.4%	2,119	39.5%	2,162	39.5%	2,205	39.5%	2,249	39.5%	2,294	39.5%	2,340	39.5%	2,387	39.5%
RESERVE																				
Capital Renewal / FF&E Reserve	0.067	4.0%	0.146	4.0%	0.185	4.0%	0.215	4.0%	0.219	4.0%	0.223	4.0%	0.228	4.0%	0.232	4.0%	0.237	4.0%	0.242	4.0%
EBITDA	-0.274	-16.3%	0.867	23.8%	1.499	32.4%	1.905	35.5%	1.943	35.5%	1.982	35.5%	2.021	35.5%	2.062	35.5%	2.103	35.5%	2.145	35.5%
Basic Rent Payable	1.601	95.4%	1.601	95.4%	1.601	43.8%	1.601	34.6%	1.601	29.8%	1.601	29.3%	1.601	28.7%	1.601	28.1%	1.601	27.6%	1.601	27.0%
Head Rent Payable	1.000	59.6%	1.296	35.5%	1.296	28.1%	1.296	24.2%	1.296	23.7%	1.296	23.2%	1.296	22.8%	1.296	22.3%	1.296	21.9%	1.296	21.5%
Rent Receivable	0.000	0.0%	0.000	0.0%	0.855	23.4%	0.872	18.9%	0.890	16.6%	0.907	16.6%	0.926	16.6%	0.944	16.6%	0.963	16.6%	0.982	16.6%
EBITDA	-2.875	-171.2%	-2.030	-55.6%	-0.543	-11.8%	-0.120	-2.2%	-0.065	-1.2%	-0.008	-0.1%	0.050	0.9%	0.109	1.9%	0.169	2.9%	0.230	3.8%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-1.154	-68.7%	-0.112	-3.1%	1.477	32.0%	1.973	36.8%	2.038	37.2%	2.105	37.7%	2.173	38.2%	2.242	38.6%	2.313	39.0%	2.385	39.5%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.

**HOTEL PROJECTED CASHFLOW: Thistle Piccadilly****EXISTING VALUATION**

Discount Rate	13.00%
Exit Capitalisation Rate	11.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 13.00%	NPV £
1	2021	-2.875	0.8850	-2.544
2	2022	-2.030	0.7831	-1.590
3	2023	-0.543	0.6931	-0.376
4	2024	-0.120	0.6133	-0.074
5	2025	-0.065	0.5428	-0.035
6	2026	-0.008	0.4803	-0.004
7	2027	0.050	0.4251	0.021
8	2028	0.109	0.3762	0.041
9	2029	0.169	0.3329	0.056
10	2030	0.230	0.2946	0.068
11	2031	0.293	0.2607	0.076
12	2032	0.357	0.2307	0.082
13	2033	0.422	0.2042	0.086
14	2034	0.488	0.1807	0.088
15	2035	1.071	0.1599	0.171
TOTAL NPV YEARS 1 - 15				-3.11

CAPITALISATION OF YEAR 15 EBITDA

Year 15 EBITDA £	1.071
Capitalisation Multiple at 11.00%	7.865
Years	19.200
PV 15 years at 13.00%	0.160
TOTAL YEAR 16 EXIT £	1.347

TOTAL NPV

Total NPV Yrs 1 - 14 EBITDA £	-3.932
NPV Yr 14 Exit Value £	1.347
TOTAL NPV £	-2.585

VALUATION

Market Value (Gross) £	(2,585,560)
Refurbishment/Capex £	0
Market Value £	(2,585,560)
Purchaser Costs	0
Market Value (Net) £	(2,585,560)
MARKET VALUE £	(2,585,560)
Value Per Bedroom £	(31,707)



HOTEL PROJECTED CASHFLOW: Hard Rock Hotel

Property Ref:	13	Market Value:	(31,000,000)
Property Name:	Hard Rock Hotel	MV per key:	(30,482)
Tenure:	Leasehold	Cap Rate:	0.00%
Unexpired Term:	68.1	Discount Rate:	0.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017	1,017										
Number of Available Room Nights	371,205	371,205	371,205	371,205	371,205	371,205	371,205	371,205	371,205	371,205										
Number of Occupied Room Nights	129,922	241,283	259,844	270,980	282,116	282,116	282,116	282,116	282,116	282,116										
Occupancy Rate	35.0%	65.0%	70.0%	73.0%	76.0%	76.0%	76.0%	76.0%	76.0%	76.0%										
Average Room Rate (Actual Year Values) £	135.00	145.00	155.00	160.00	163.20	166.46	169.79	173.19	176.65	180.19										
RevPar (Revenue per Available Room) £	47.25	94.25	108.50	0.12	0.12	0.13	0.13	0.13	0.13	0.14										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	17,539	87.1%	34,986	83.8%	40,276	83.3%	43,357	82.7%	46,041	83.2%	47,901	83.2%	48,859	83.2%	49,837	83.2%	50,833	83.2%		
Food & Beverage	1,600	7.9%	3,750	9.0%	4,500	9.3%	5,000	9.5%	5,100	9.2%	5,202	9.2%	5,306	9.2%	5,412	9.2%	5,520	9.2%		
Meetings & Events	0,500	2.5%	1,750	4.2%	2,150	4.4%	2,500	4.8%	2,550	4.6%	2,601	4.6%	2,653	4.6%	2,706	4.6%	2,760	4.6%		
Rental & Other Income	0,500	2.5%	1,250	3.0%	1,400	2.9%	1,600	3.1%	1,632	2.9%	1,665	2.9%	1,698	2.9%	1,732	2.9%	1,767	2.9%		
TOTAL REVENUE	20,139	100.0%	41,736	100.0%	48,326	100.0%	52,457	100.0%	55,323	100.0%	56,430	100.0%	57,558	100.0%	58,710	100.0%	59,884	100.0%	61,081	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	48.6		37.7		37.2		36.8		36.8		36.8		36.8		36.8		36.8		36.8	
Food & Beverage	2,400	150.0%	3,563	95.0%	3,735	83.0%	3,800	76.0%	3,876	76.0%	3,954	76.0%	4,033	76.0%	4,113	76.0%	4,196	76.0%	4,279	76.0%
Meetings & Events	0,200	40.0%	0,525	30.0%	0,591	27.5%	0,625	25.0%	0,638	25.0%	0,650	25.0%	0,663	25.0%	0,677	25.0%	0,690	25.0%	0,704	25.0%
Other	0,200	40.0%	0,500	40.0%	0,560	40.0%	0,640	40.0%	0,653	40.0%	0,666	40.0%	0,679	40.0%	0,693	40.0%	0,707	40.0%	0,721	40.0%
TOTAL DEPARTMENTAL COSTS	9,114	45.3%	13,684	32.8%	14,552	30.1%	15,037	28.7%	15,756	28.5%	16,071	28.5%	16,392	28.5%	16,720	28.5%	17,055	28.5%	17,396	28.5%
GROSS OPERATING INCOME	11,025	54.7%	28,052	67.2%	33,773	69.9%	37,420	71.3%	39,567	71.5%	40,359	71.5%	41,166	71.5%	41,989	71.5%	42,829	71.5%	43,686	71.5%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	1,913	9.50%	1,982	4.8%	2,054	4.3%	2,098	4.0%	2,213	4.0%	2,257	4.0%	2,302	4.0%	2,348	4.0%	2,395	4.0%	2,443	4.0%
Sales & Marketing	0,604	3.00%	0,876	2.1%	0,967	2.0%	1,049	2.0%	1,106	2.0%	1,129	2.0%	1,151	2.0%	1,174	2.0%	1,198	2.0%	1,222	2.0%
Property Operations & Maintenance	1,208	6.00%	1,252	3.0%	1,281	2.7%	1,311	2.5%	1,383	2.5%	1,411	2.5%	1,439	2.5%	1,468	2.5%	1,497	2.5%	1,527	2.5%
Utilities	1,208	6.00%	1,252	3.0%	1,281	2.7%	1,311	2.7%	1,336	3.5%	1,364	3.5%	1,393	3.5%	1,422	3.5%	1,451	3.5%	1,480	3.5%
Other	0,000	0.00%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	4,934	24.5%	5,363	12.9%	5,582	11.6%	6,295	12.0%	6,639	12.0%	6,772	12.0%	6,907	12.0%	7,045	12.0%	7,186	12.0%	7,330	12.0%
FRANCHISE FEES	0.795	4.0%	1,624	4.0%	1,874	4.0%	2,029	4.0%	2,143	4.0%	2,185	4.0%	2,229	4.0%	2,274	4.0%	2,319	4.0%	2,366	4.0%
TOTAL FRANCHISE FEES	0.795	3.9%	1,624	3.9%	1,874	3.9%	2,029	3.9%	2,143	3.9%	2,185	3.9%	2,229	3.9%	2,274	3.9%	2,319	3.9%	2,366	3.9%
GROSS OPERATING PROFIT (GOP)	5,296	26.3%	21,065	50.5%	26,317	54.5%	29,096	55.5%	30,786	55.6%	31,402	55.6%	32,030	55.6%	32,670	55.6%	33,324	55.6%	33,990	55.6%
MANAGEMENT FEES																				
Base Management Fee	0,503	2.5%	1,043	2.5%	1,208	2.5%	1,311	2.5%	1,383	2.5%	1,411	2.5%	1,439	2.5%	1,468	2.5%	1,497	2.5%	1,527	2.5%
Management Incentive Fee	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL MANAGEMENT FEES	0,503	2.5%	1,043	2.5%	1,208	2.5%	1,311	2.5%	1,383	2.5%	1,411	2.5%	1,439	2.5%	1,468	2.5%	1,497	2.5%	1,527	2.5%
INCOME BEFORE FIXED CHARGES	4,792	23.8%	20,022	48.0%	25,109	52.0%	27,784	53.0%	29,403	53.1%	29,991	53.1%	30,591	53.1%	31,203	53.1%	31,827	53.1%	32,463	53.1%
FIXED COSTS																				
Insurance	0,628	3.1%	0,641	1.5%	0,653	1.4%	0,666	1.3%	0,680	1.2%	0,693	1.2%	0,707	1.2%	0,721	1.2%	0,736	1.2%	0,751	1.2%
Property Tax	4,486	22.3%	4,571	11.0%	4,662	9.6%	4,755	9.1%	4,850	8.8%	4,947	8.8%	5,046	8.8%	5,147	8.8%	5,250	8.8%	5,355	8.8%
Service Charge	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
Other	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
TOTAL FIXED COSTS	5,114	25.4%	5,211	12.5%	5,315	11.0%	5,422	10.3%	5,530	10.0%	5,641	10.0%	5,754	10.0%	5,869	10.0%	5,986	10.0%	6,106	10.0%
NET OPERATING INCOME	-0.322	-1.6%	14,811	35.5%	19.8	41.0%	22.4	42.6%	23.9	43.2%	24.4	43.2%	24.8	43.2%	25.3	43.2%	25.8	43.2%	26.4	43.2%
RESERVE																				
Capital Renewal / FF&E Reserve	0,604	3.0%	1,252	3.0%	1,450	3.0%	1,574	3.0%	1,660	3.0%	1,693	3.0%	1,727	3.0%	1,761	3.0%	1,797	3.0%	1,832	3.0%
EBITDA	-0.928	-4.6%	13,559	32.6%	18,344	38.0%	20,789	39.6%	22,213	40.2%	22,657	40.2%	23,110	40.2%	23,573	40.2%	24,044	40.2%	24,526	40.2%
Rent Payable	20,360	101.1%	20,767	49.8%	21,182	43.8%	21,606	41.2%	22,038	39.8%	22,479	39.8%	22,928	39.8%	23,387	39.8%	23,855	39.8%	24,332	39.8%
Rent Receivable	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%	0,000	0.0%
EBITDA	-21,286	-105.7%	-7,208	-17.3%	-2,838	-5.9%	-0,817	-1.6%	0,175	0.3%	0,179	0.3%	0,182	0.3%	0,186	0.3%	0,190	0.3%	0,193	0.3%
EBITDA with FF&E, Man. Fees & Head Rent added-back	0.181	0.9%	15,854	38.0%	21,002	43.5%	23,674	45.1%	25,256	45.7%	25,761	45.7%	26,276	45.7%	26,802	45.7%	27,338	45.7%	27,885	45.7%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.



HOTEL PROJECTED CASHFLOW: Hard Rock Hotel

EXISTING VALUATION

Discount Rate	0.00%
Exit Capitalisation Rate	0.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 0.00%	NPV £
1	2021	-21,286	1.0000	-21,286
2	2022	-7,208	1.0000	-7,208
3	2023	-2,838	1.0000	-2,838
4	2024	-0,817	1.0000	-0,817
5	2025	0.175	1.0000	0.175
6	2026	0.179	1.0000	0.179
7	2027	0.182	1.0000	0.182
8	2028	0.186	1.0000	0.186
9	2029	0.190	1.0000	0.190
10	2030	0.193	1.0000	0.193
TOTAL NPV YEARS 1 - 10		-31,045		-31,045

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	
Capitalisation Multiple at 0.00%	
Years	0.000
PV 10 years at 0.00%	
TOTAL YEAR 10 EXIT £	0.000

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	-31,045
NPV Yr 10 Exit Value £	0.000
TOTAL NPV £	-31,045

VALUATION

Market Value (Gross) £	(31,044,942)
Refurbishment/Capex £	0
Market Value £	(31,044,942)
Purchaser Costs	0
Market Value (Net) £	(31,044,942)
MARKET VALUE £	(31,044,942)
Value Per Bedroom £	(30,482)



HOTEL PROJECTED CASHFLOW: Thistle Express Luton

Property Ref:	14	Market Value:	(800,000)
Property Name:	Thistle Express Luton	MV per key:	(5,263)
Tenure:	Leasehold	Cap Rate:	17.00%
Unexpired Term:	74.8	Discount Rate:	19.00%
		Inflation:	2.00%

YEAR	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030										
PROPERTY DETAILS																				
Number of Bedrooms	152	152	152	152	152	152	152	152	152	152										
Number of Available Room Nights	55,480	55,480	55,480	55,480	55,480	55,480	55,480	55,480	55,480	55,480										
Number of Occupied Room Nights	13,870	30,514	36,062	38,836	41,055	41,055	41,055	41,055	41,055	41,055										
Occupancy Rate	25.0%	55.0%	65.0%	70.0%	74.0%	74.0%	74.0%	74.0%	74.0%	74.0%										
Average Room Rate (Actual Year Values) £	40.00	42.50	45.00	47.50	48.45	49.42	50.41	51.42	52.44	53.49										
RevPar (Revenue per Available Room) £	10.00	23.38	29.25	0.03	0.04	0.04	0.04	0.04	0.04	0.04										
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%										
REVENUES																				
Rooms	0.555	89.9%	1.297	89.3%	1.623	89.3%	1.845	88.9%	1.989	89.5%	2.029	89.5%	2.069	89.5%	2.111	89.5%	2.153	89.5%	2.196	89.5%
Food & Beverage	0.050	8.1%	0.125	8.6%	0.155	8.5%	0.180	8.7%	0.184	8.3%	0.187	8.3%	0.191	8.3%	0.195	8.3%	0.199	8.3%	0.203	8.3%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Rental & Other Income	0.013	2.0%	0.030	2.1%	0.040	2.2%	0.050	2.4%	0.051	2.3%	0.052	2.3%	0.053	2.3%	0.054	2.3%	0.055	2.3%	0.056	2.3%
TOTAL REVENUE	0.617	100.0%	1.452	100.0%	1.816	100.0%	2.075	100.0%	2.224	100.0%	2.268	100.0%	2.314	100.0%	2.360	100.0%	2.407	100.0%	2.455	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	0.277	50.0%	0.519	40.0%	0.568	35.0%	0.590	32.0%	0.637	32.0%	0.649	32.0%	0.662	32.0%	0.675	32.0%	0.689	32.0%	0.703	32.0%
Food & Beverage	0.063	125.0%	0.125	100.0%	0.140	90.0%	0.144	80.0%	0.147	80.0%	0.150	80.0%	0.153	80.0%	0.156	80.0%	0.159	80.0%	0.162	80.0%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.025	200.0%	0.027	90.0%	0.030	75.0%	0.038	75.0%	0.038	75.0%	0.039	75.0%	0.040	75.0%	0.041	75.0%	0.041	75.0%	0.042	75.0%
TOTAL DEPARTMENTAL COSTS	0.365	59.1%	0.671	46.2%	0.737	40.6%	0.772	37.2%	0.822	36.9%	0.838	36.9%	0.855	36.9%	0.872	36.9%	0.889	36.9%	0.907	36.9%
GROSS OPERATING INCOME	0.252	40.9%	0.781	53.8%	1.080	59.4%	1.303	62.8%	1.402	63.1%	1.430	63.1%	1.459	63.1%	1.488	63.1%	1.518	63.1%	1.548	63.1%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0.173	28.00%	0.181	12.5%	0.186	10.3%	0.187	9.0%	0.200	9.0%	0.204	9.0%	0.208	9.0%	0.212	9.0%	0.217	9.0%	0.221	9.0%
Sales & Marketing	0.074	12.00%	0.087	6.0%	0.091	5.0%	0.093	4.5%	0.100	4.5%	0.102	4.5%	0.104	4.5%	0.106	4.5%	0.108	4.5%	0.110	4.5%
Property Operations & Maintenance	0.086	14.00%	0.094	6.5%	0.100	5.5%	0.104	5.0%	0.111	5.0%	0.113	5.0%	0.116	5.0%	0.118	5.0%	0.120	5.0%	0.123	5.0%
Utilities	0.086	14.00%	0.109	7.5%	0.132	7.3%	0.135	6.5%	0.145	6.5%	0.147	6.5%	0.150	6.5%	0.153	6.5%	0.156	6.5%	0.160	6.5%
Other	0.000	0.00%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL UNDISTRIBUTED EXPENSES	0.420	68.00%	0.472	32.5%	0.509	28.0%	0.519	25.0%	0.556	25.0%	0.567	25.0%	0.578	25.0%	0.590	25.0%	0.602	25.0%	0.614	25.0%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	-0.167	-27.1%	0.309	21.3%	0.571	31.4%	0.784	37.8%	0.846	38.1%	0.863	38.1%	0.880	38.1%	0.898	38.1%	0.916	38.1%	0.934	38.1%
MANAGEMENT FEES																				
Base Management Fee	0.019	3.0%	0.044	3.0%	0.055	3.0%	0.062	3.0%	0.067	3.0%	0.068	3.0%	0.069	3.0%	0.071	3.0%	0.072	3.0%	0.074	3.0%
Management Incentive Fee	0.000	7.0%	0.019	7.0%	0.036	7.0%	0.051	7.0%	0.055	7.0%	0.056	7.0%	0.057	7.0%	0.058	7.0%	0.059	7.0%	0.060	7.0%
TOTAL MANAGEMENT FEES	0.019	3.0%	0.062	4.3%	0.091	5.0%	0.113	5.4%	0.121	5.5%	0.124	5.5%	0.126	5.5%	0.129	5.5%	0.131	5.5%	0.134	5.5%
INCOME BEFORE FIXED CHARGES	-0.186	-30.1%	0.247	17.0%	0.481	26.4%	0.671	32.4%	0.725	32.6%	0.739	32.6%	0.754	32.6%	0.769	32.6%	0.785	32.6%	0.800	32.6%
FIXED COSTS																				
Insurance	0.016	2.6%	0.016	1.1%	0.017	0.9%	0.017	0.8%	0.017	0.8%	0.018	0.8%	0.018	0.8%	0.018	0.8%	0.019	0.8%	0.019	0.8%
Property Tax	0.091	14.8%	0.093	6.4%	0.095	5.2%	0.097	4.7%	0.099	4.4%	0.101	4.4%	0.103	4.4%	0.105	4.4%	0.107	4.4%	0.109	4.4%
Service Charge	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	0.107	17.4%	0.109	7.5%	0.111	6.1%	0.114	5.5%	0.116	5.2%	0.118	5.2%	0.121	5.2%	0.123	5.2%	0.125	5.2%	0.128	5.2%
NET OPERATING INCOME	-0.293	-47.5%	0.138	9.5%	0.369	20.3%	0.558	26.9%	0.609	27.4%	0.621	27.4%	0.634	27.4%	0.646	27.4%	0.659	27.4%	0.672	27.4%
RESERVE																				
Capital Renewal / FF&E Reserve	0.019	3.0%	0.044	3.0%	0.055	3.0%	0.062	3.0%	0.067	3.0%	0.068	3.0%	0.069	3.0%	0.071	3.0%	0.072	3.0%	0.074	3.0%
EBITDAR	-0.312	-50.5%	0.094	6.5%	0.315	17.3%	0.496	23.9%	0.542	24.4%	0.553	24.4%	0.564	24.4%	0.575	24.4%	0.587	24.4%	0.599	24.4%
Rent Payable	0.250	40.5%	0.515	35.5%	0.515	28.3%	0.515	24.8%	0.515	23.2%	0.515	22.7%	0.515	22.3%	0.515	21.8%	0.592	24.6%	0.592	24.1%
Rent Receivable	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
EBITDA	-0.562	-91.0%	-0.421	-29.0%	-0.200	-11.0%	-0.019	-0.9%	0.027	1.2%	0.038	1.7%	0.049	2.1%	0.060	2.6%	-0.005	-0.2%	0.007	0.3%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-0.275	-44.5%	0.200	13.8%	0.460	25.3%	0.671	32.3%	0.730	32.8%	0.745	32.8%	0.760	32.8%	0.775	32.8%	0.790	32.8%	0.806	32.8%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.



HOTEL PROJECTED CASHFLOW: Thistle Express Luton

EXISTING VALUATION

Discount Rate	19.00%
Exit Capitalisation Rate	17.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 19.00%	NPV £
1	2021	-0.562	0.8403	-0.472
2	2022	-0.421	0.7062	-0.297
3	2023	-0.200	0.5934	-0.119
4	2024	-0.019	0.4987	-0.010
5	2025	0.027	0.4190	0.011
6	2026	0.038	0.3521	0.013
7	2027	0.049	0.2959	0.015
8	2028	0.060	0.2487	0.015
9	2029	-0.005	0.2090	-0.001
10	2030	0.007	0.1756	0.001
TOTAL NPV YEARS 1 - 10		-1.023		-0.843

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	0.007
Capitalisation Multiple at 17.00%	5.882
Years	64.800
PV 10 years at 19.00%	0.176
TOTAL YEAR 10 EXIT £	0.007

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	-0.843
NPV Yr 10 Exit Value £	0.007
TOTAL NPV £	-0.836

VALUATION

Market Value (Gross) £	(835,527)
Refurbishment/Capex £	0
Market Value £	(835,527)
Purchaser Costs	0
Market Value (Net) £	(835,527)
MARKET VALUE £	(835,527)
Value Per Bedroom £	(5,263)



HOTEL PROJECTED CASHFLOW: Thistle Express Swindon

Property Ref:	15	Market Value:	(400,000)
Property Name:	Thistle Express Swindon	MV per Key:	(4,211)
Tenure:	Leasehold	Cap Rate:	17.00%
Unexpired Term:	58.6	Discount Rate:	19.00%
		Inflation:	2.00%

YEAR	2021		2022		2023		2024		2025		2026		2027		2028		2029		2030	
PROPERTY DETAILS																				
Number of Bedrooms	95		95		95		95		95		95		95		95		95		95	
Number of Available Room Nights	34,675		34,675		34,675		34,675		34,675		34,675		34,675		34,675		34,675		34,675	
Number of Occupied Room Nights	10,403		20,805		24,273		25,660		25,660		25,660		25,660		25,660		25,660		25,660	
Occupancy Rate	30.0%		60.0%		70.0%		74.0%		74.0%		74.0%		74.0%		74.0%		74.0%		74.0%	
Average Room Rate (Actual Year Values) £	40.00		45.00		47.50		50.00		51.00		52.02		53.06		54.12		55.20		56.31	
RevPar (Revenue per Available Room) £	12.00		27.00		33.25		0.04		0.04		0.04		0.04		0.04		0.04		0.04	
	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%	£ 000,000	%
REVENUES																				
Rooms	0.416	95.4%	0.936	94.1%	1.153	93.5%	1.283	94.0%	1.309	94.0%	1.335	94.0%	1.362	94.0%	1.389	94.0%	1.417	94.0%	1.445	94.0%
Food & Beverage	0.010	2.3%	0.035	3.5%	0.050	4.1%	0.051	3.7%	0.052	3.7%	0.053	3.7%	0.054	3.7%	0.055	3.7%	0.056	3.7%	0.057	3.7%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Rental & Other Income	0.010	2.3%	0.024	2.4%	0.030	2.4%	0.031	2.2%	0.031	2.2%	0.032	2.2%	0.032	2.2%	0.033	2.2%	0.034	2.2%	0.034	2.2%
TOTAL REVENUE	0.436	100.0%	0.995	100.0%	1.233	100.0%	1.365	100.0%	1.392	100.0%	1.420	100.0%	1.448	100.0%	1.477	100.0%	1.507	100.0%	1.537	100.0%
DEPARTMENTAL EXPENSES																				
Rooms	22.0		20.3		18.1		18.0		0.471		0.481		0.490		0.500		0.510		0.520	
Food & Beverage	0.012	120.0%	0.039	110.0%	0.050	100.0%	0.051	100.0%	0.052	100.0%	0.053	100.0%	0.054	100.0%	0.055	100.0%	0.056	100.0%	0.057	100.0%
Meetings & Events	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.007	70.0%	0.017	70.0%	0.021	70.0%	0.021	70.0%	0.022	70.0%	0.022	70.0%	0.023	70.0%	0.023	70.0%	0.024	70.0%	0.024	70.0%
TOTAL DEPARTMENTAL COSTS	0.248	56.8%	0.477	47.9%	0.509	41.3%	0.534	39.2%	0.545	39.2%	0.556	39.2%	0.567	39.2%	0.578	39.2%	0.590	39.2%	0.602	39.2%
GROSS OPERATING INCOME	0.188	43.2%	0.519	52.1%	0.724	58.7%	0.830	60.8%	0.847	60.8%	0.864	60.8%	0.881	60.8%	0.899	60.8%	0.917	60.8%	0.935	60.8%
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	0.109	25.00%	0.119	12.0%	0.136	11.0%	0.136	10.0%	0.139	10.0%	0.142	10.0%	0.145	10.0%	0.148	10.0%	0.151	10.0%	0.154	10.0%
Sales & Marketing	0.061	14.00%	0.065	6.5%	0.065	5.3%	0.068	5.0%	0.070	5.0%	0.071	5.0%	0.072	5.0%	0.074	5.0%	0.075	5.0%	0.077	5.0%
Property Operations & Maintenance	0.078	18.00%	0.085	8.5%	0.089	7.3%	0.096	7.0%	0.097	7.0%	0.099	7.0%	0.101	7.0%	0.103	7.0%	0.105	7.0%	0.108	7.0%
Utilities	0.078	18.00%	0.090	9.0%	0.092	7.5%	0.109	8.0%	0.111	8.0%	0.114	8.0%	0.116	8.0%	0.118	8.0%	0.121	8.0%	0.123	8.0%
Other	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%	0.000	0.00%
TOTAL UNDISTRIBUTED EXPENSES	0.327	75.00%	0.358	36.0%	0.382	31.0%	0.409	30.0%	0.418	30.0%	0.426	30.0%	0.434	30.0%	0.443	30.0%	0.452	30.0%	0.461	30.0%
FRANCHISE FEES																				
Franchise Fee	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
TOTAL FRANCHISE FEES	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%	0.0	0.0%
GROSS OPERATING PROFIT (GOP)	-0.139	-31.8%	0.160	16.1%	0.342	27.7%	0.421	30.8%	0.429	30.8%	0.438	30.8%	0.447	30.8%	0.456	30.8%	0.465	30.8%	0.474	30.8%
MANAGEMENT FEES																				
Base Management Fee	0.013	3.0%	0.030	3.0%	0.037	3.0%	0.041	3.0%	0.042	3.0%	0.043	3.0%	0.043	3.0%	0.044	3.0%	0.045	3.0%	0.046	3.0%
Management Incentive Fee	0.000	7.0%	0.009	7.0%	0.021	7.0%	0.027	7.0%	0.027	7.0%	0.028	7.0%	0.028	7.0%	0.029	7.0%	0.029	7.0%	0.030	7.0%
TOTAL MANAGEMENT FEES	0.013	3.0%	0.039	3.9%	0.058	4.7%	0.068	4.9%	0.069	4.9%	0.070	4.9%	0.072	4.9%	0.073	4.9%	0.075	4.9%	0.076	4.9%
INCOME BEFORE FIXED CHARGES	-0.152	-34.8%	0.121	12.2%	0.283	23.0%	0.353	25.9%	0.360	25.9%	0.368	25.9%	0.375	25.9%	0.383	25.9%	0.390	25.9%	0.398	25.9%
FIXED COSTS																				
Insurance	0.027	6.2%	0.028	2.8%	0.028	2.3%	0.029	2.1%	0.029	2.1%	0.030	2.1%	0.030	2.1%	0.031	2.1%	0.032	2.1%	0.032	2.1%
Property Tax	0.057	13.0%	0.058	5.8%	0.059	4.8%	0.060	4.4%	0.061	4.4%	0.063	4.4%	0.064	4.4%	0.065	4.4%	0.067	4.4%	0.068	4.4%
Service Charge	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
Other	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
TOTAL FIXED COSTS	0.084	19.2%	0.085	8.6%	0.087	7.1%	0.089	6.5%	0.091	6.5%	0.093	6.5%	0.094	6.5%	0.096	6.5%	0.098	6.5%	0.100	6.5%
NET OPERATING INCOME	-0.236	-54.1%	0.036	3.6%	0.2	15.9%	0.3	19.4%	0.3	19.4%	0.3	19.4%	0.3	19.4%	0.3	19.4%	0.3	19.4%	0.3	19.4%
RESERVE																				
Capital Renewal / FF&E Reserve	0.013	3.0%	0.030	3.0%	0.037	3.0%	0.041	3.0%	0.042	3.0%	0.043	3.0%	0.043	3.0%	0.044	3.0%	0.045	3.0%	0.046	3.0%
EBITDAR	-0.249	-57.1%	0.006	0.6%	0.159	12.9%	0.224	16.4%	0.228	16.4%	0.233	16.4%	0.237	16.4%	0.242	16.4%	0.247	16.4%	0.252	16.4%
Rent Payable	0.170	39.0%	0.170	39.0%	0.170	17.1%	0.200	16.2%	0.200	14.7%	0.200	14.4%	0.200	14.1%	0.200	13.8%	0.221	14.9%	0.221	14.7%
Rent Receivable	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%	0.000	0.0%
EBITDA	-0.419	-96.0%	-0.164	-16.5%	-0.011	-0.9%	0.024	1.7%	0.028	2.0%	0.033	2.3%	0.037	2.6%	0.042	2.8%	0.026	1.7%	0.031	2.0%
EBITDA with FF&E, Man. Fees & Head Rent added-back	-0.223	-51.1%	0.075	7.5%	0.254	20.6%	0.332	24.3%	0.339	24.3%	0.345	24.3%	0.352	24.3%	0.359	24.3%	0.367	24.3%	0.374	24.3%

The process of making forward projections involves assumptions relating to a large number of variables which are sensitive to changing conditions. A change in one or more of the variables may alter forecasts significantly and we cannot guarantee that these projections will be achieved and therefore we cannot accept responsibility in that event.

**HOTEL PROJECTED CASHFLOW: Thistle Express Swindon****EXISTING VALUATION**

Discount Rate	19.00%
Exit Capitalisation Rate	17.00%

YEARS 1-10 NPV CALCULATION

APPRAISAL YEAR	YEAR	EBITDA £	NPV Factor at 19.00%	NPV £
1	2021	-0.419	0.8403	-0.352
2	2022	-0.164	0.7062	-0.116
3	2023	-0.011	0.5934	-0.006
4	2024	0.024	0.4987	0.012
5	2025	0.028	0.4190	0.012
6	2026	0.033	0.3521	0.011
7	2027	0.037	0.2959	0.011
8	2028	0.042	0.2487	0.010
9	2029	0.026	0.2090	0.005
10	2030	0.031	0.1756	0.005
TOTAL NPV YEARS 1 - 10		-0.514		-0.407

CAPITALISATION OF YEAR 10 EBITDA

Year 10 EBITDA £	0.031
Capitalisation Multiple at 17.00%	5.879
Years	48.600
PV 10 years at 19.00%	0.176
TOTAL YEAR 10 EXIT £	0.032

TOTAL NPV

Total NPV Yrs 1 - 10 EBITDA £	-0.407
NPV Yr 10 Exit Value £	0.032
TOTAL NPV £	-0.375

VALUATION

Market Value (Gross) £	(375,153)
Refurbishment/Capex £	0
Market Value £	(375,153)
Purchaser Costs	0
Market Value (Net) £	(375,153)

MARKET VALUE £	(405,800)
Value Per Bedroom £	(4,211)

CBRE VALUATION & ADVISORY SERVICES

APPRAISAL REPORT

MOLOKAI RANCH REAL PROPERTY PORTFOLIO
CENTRAL AND WEST MOLOKAI
MAUNALOA, HAWAII 96770
CBRE GROUP, INC. FILE NO. 21-251PS-0447-1

GL LIMITED

CBRE

February 8, 2021

Mr. Kiam Pin Tay
GL LIMITED
1 Wallich Street #15-02
Singapore 078881

RE: Appraisal of: Molokai Ranch Real Property Portfolio
Central and West Molokai
Maunaloa, Maui County, Hawaii
CBRE, Inc. File No. 21-251PS-0447-1

Dear Mr. Tay:

At your request and authorization, CBRE, Inc. has prepared a market value desktop update appraisal of the real property interests of Molokai Properties Limited "MPL" located on the island of Molokai, State of Hawaii. Our analysis is presented in the following portfolio style Appraisal Report.

The subject properties are categorized by "Asset Use Groups" on the following table (Value Summary). The individual properties, comprising approximately 54,485.721 acres, have been analyzed according to attributes and use potentials as detailed in the subsequent individual asset group summary sections within the body of the report. The aggregate value reported herein is the sum of the estimated market values of the individual parcels and groupings. The bulk portfolio value range reported reflects the as is market value under the assumption of a bulk sale to a single purchaser.

The effective date of value is February 1, 2021. Properties were not re-inspected for purposes of this update but were analyzed via aerial photographs and Geographic Information Systems (GIS) data.

The intended user of this appraisal is GL Limited, with the intended use being to determine value for a voluntary conditional offer by GuocoLeisure Holdings Limited for all issued ordinary shares in the capital of GL Limited (the "Transaction"). This letter must remain attached to the accompanying portfolio style narrative Appraisal Report in order for the value opinion set forth to be valid.

CBRE has previously appraised the subject property with the most recent full portfolio valuation completed as of June 30, 2020. This assignment incorporates known changes that have been made to be portfolio since our previous 2020 evaluation.

Consistent with our June 30, 2020 valuation, our current report does not extraordinarily assume the implementation of a renewed vision for Molokai Ranch by the current or a prospective buyer of the assets that will stimulate economic growth and re-establish consumer confidence in the area, including the reopening of the hotel and Kaluakoi golf course properties. This valuation recognizes that there are no immediate plans to renovate/redevelop the Kaluakoi Hotel, either as a hotel, a destination hospitality, or a resort facility, e.g. timeshare or condominium. Similarly, there are no current plans to reopen the golf course or visitor-oriented ranch operations. Reopening these facilities will be integral to the success of the area, the value of the Kaluakoi Resort and surrounding expansion lands. Due to the lack of any plans to develop the Kaluakoi Resort lands, the current report excludes the \$8,000,000 deduction for the development of a desalinization plant, which was intended to supplement existing water rights and support future development of these lands.

Based on our research and analysis, and subject to the limiting conditions and assumptions outlined in the body of this report, the aggregate retail value and market value of the subject portfolio are concluded as follows:

MARKET VALUE CONCLUSION			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Aggregate Retail Value of Properties	Fee Simple Estate	February 1, 2021	\$201,000,000
Bulk Value to a Single Purchaser	Fee Simple Estate	February 1, 2021	\$50,000,000 to \$100,000,000

Compiled by CBRE

The following table summarizes the valuation conclusions for each asset use group comprising the aggregate retail value of the portfolio.

As of the date of value and the date of this report, the nation, region, and market area are impacted by the COVID-19 pandemic. This could have a prolonged effect on macroeconomic conditions, though at this time the length of duration is unknown. The perceived impact on real estate varies on several factors including asset class, use, tenancy, and location. Our analysis considers available information as of the effective date.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

MOLOKAI PROPERTIES LIMITED AGGREGATE PORTFOLIO VALUE		
Island of Molokai, Hawaii		
Asset Use Group	Land Area Acres	Concluded Aggregate Values
West Agricultural Lands	42,217.697	\$85,455,000
Central Agricultural Lands	2,590.268	\$5,181,000
Southeast Agricultural Lands	3,554.388	\$7,109,000
Independent Conservation Lands	4,116.740	\$2,881,700
Kaunakakai and Maunaloa Commercial Properties	28.825	\$8,681,000
Kualapuu and Maunaloa Industrial Properties	84.751	\$10,943,000
Maunaloa Residential Properties	21.502	\$4,358,000
Residential Potential Urban Expansion lands	294.992	\$10,035,000
Kaluakoi Interior Resort Lands	176.015	\$20,659,000
Kaluakoi Oceanfront Resort Land	100.575	\$12,050,000
Kaluakoi Interior Expansion Lands	38.807	\$440,000
Papohaku Ranch Lots and Kaupoa Beach Camp	841.959	\$10,510,000
Maunaloa and Kaluakoi Hotel Properties	28.924	\$13,870,000
Kaluakoi and Ironwood Golf Courses	222.327	\$3,380,000
Infill Lots	1.904	\$384,000
Contributory Value of Telecommunication Licenses	--	\$5,314,000
Contributory Value of of Other Lease Agreements	--	\$90,000
Properties with No Market Value	166.047	\$0
Aggregate Value of Individual Properties Reported in Asset Group	54,485.721	\$201,340,700
	Rounded	<u>\$201,000,000</u>
Concluded Portfolio Bulk Discount		50% to 75%
Concluded Bulk Value To A Single Purchaser		<u>\$50,000,000 to \$100,000,000</u>

Compiled by CBRE

Mr. Kiam Pin Tay
February 8, 2021
Page 4

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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State of Hawaii Certified General Appraiser
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Certification

I certify to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, 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 this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Hawaii.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Jeff Hallstrom and Nathan Alexander both have completed the continuing education program for Designated Members of the Appraisal Institute.
11. As of the date of this report, Kody Mento and Jazmin Rodrigues have completed the Standards and Ethics Education Requirements for Candidates/Practicing Affiliates of the Appraisal Institute.
12. Jeff Hallstrom and Nathan Alexander have not made a personal inspection of the property that is the subject of this report for this update assignment.
13. Kody Mento and Jazmin Rodriguez provided significant real property appraisal assistance to the persons signing this report.
14. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
15. Jeff Hallstrom, Nathan Alexander, Kody Mento and Jazmin Rodrigues have provided services, as appraisers or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

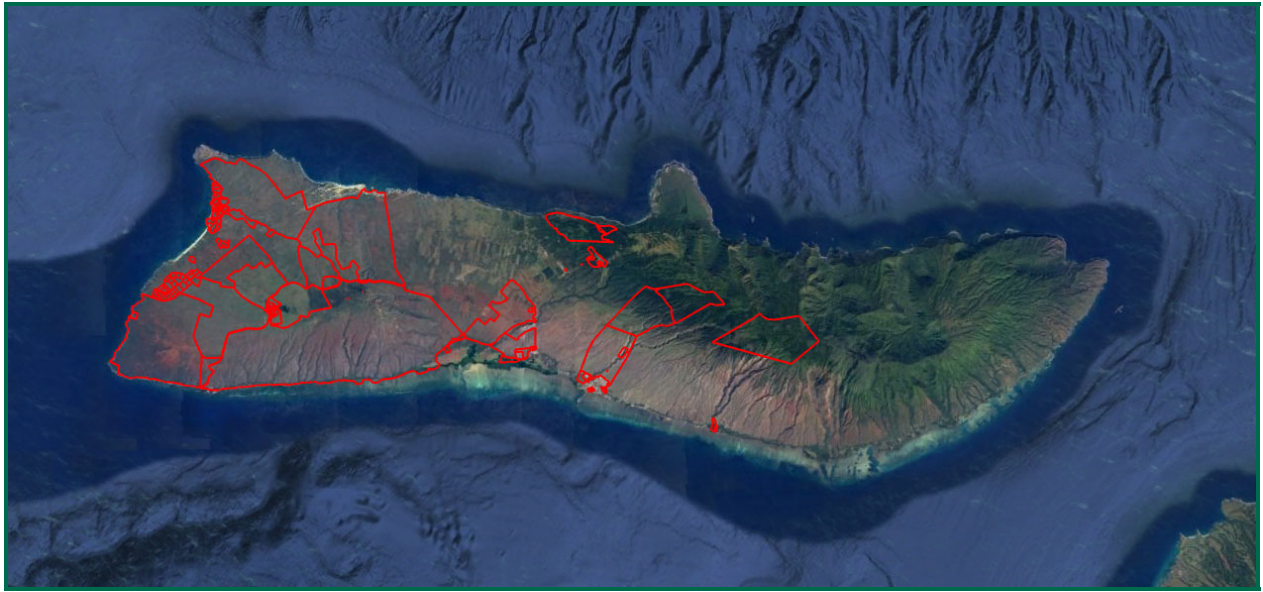


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Subject Photographs



Aerial of MPL's Portfolio of Properties

The following photos were taken by the appraisers on July 8, 2020.



Kaunakakai Lands



Existing Warehouse near Lodge



Rodeo Facility near Maunaloa



Vacant Maunaloa Commercial Lot



Shuttered Kaluakoi Hotel Structures



Shuttered Kaluakoi Hotel Structures



Beachfront at Kaluakoi Hotel Site



Abandoned Kaluakoi Golf Course



Kakaako Road



Ironwood Golf Course

Executive Summary

This appraisal estimates the fee simple and leased fee market values of Molokai Properties Limited's (MPL) agricultural, conservation, commercial, industrial, residential, preservation, and resort zoned properties located throughout the Island of Molokai. These holdings are a mix of vacant and improved properties with a variety of uses, many of which are currently encumbered by ground leases.

Property Name	Molokai Ranch Real Property Portfolio
Location	Central and West Molokai Maunaloa, Maui County, HI 96770
Hawaii Tax Map Key	Detailed in Individual Asset Groups
Primary Land Area	54,485.721 AC
Property Rights Appraised	Fee Simple and Leased Fee Interests
Client	GL Limited
Estimated Exposure & Marketing Time	1 to 3 Years
Buyer Profile	Investor - Regional

Comprising approximately 54,485.721 acres, MPL's holdings are predominantly located in West Molokai around Maunaloa Village and within the Kaluakoi Resort. Additional industrial and commercial properties, and several thousand acres of agricultural lands are situated in Central and Southeast Molokai adjacent to Kaunakakai and Kualapuu, respectively. The underlying State Land Use classifications and County zonings for the MPL acreage include commercial, residential, hotel, industrial and agricultural land uses.

MOLOKAI PROPERTIES LIMITED AGGREGATE PORTFOLIO VALUE
Island of Molokai, Hawaii

Asset Use Group	Land Area Acres	Concluded Aggregate Values
West Agricultural Lands	42,217.697	\$85,455,000
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	Rounded	<u>\$201,000,000</u>
Concluded Portfolio Bulk Discount		50% to 75%
Concluded Bulk Value To A Single Purchaser		<u>\$50,000,000 to \$100,000,000</u>

Compiled by CBRE

The individual assets are summarized by tax map key parcels in their asset groups.

Several tangible and intangible characteristics make the Molokai Ranch portfolio truly unique. Its nearly 55,000 acres, much of which is contiguous, comprise roughly one-third of a major Hawaiian island, and encompass a variety of land uses overly diverse relative to the traditional portfolio, including vacant residential house lots; improved single family homes; two closed hotel properties; hundreds of acres of resort and resort expansion lands; vacant industrial and commercial lots; numerous older commercial buildings including a restaurant and theater; two golf courses, one of which is abandoned; ground leased fee interests in single family homes and an affordable housing village; numerous 20-plus-acre ranch lots; an oceanfront residential lot; various infill and residential expansion lands; and over 50,000 acres of agricultural and

conservation land – as a sampling. The portfolio’s Molokai location is also unique, as the island is largely without a central investment-enticing industry or economic driver and has a small population base that is reticent to significant cultural shifts. The portfolio was once an active ranch and tourism operation with two hotels and golf courses and a growing support community. However, for over a decade the Molokai Ranch operations have been shut down and many of the portfolio properties shuttered. As a result, the area has stagnated. With ongoing investment and community partnership, the portfolio’s trajectory may have been very different.

The uniqueness and diversity of the portfolio has the potential to attract a range of potential buyers, including 1) Investors who would attempt to sell-off the various lots and asset groups over time for a profit, 2) Wealthy individuals who would acquire the portfolio as a trophy property, have the bragging rights of owning one-third of a major Hawaiian island, and oversee its management as a pet project, 3) Visionary investors who would endeavor to revitalize the ranch, camps, hotel, and golf operations for long-term stability and growth, 4) Ranchers and farmers to whom the 50,000+ acres of agricultural and conservation land appeal as an untapped resource, and 5) Those who would land bank the property waiting for a change in the market cycle, the island’s economic climate, and local sentiment. The challenges and opportunities awaiting a potential buyer were echoed in the variety of market participant responses and opinions we received relative to a conceptual bulk sale of the portfolio. There is wide range of potential buyers with a diversity of motivations and investment criteria.

COVID-19 WARNING STATEMENT- MARKET UNCERTAINTY CLAUSE

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization as a “Global Pandemic” on the 11th March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries. Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this portfolio under frequent review. 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.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”¹

- Our value conclusions assume each property, or the portfolio in bulk, is professionally marketed over a reasonable period of time.
- The properties valued in this report were evaluated based on information supplied by MPL and our research of public and private databases. We have not examined title reports and assume MPL owns and/or leases the properties identified herein as of the effective date of the value.
- For those properties encumbered by leases, the appraisers have reviewed lease information provided by MPL, the majority of which was provided in tabular format. This appraisal is subject to the extraordinary assumption that the information provided was accurate.
- No value was assigned to the once-envisioned La'au Point development project as it previously was and is still perceived to be a source of significant community opposition.
- It is assumed the physical condition of the property on February 1, 2021, the effective date of value, was the same as existed at the time of the appraiser’s July 8, 2020 site visit.

The use of these extraordinary assumptions may have affected the assignment results.

HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purposes of analysis.”²

- None noted

OWNERSHIP AND PROPERTY HISTORY

Title to the subject properties are held by various entities related to Molokai Properties Limited. The fee owner to each property is identified subsequently in their respective groupings. Kaluakoi Real Estate LLC, Kaluakoi Land LLC, and Cooke Land Company, Inc. are subsidiaries of Molokai Properties Limited. Kaluakoi Golf Course LLC and Kaluakoi Residential LLC are subsidiaries of Kaluakoi Land LLC. A number of the Papohaku ranch lots are held under Molokai Acquisition LLC.

Maunaloa Vistas is leased to Maunaloa Vistas Limited Partnership. Nani Maunaloa is leased to the Maunaloa Housing LLC.

There have been no known sales of the subject properties in the past three years. The ranch was offered for sale in September 2017 through Sotheby’s on a bulk basis at an asking price of \$260

¹ The Appraisal Foundation, *USPAP, 2020-2021*

² The Appraisal Foundation, *USPAP, 2020-2021*

million. After a couple of years, the listing was withdrawn. The owner reports the property remains for sale, but it is not actively listed.

PRIOR APPRAISAL

CBRE and The Hallstrom Group has previously appraised MPL's individual real estate assets, most recently with an effective date of value of June 30, 2020. There have been no reported changes to the properties' acreage or use since our prior appraisal.

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Scope of Work

The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and Rule 26 of the Singapore Code of Take-overs and Mergers. This Appraisal Report is intended to comply with the reporting requirements set forth under Standards Rule 2 of USPAP. The scope of the assignment relates to the extent and manner in which research is conducted, data is gathered, and analysis is applied.

INTENDED USE OF REPORT

This appraisal is to be used to determine property value for a voluntary conditional offer by GuocoLeisure Holdings Limited for all issued ordinary shares in the capital of GL Limited, and no other use is permitted. The appraisers are not responsible for unauthorized use of this report.

INTENDED USER OF REPORT

This appraisal is to be used by our client GL Limited, represented by Mr. Kiam Pin Tay and no other user may rely on our report unless as specifically indicated in the report.

Intended Users - the intended user is the person (or entity) who the appraiser intends will use the results of the appraisal. The client may provide the appraiser with information about other potential users of the appraisal, but the appraiser ultimately determines who the appropriate users are given the appraisal problem to be solved. Identifying the intended users is necessary so that the appraiser can report the opinions and conclusions developed in the appraisal in a manner that is clear and understandable to the intended users. Parties who receive or might receive a copy of the appraisal are not necessarily intended users. The appraiser's responsibility is to the intended users identified in the report, not to all readers of the appraisal report.³

We consent, subject to approval of the prospectus by outside counsel, to the appraisal being mentioned/included in the circular to shareholders and/or made available for shareholders' inspection in compliance with Rule 26 of The Singapore Code on Take-overs and Mergers.

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to estimate market values of the individual fee simple or leased fee interests, as applicable, in the subject properties. This appraisal opines the aggregate retail value of the individual parcels and groupings, and the portfolio's as is value under the assumption of a bulk sale to a single purchaser.

³ Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), 50.

DEFINITION OF VALUE

Market Value is defined as:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.⁴

INTEREST APPRAISED

The value estimated represents the fee simple and leased fee, as defined below:

Fee Simple Estate - Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.⁵

Leased Fee Interest - The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.⁶

Extent to Which the Property is Identified

The properties are identified through the following sources:

- postal addresses
- assessor's records
- legal descriptions
- past appraisals

Extent to Which the Property is Inspected

The subject properties were not reinspected for this desktop update appraisal. A personal inspection of the properties that are accessible by vehicle was last completed by Nathan Alexander on July 8, 2020. Properties were further analyzed via aerial photographs and Geographic Information Systems (GIS) data.

Type and Extent of the Data Researched

CBRE reviewed the following:

- applicable tax data
- aerial photographs and maps
- property data from online government and private subscription services
- zoning requirements
- flood zone status
- demographics
- client provided subject data

⁴ Appraisal Institute, *The Appraisal of Real Estate*, 14th ed. (Chicago: Appraisal Institute, 2013), 58.

⁵ Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), 90.

⁶ *Dictionary of Real Estate Appraisal*, 128.

- comparable transactions

Type and Extent of Analysis Applied

CBRE, Inc. analyzed the data gathered through the use of appropriate and accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.

In the course of the assignment, the following scope of work was completed:

- Reviewed lease summaries or lease documents provided by MPL.
- Formed conclusions regarding the highest and best use of the various subject properties.
- Researched sales of comparable properties by zoning on the island of Molokai and elsewhere in the State.
- Completed sales comparison analyses for the individual subject sites and grouped assets to derive value estimates for individual properties, which are combined into asset groups.
- Valued the leased fee interests in those subject properties encumbered by long-term leases (in excess of one year).
- Researched and opined the discount associated with a bulk sale to a single purchaser.
- Prepared this appraisal report.

OVERVIEW OF REPORT FORMAT

The subject properties have been valued and/or reported within 18 major headings as outlined in the Table of Contents. Each section addresses multiple properties that have been categorized by use and/or physical location.

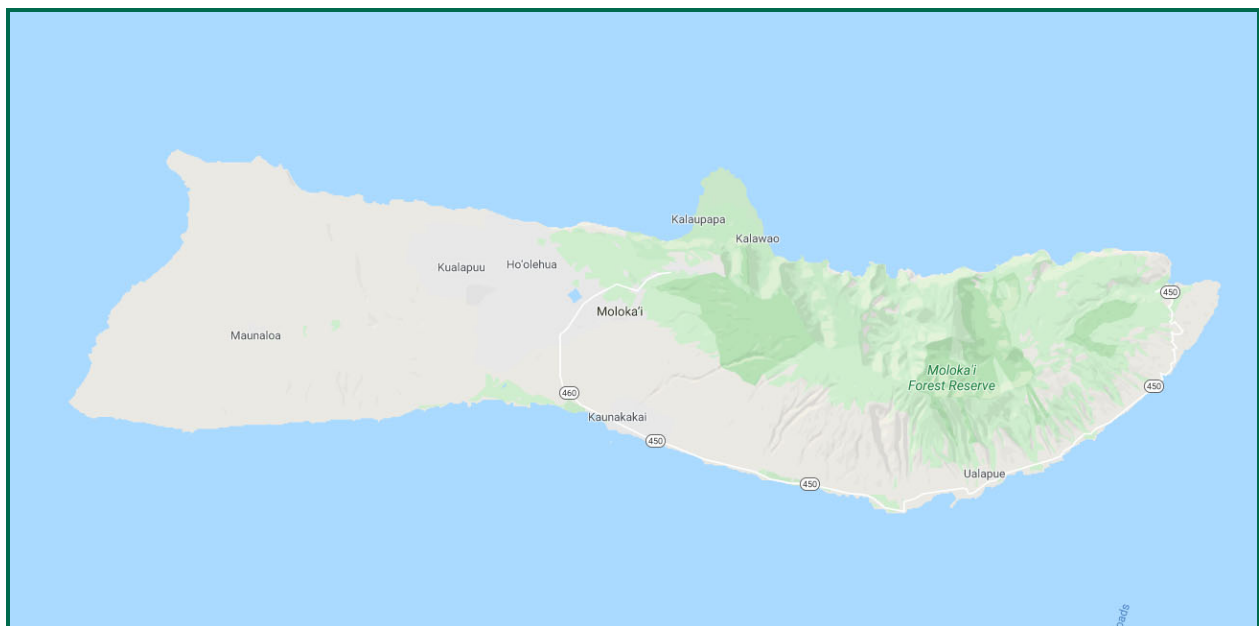
Each subsection addresses the following: identification, property data, property description, ground lease summaries, description of the land and improvements (if applicable) and valuation. Limited description of the properties is presented in summary format and accompanied by aerial photographs and tax maps.

Individual market value conclusions were presented on the table in the Summary of Conclusions section. The methodologies applied and details used in estimating the fee simple value conclusions are identified and summarized tabularly in each subsection.

The market values of MPL's interests in the individual properties are summed to report the aggregate value of MPL's portfolio of real estate interests. Per client request, a bulk value for the portfolio was also researched and opined.

Area Analysis

The island of Molokai is the fifth largest island in the Hawaiian archipelago. Located roughly 20 miles (20 minutes by air) east of Honolulu, the capitol of the State of Hawaii, Molokai encompasses approximately 165,800 acres. The island is 38 miles long and, at its widest point, is ten miles wide. The island is split into two distinct geographical areas being West Molokai (Mauna Loa) and East (Wailau). The western half is an arid plateau rising to about 400 feet above sea level with a history of diversified agriculture and tourism land use. The eastern half is rugged and less assessable with rainforests, dramatic gorges, and some of the world's highest sea cliffs, spilling more than 3,000 feet into ocean. Numerous Hawaiian fishponds are located along the coastline of southeast Molokai, along with other historical sites.



Molokai is one of the last underdeveloped and unexploited major islands in Hawaii. The physical diversity of landforms, its proximity to Oahu, and the acknowledged need for economic stimulus in the community make the island a "blank slate" with the potential for agricultural and planned development consistent with the island's development goals. This development has not occurred within the last two decades, not due to lack of interest, but from lack of economic stimulus, inefficient inter and intra island transportation networks, and community opposition to development. Past attempts to diversify and grow the economy have been stalled by Molokai's small population, its isolation from world markets, and resistance to change from some residents in favor of a rural lifestyle and cultural preservation. The island's economic base was significantly eroded with the shutdown of Molokai Ranch in March 2008 resulting in the layoff of more than 120 employees.

The island's largest town is Kaunakakai. The center of population and commercial activity, Kaunakakai is located near the middle of the island along its south coast. The town area consists

of a main street (approximately two blocks in length) and ancillary roads lined with small shops providing basic essentials to the community such as food, gas, and hardware; governmental, fire, police; and financial, professional and medical services. It is surrounded by recreational facilities, residential development, and large tracts of undeveloped land.

Located between Maunaloa and Kaunakakai is the community of Kualapuu, and rural Hawaiian homestead settlements of Hoolehua and Kalamaula. From Kaunakakai eastward, the settlement becomes more rural and scattered as it extends toward the lush tropical valley of Halawa, where the road ends at the eastern tip of the island.

Ohana by Hawaiian and Mokulele airlines all provide several daily flights to Ho'olehua (Kaunakakai) airport on Molokai, from the Daniel K. Inouye International Airport on Oahu. Makani Kai Air, which recently merged with Mokulele, offers additional service to the Kalaupapa Airport on Molokai and interisland flights to Maui (Kahului), which is the County seat. Molokai's harbor at Kaunakakai is its principal seaport for interisland barge transports, and private and commercial passenger traffic, including a ferry service to Maui.

Molokai Ranch has been the major landowner on the island, owning approximately one-third of the island, most of which is contiguous. Its holdings are primarily located in the western half of the island with pockets of properties situated in central Molokai. The ranch originated in 1897 following the purchase of about 70,000 acres by American Sugar Company, made up of a group of Honolulu businessmen. Charles M. Cooke, one of the partners in American Sugar Company, eventually bought out his partners and acquired the ranch in 1908. Under the guidance of his son George P. Cooke as manager, the ranch evolved into the second largest in the state. During the 35 years the property was managed and operated by the Cooke's, water systems were expanded and various forms of agriculture were tested including honey production, cattle ranching, sugar, sweet potatoes and pineapple.

The western end of Molokai, being the dryer and sunnier side of the island with expansive white sand beaches, was logically the preferred location for the development of tourist facilities. With the opening of the 198-room Kaluakoi Resort under a Sheraton Hotel flag in 1977, west Molokai's community experienced expanded economic development beyond its historic agrarian land uses. Various development visions included the creation of a resort destination comprised of hotels, condominium apartments, single-family residential lots, commercial areas, and recreational facilities. The Kaluakoi Hotel and nearby condominiums initially set the destination aspect of the budding resort development by offering tourist services and amenities competitive with standards not previously available on the island. An 18-hole championship golf course, lighted tennis courts, and other recreational facilities situated adjacent to the long white-sand Kepuhi Beach created a niche for tourists and second home activity on Molokai and the Kaluakoi Resort area.

One of the more unusual undertakings of the ranch was the opening of an environmental wildlife park about one year after the Kaluakoi Resort opened. The ranch manager believed physical

conditions in West Molokai were similar to East Africa and stocked the park with a broad array of unique animals including giraffe, zebra, various types of sheep and deer. Safari-like tours were operated by the ranch for almost 20 years until the park's closure in 1997.

In 1987, the Cooke family sold its interests in the ranch to Brierly Investments Lt., which changed its name to BIL International and eventually to Guoco Leisure Ltd. in 2007. During the 1990s, the ranch's activities were expanded to embrace tourism as its revitalized economic base. The town of Maunaloa was restored to include a movie theatre, a small retail complex, the luxury 22-room Molokai Lodge, first class rodeo facilities, new residential development, and several different types of tenting experiences known as the Molokai Ranch Tentals.

About ten years after opening, the Kaluakoi Hotel and golf course were sold to Kukui Resort, Inc., a subsidiary of Japan based Tokyo Kosan, Ltd. Colony Hotels became the manager, but the quality of the hotel gradually diminished and ultimately closed in 2001. Molokai Ranch acquired the hotel and golf course in 2002, and by 2005, had fully restored and reopened the golf course.

In 2006, Molokai Ranch announced it would renovate the hotel as part of a master development plan that included the sale of approximately 200 luxury homesites along La'au Point, a picturesque strip of beachfront land along the southwestern tip of the island. Local opposition to the La'au development plan was intensive and led to the abandonment of the project and the eventual shutdown of Molokai Ranch, the island's largest employer at that time, at the end of March 2008.

In May 2012, Molokai Ranch announced new leadership, who had a renewed vision for the ranch with an emphasis in operating to strengthen its relationship with the local community, and explored new agricultural, motion picture, recreational uses, energy production, and other uses for the Molokai Lodge and former Kaluakoi Resort Hotel. While these activities created some regional publicity, they did not result in the sufficient economic stimulus to reinvigorate the local Molokai economy. Since, the MPL holdings have sat shuttered, abandoned and deteriorating, with minimal maintenance over the past 8 years.

Water has historically been a controversial issue on Molokai. MPL has the right to extract water from Well 17 in Kualapuu and transport it from the central region to the west end of the island for Maunaloa Town and Kaluakoi. This has been one of the core issues causing local protest to the ranch's operation and potential expansion. To mitigate this derisive issue, MPL recently completed a major water project reportedly costing nearly \$8.5 million that upgrades MPL's water system. It involved the primary well facility (Well 17) serving MPL holdings, including the addition of four new steel tanks and nearly 11,000 linear feet of transmission mains. Having a total capacity of over 3.5 million gallons per day, the improved well facility provides flexibility with both the new and existing potable and non-potable water systems. It serves as the main groundwater source for MPL supplying approximately 1.018 million gallons per day of water (by permit) as well as two million gallons of storage. Potable water is conveyed through a series of pipes, pumps and tanks to customers of MPL's water utility subsidiaries in Kualapu`u town, Kalae,

Kipu, Manawainui/Industrial Park, Maunaloa town and Kaluakoi. It enables MPL to cease using the state-owned Molokai Irrigation System in its transmission of groundwater and surface water. General Manager Todd Svetin was instrumental in coordinating the completion of the water project.

DEMOGRAPHICS

Selected neighborhood demographics in 1-, 3-1 and 5-mile radii from the subject are shown in the following table:

SELECTED NEIGHBORHOOD DEMOGRAPHICS			
Central and West Molokai Maunaloa, HI 96770	1 Mile Radius	3 Mile Radius	20 Mile Radius
Population			
2025 Total Population	493	534	6,592
2020 Total Population	486	526	6,487
2010 Total Population	471	510	6,291
2000 Total Population	414	448	6,393
<i>Annual Growth 2020 - 2025</i>	0.29%	0.30%	0.32%
<i>Annual Growth 2010 - 2020</i>	0.31%	0.31%	0.31%
<i>Annual Growth 2000 - 2010</i>	1.30%	1.30%	-0.16%
Households			
2025 Total Households	142	157	2,243
2020 Total Households	140	154	2,211
2010 Total Households	138	152	2,178
2000 Total Households	116	127	2,069
<i>Annual Growth 2020 - 2025</i>	0.28%	0.39%	0.29%
<i>Annual Growth 2010 - 2020</i>	0.14%	0.13%	0.15%
<i>Annual Growth 2000 - 2010</i>	1.75%	1.81%	0.51%
Income			
2020 Median Household Income	\$38,739	\$38,921	\$50,071
2020 Average Household Income	\$60,805	\$60,885	\$70,886
2020 Per Capita Income	\$19,540	\$19,549	\$24,176
2020 Pop 25+ College Graduates	63	69	930
Age 25+ Percent College Graduates - 2020	20.9%	21.3%	21.0%
Source: ESRI			

Highest and Best Use

Highest and best use of a site or property occurs when its advantages are maximized, and disadvantages are minimized by the nature of its development, re-development or utilization. It is that use or uses which may be reasonably expected to yield the highest net return to the land over a given period of time. It must be legal and in compliance with the regulations and ordinances within the police power of the city, county, and state including health regulations, zoning ordinances, building code requirements, etc. When evaluating potential uses, consideration is given to the four elements of highest and best use. These include whether the use is physically possible, legally permissible, financially feasible, and maximally productive.

A highest and best use conclusion establishes the parameters for market value analyses, because it identifies the probable use and corresponding utility of a property. Accordingly, the valuation process is conducted based on this conclusion. Included in the determination of highest and best use is the consideration of the contribution of a specific use to the community and development goals as well as benefits to individual property owners.

Appraisal Methodology

In appraisal practice, an approach to value is included or omitted based on its applicability to the property type being valued and the quality and quantity of information available. The unencumbered fee simple and leased fee market values for the subject properties have been estimated using one of, or a combination of, the three approaches to value. Determination of the methodology used was property-specific and is addressed in the valuation sections of this report. The three principal methods of property valuation are described as follows:

Cost Approach

In this approach, the subject improvements are ascribed a value based upon their current cost of reproduction or replacement, less physical depreciation and obsolescence. The depreciated improvement value is added to land value which is estimated by sales comparison. For the Portfolio valuation, the cost approach was used in evaluating the contributory value of selected substantial buildings located in Maunaloa Village.

Sales Comparison Approach

This approach is based on the principle that the value of a property is governed by the prices generally being obtained for similar properties in the marketplace. Adjustments are made to compensate for differences between the comparable properties and the subject in order for them to serve as indicators of value. Sales comparison was applied in the valuation of vacant sites owned in fee simple by MPL and to establish property reversion for the holdings encumbered by ground leases.

Income Capitalization Approach

Under this approach, a property is valued in proportion to its ability to produce an income stream. Value is estimated by capitalizing (or discounting in case of a cash flow) annual rent income at a rate or rates commensurate with competitive investments or inherent ownership risk. The income approach was used to value the leased fee interests in properties encumbered by leases that are in excess of one year.

Valuation of the leased fee or lessor's interest via income analysis is accomplished by estimating the present value of the contract lease rents and adding to it the present value of the lessor's reversionary interest in the property. Property reversion was assumed to be the fee simple market value of the land escalated at three percent per annum to lease termination, identical to the methodology employed in deriving the applied market discount rates.

Methodology Applicable to the Subject

Determination of the methodology used was property-specific and is addressed in the valuation sections of this report.

Summary of Comparable Sales Data

The valuation of the fee simple interest in the Portfolio properties has entailed research on Molokai for appropriate comparable transaction data, as well as other neighbor islands as deemed necessary, depending on the type of property being analyzed. The comparables were selected based on recency of sale dates, and similarities to the subject properties in terms of location, zoning, use and physical characteristics. Comparables were confirmed by recorded documents and often with knowledgeable parties such as grantors, grantees, lessors, lessees or real estate brokers actively involved with the property.

The selected comparable land transactions drawn from our research of market activity and used in each subsection of the report are identified on the following tables.

LAND TRANSACTIONS SELECTED FOR DETAILED COMPARISON								
Molokai Ranch Properties								
Molokai, Hawaii								
Reference No.	Tax Map Key(s)	Highest & Best Use	Zoning	Land Area In Acres/S.F.	Transaction Date	Sales Price	Per Acre/S.F.	
Agriculture								
A-1	(3) 9-5-8-1	Agriculture	AG	1,609.027 AC	08-Jan-15	\$7,100,000	\$4,413	
A-2	(3) 6-8-01-24&63	Agriculture	A-5a	810.752 AC	06-Jul-16	\$7,000,000	\$8,634	
A-3	(3) 6-2-01-51; 6-2-13-19	Agriculture	A-5a	844.099 AC	05-Oct-16	\$6,300,000	\$7,464	
A-4	(3) 8-1-02-40; 8-2-12-12	Agriculture	A-20a	1,892.710 AC	19-Dec-16 & 1-Sep-17	13,499,999	\$7,133	
A-5	(3) 8-6-01-26,29,30	Agriculture	A-20a	3,245.639 AC	04-Apr-17	\$10,660,000	\$2,963	
A-6	(3) 4-7-7-11	Agriculture	A-40a	564.550 AC	09-Mar-18	\$3,320,000	\$5,881	
A-8	(3) 5-7-2-10+	Agriculture	A-20a	2,229.256 AC	19-Jun-19	\$9,203,081	\$4,128	
A-9	(3) 5-2 & 3 (Various)	Ag/Cons	A-20a/FR	7,104.466 AC	05-Jun-20	\$15,325,000	\$2,157	
A-10	(2) 5-6-5 to 7 (Various)	Ag/Cons	Ag/Cons	800.755 AC	10-Jan-20	\$3,190,000	\$3,984	
A-11	(2) 5-7-5-2 & 27	Ag/Cons	Ag/Cons	1,824.000 AC	Asking	\$3,999,999	\$2,193	
Conservation								
C-1	(4) 4-7-1-1 & (4) 4-7-2-5	Conservation	Open	2,517.440 AC	18-Feb-00	\$1,263,650	\$502	
C-2	(3) 2-5-1-1, 3, 7 & 10; (3) 2-5-2-3 (3) 2-5-8-1 & 9	Conservation	AG/Conservation	5,226.855 AC	02-Aug-02	\$2,500,000	\$478	
C-3	(3) 9-2-1-2; (3) 9-3-4-2 (por.)	Conservation	AG	21,689.000 AC	24-Jun-03	\$9,800,000	\$452	
C-4	(3) 8-8-1-1	Conservation	AG	2,248.783 AC	05-Nov-03	\$1,700,000	\$756	
C-5	(3) 2-4-8-3	Conservation	Conservation	1,335.980 AC	30-Jun-08	\$1,250,000	\$936	
C-6	(2) 4-5-21-6,24; 4-5-22-2,4	Conservation	Conservation/AG	1,007.128 AC	12-Feb-14	\$487,000	\$484	
C-7	(3) 8-6-01-18, 19, 20, 24; 3-21	Conservation	A-20a	2,150.858 AC	06-Jan-15	\$1,650,000	\$767	
C-8	(3) 9-2-01-75	Conservation	A-20a	3,127.950 AC	04-Oct-16	\$2,600,000	\$831	
C-9	(3) 9-2-01-79	Conservation	A-20a	1,688.980 AC	04-Oct-16	\$1,505,000	\$891	
C-10	(2) 3-5-03-1; 3-6-03-1	Conservation	Conservation	7,073.614 AC	02-Mar-18	\$5,305,231	\$750	
C-11	(3) 8-2-12-1	Conservation	A-8000a	9,627.000 AC	22-Jun-18	\$7,300,000	\$758	
C-12	(3) 2-3-6-3-1	Conservation	C	3,425.000 AC	12-Mar-18	\$2,568,750	\$750	
C-13	(3) 9-2-1-77	Conservation	A-20a	1,438.980 AC	21-Aug-18	\$1,240,000	\$862	
C-14	(3) 9-2-1-78	Conservation	A-20a	1,688.990 AC	21-Aug-18	\$910,000	\$539	
C-15	(2) 1-3-1-2	Conservation	C	275.490 AC	01-Jun-18	\$300,000	\$1,089	
C-16	(4) 2-5-1-6	Conservation	Con	585.000 v	20-Feb-20	\$400,000	\$684	

Source: CBRE

LAND TRANSACTIONS SELECTED FOR DETAILED COMPARISON
Molokai Ranch Properties
Molokai, Hawaii

Reference No.	Tax Map Key(s)	Highest & Best Use	Zoning	Land Area In Acres/S.F.	Transaction Date	Sales Price	Per Acre/S.F.
Commercial							
B-1	(2) 5-3-01-61	Commercial	B-CT	20,462 SF	06-Jun-06	\$269,000	\$13.15
B-2	(2) 5-3-01-83	Commercial	M-1	13,339 SF	21-Jul-06	\$150,000	\$11.25
B-3	(2) 5-3-02-81	Commercial	B-CT	13,092 SF	15-Dec-06	\$300,000	\$22.91
B-4	(2) 5-1-10-1	Commercial	B-CT	9,294 SF	09-Oct-07	\$148,500	\$15.98
B-5	(2) 5-1-10-2	Commercial	B-CT	8,750 SF	09-Oct-07	\$141,000	\$16.11
B-6	(2) 5-3-06-39	Commercial	B-CT	10,844 SF	26-Jun-12	\$140,000	\$12.91
B-7	(2) 5-3-02-127	Commercial	B-CT	17,511 SF	12-Dec-12	\$146,000	\$8.34
B-8	(2) 5-3-2-95, 158	Commercial	B-CT	16,888 SF	26-Oct-17	\$200,000	\$11.84
B-9	(2) 5-1-10-1	Commercial	B-CT	9,294 SF	Active Listing	\$99,000	\$10.65 (4)
B-10	(2) 5-1-10-2	Commercial	B-CT	8,750 SF	Active Listing	\$99,000	\$11.31 (4)
B-11	(2) 5-3-01-53	Commercial	B-CT	11,358 SF	15-Oct-20	\$135,000	\$11.89
B-12	(2) 5-3-01-83	Commercial	M-1	13,068 SF	Active Listing	\$175,000	\$13.39 (4)
Industrial							
I-1	(2) 5-2-31-11, 12,13	Industrial	M-1	106,905 SF	29-Dec-06	\$1,181,000	\$11.05
I-2	(2) 5-3-01-8	Industrial	M-2	114,226 SF	07-Mar-14	\$355,000	\$3.11
B-1	See Above						
B-2	See Above						
B-6	See Above						
B-7	See Above						
B-8	See Above						
B-11	See Above						
Maunaloa Residential Lots							
R-1	(2) 5-1-10-82	Residential Lot	Interim	5,332 SF	17-Dec-20	\$40,000	\$7.50
R-2	(2) 5-1-9-65	Residential Lot	Interim	13,024 SF	25-Nov-20	\$110,000	\$8.45
R-3	(2) 5-1-09-59	Residential Lot	Interim	7,100 SF	18-Sep-20	\$37,000	\$5.21
R-4	(2) 5-1-09-15	Residential Lot	Interim	7,079 SF	06-Aug-20	\$53,471	\$7.55
R-5	(2) 5-1-09-16	Residential Lot	Interim	7,157 SF	30-Oct-19	\$45,000	\$6.29
R-6	(2) 5-1-10-53	Residential Lot	Interim	6,090 SF	15-Aug-18	\$28,500	\$4.68
Single Family Homes							
SF-1	(2) 5-1-09-32	Single Family Home	Interim	1,592 (3)	10-May-19	\$330,000	\$207.29
SF-2	(2) 5-1-09-48	Single Family Home	Interim	2,450 (3)	19-Jul-19	\$490,000	\$200.00
SF-3	(2) 5-1-09-95	Single Family Home	Interim	1,581 (3)	16-Mar-20	\$510,000	\$322.58
SF-4	(2) 5-1-09-84	Single Family Home	Interim	1,478 (3)	22-Sep-20	\$466,000	\$315.29
SF-5	(2) 5-1-09-18	Single Family Home	Interim	710 (3)	22-Oct-20	\$240,000	\$338.03
SF-6	(2) 5-1-9-108	Single Family Home	Interim	1,800 (3)	Active Listing	\$345,000	\$191.67 (4)
Residential Potential Urban Expansion							
BR-1	(2) 5-6-04-18	Residential Expansion	Interim	13.747 AC	09-Mar-09	\$425,000	\$30,916
BR-2	(2) 5-6-04-31	Residential Expansion	Interim	2.483 AC	13-Mar-09	\$160,000	\$64,438
BR-3	(2) 5-2-29-57	Residential Expansion	Interim	2.598 AC	25-Mar-14	\$187,500	\$72,171
BR-4	(2) 5-6-04-18	Residential Expansion	Interim	13.747 AC	31-Aug-16	\$450,000	\$32,734
BR-5	(2) 5-6-04-25	Residential Expansion	Interim	13.485 AC	28-Apr-17	\$525,000	\$38,932
BR-6	(2) 5-2-14-53	Residential Expansion	Interim	6.957 AC	28-Apr-17	\$335,000	\$48,153
BR-7	(2) 5-6-04-31	Residential Expansion	Interim	2.483 AC	27-Jan-21	\$230,000	\$92,630

(3) Living area in square feet.

(4) Listing Price.

(5) Price Per Hole.

Source: CBRE

LAND TRANSACTIONS SELECTED FOR DETAILED COMPARISON
Molokai Ranch Properties
Molokai, Hawaii

Reference No.	Tax Map Key(s)	Highest & Best Use	Zoning	Land Area In Acres/S.F.	Transaction Date	Sales Price	Per Acre/S.F.
Resort Residential Interior/Maunaloa Lodge Site							
RR-1	(3) 7-4-10-36	Multifamily	CV-10	4.252 AC	01-Jan-20	\$4,768,874	\$1,121,560
RR-2	(2) 2-2-24-41	Multifamily	MR&TP	3.030 AC	06-Sep-19	\$2,847,000	\$939,604
RR-3	(2) 3-9-16-4	Multifamily	A-2	1.000 AC	11-Jan-19	\$1,100,000	\$1,100,000
RR-4	(4) 2-8-16-7	Resort Residential	R-20/RR-20	6.805 AC	01-Jul-18	\$8,900,000	\$1,307,862
RR-5	(2) 3-9-20-32	Multifamily	H-2 Hotel	1.438 AC	21-Jul-17	\$1,500,000	\$1,043,115
RR-6	(3) 7-3-62-53	Multifamily	RS-10	19.930 AC	06-Oct-16	\$6,765,700	\$339,473
Resort Oceanfront/Kaluakoi Hotel Site							
O-1	(2) 3-7-3-7-2	Resort Residential	A-2	4.960 AC	24-May-19	\$8,000,000	\$1,612,903
O-2	(4) 2-8-16-7	Resort Residential	R-20/RR-20	6.805 AC	01-Jul-18	\$8,900,000	\$1,307,862
O-3	(4) 5-4-12-5, 8 & 9	Resort Residential	R-10 / Open	10.000 AC	18-Sep-15	\$21,037,521	\$2,103,752
O-4	(4) 4-3-2-15,16,20	Resort Residential	RR-20/Open	20.971 AC	01-Jul-15	\$12,500,000	\$596,061
O-5	(4) 4-3-7-27	Resort Residential	RR-20/Open	11.783 AC	19-Mar-15	\$3,657,500	\$310,405
Resort Urban Expansion Acreage/Kaluakoi Golf Course Land							
U-1	(2) 3-8-05-7, 35, 36	Development	PK	7.310 AC	24-Dec-14	\$350,000	\$47,880
U-2	(2) 2-6-09-18, 19	Development	P-1	1.085 AC	17-Jun-14	\$22,000	\$20,276
U-3	(4) 5-1-5-12	Development	CON	12.200 AC	09-Sep-13	\$158,000	\$12,951
U-4	(2) 3-2-13-25	Development	Interim	1.650 AC	07-Dec-10	\$75,000	\$45,455
Ranch Lots							
RA-1	(2) 5-1-08-48	Oceanfront Ranch Lot	Agriculture	6.450 AC	28-Feb-16	\$479,000	\$74,264
RA-2	(2) 5-1-08-44	Oceanfront Ranch Lot	Agriculture	5.660 AC	01-Jul-17	\$500,000	\$88,339
RA-3	(2) 5-1-06-70	Oceanfront Ranch Lot	Agriculture	5.950 AC	13-Sep-18	\$985,000	\$165,546
RA-4	(2) 5-1-08-37	Oceanfront Ranch Lot	Agriculture	5.180 AC	15-Apr-19	\$535,000	\$103,282
RA-5	(2) 5-1-07-47	Oceanfront Ranch Lot	Agriculture	10.379 AC	Active Listing	\$1,290,000	\$124,289 (4)
RA-5	(2) 5-1-04 to 08	Interior Ranch Lots	Agriculture	20.8-73.0 AC	Various	190,000-\$560,000	\$6,089-\$15,865
Golf Course							
G-1	(2) 2-2-24-12, 13	Golf Course	PK-4, R-1	177.932 AC	May-19	\$15,000,000	\$833,333 (5)
G-2	(2) 2-3-09-4; 2-3-56-97, etc.	Golf Course	PK-4, R-3	174.539 AC	Aug-14	\$3,950,000	\$219,444 (5)
G-3	(1) 4-5-08-38; 4-5-30: various; 4-5-59: various	Golf Course	P-2, R-5	114.951 AC	Mar-06	\$11,000,000	\$611,111 (5)
Infill Lots							
M-1	(2) 5-2-29-27	Residential Lot	Interim	8,146 SF	19-Apr-18	\$75,900	\$9.32
M-2	(2) 5-2-20-18	Residential Lot	Interim	8,144 SF	09-Aug-19	\$50,000	\$6.14
M-3	(2) 5-2-20-33	Residential Lot	Interim	7,676 SF	25-Oct-19	\$50,000	\$6.51
M-4	(2) 5-3-04-134	Residential Lot	Interim	7,161 SF	03-Apr-17	\$49,000	\$6.84
M-5	(2) 5-3-08-71	Residential Lot	Interim	10,410 SF	22-Jun-17	\$85,000	\$8.17
M-6	(2) 5-2-10-10	Residential Lot	Interim	6,000 SF	17-Nov-17	\$58,000	\$9.67
M-7	(2) 5-3-11-56	Residential Lot	Interim	7,108 SF	12-Mar-20	\$74,000	\$10.41

(3) Living area in square feet.

(4) Listing Price.

(5) Price Per Hole.

Source: CBRE

West Agricultural Lands

IDENTIFICATION

WEST AGRICULTURAL LANDS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
Kaluakoi AG						
5-1-03-2	172.924	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Kaluakoi Real Estate LLC
Maunaloa AG						
5-1-01-1	23.652	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-4	16,392.146	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-5	7.350	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-13	0.142	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-18	36.727	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-38	0.072	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-1	4,148.893	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-23	3,266.096	Fee Simple	Vacant/ Eq. Facilities	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-24	1,518.267	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-29	1,483.468	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-30	6,348.623	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-31	1,439.238	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-32	897.399	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-33	624.683	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-34	155.371	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-35	5,356.442	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
Maunaloa Near Oceanfront						
5-1-02-49	295.169	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-1-02-50	51.035	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
Equestrian Facilities (Improvements Contribution)						
5-1-02-23 (Por.)	above	Fee Simple	Eq. Facilities	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
Aggregate	42,217.697					

Compiled by CBRE

Location

Kaluakoi-Punakou-Iloli-Hoolehua (Apana 1), Molokai, Hawaii.

This land grouping consists of agricultural holdings on the western portion of Molokai, generally situated west of Palaau ahupua'a. The area is comprised of relatively level to undulating hills in the western and northern portions, and moderately steep areas accented by north-south gulches that slope from about the 1,000-foot elevation along the southern coastline. As shown on the highlighted map, it includes extensive ocean frontage.

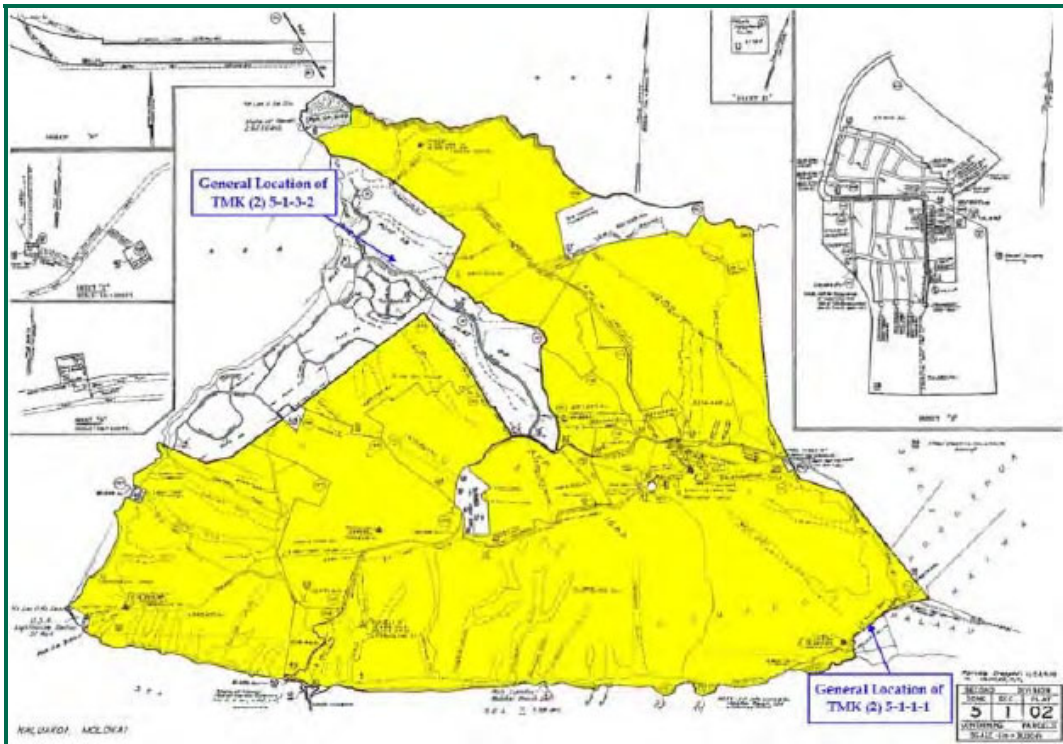
The northern and southern portions of the island are primarily served by State Highway 460 (aka Maunaloa Highway) that connects Molokai Airport at Ho'olehua to Maunaloa Village. Other than Kaluakoi Road, which extends from Maunaloa Highway to the coastal resort area, and other resort and Maunaloa Village interior roadways, roads are unimproved dirt or gravel.

Western Molokai is sparsely populated, with Maunaloa Village being the principal urban enclave west of the airport. As of the 2010 census, Maunaloa's population was 376 persons, representing about five percent of the island's total population of 7,345.

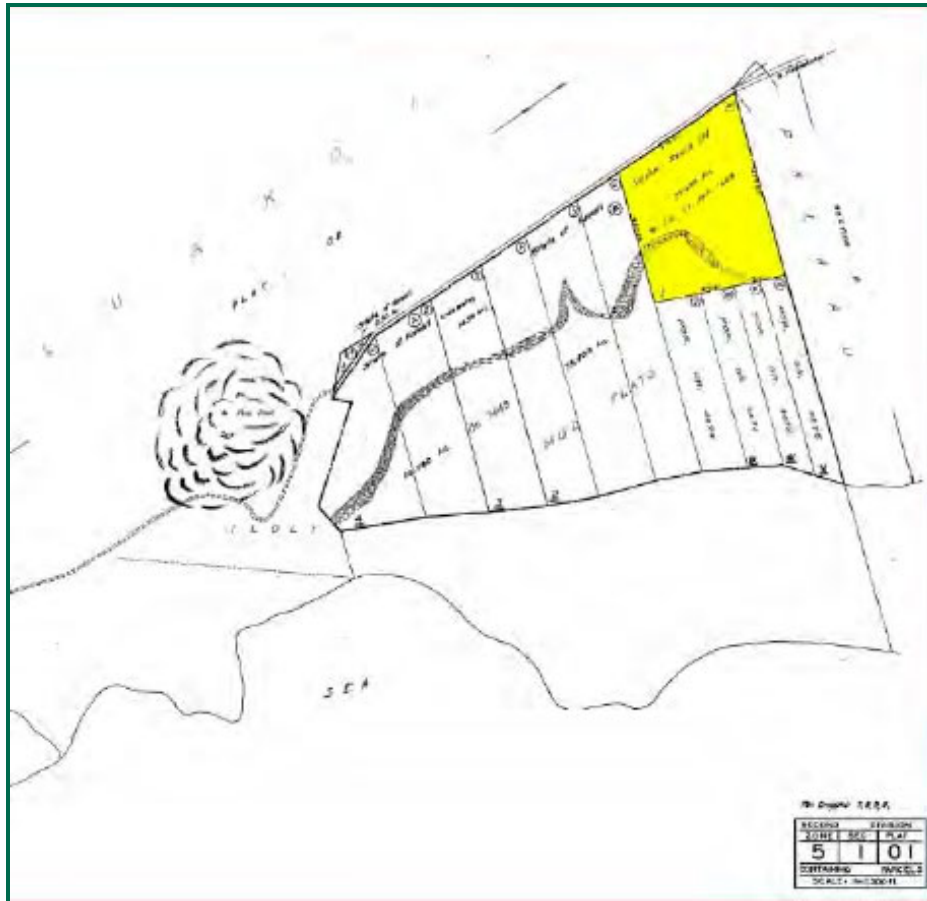
Aerials and Tax Maps



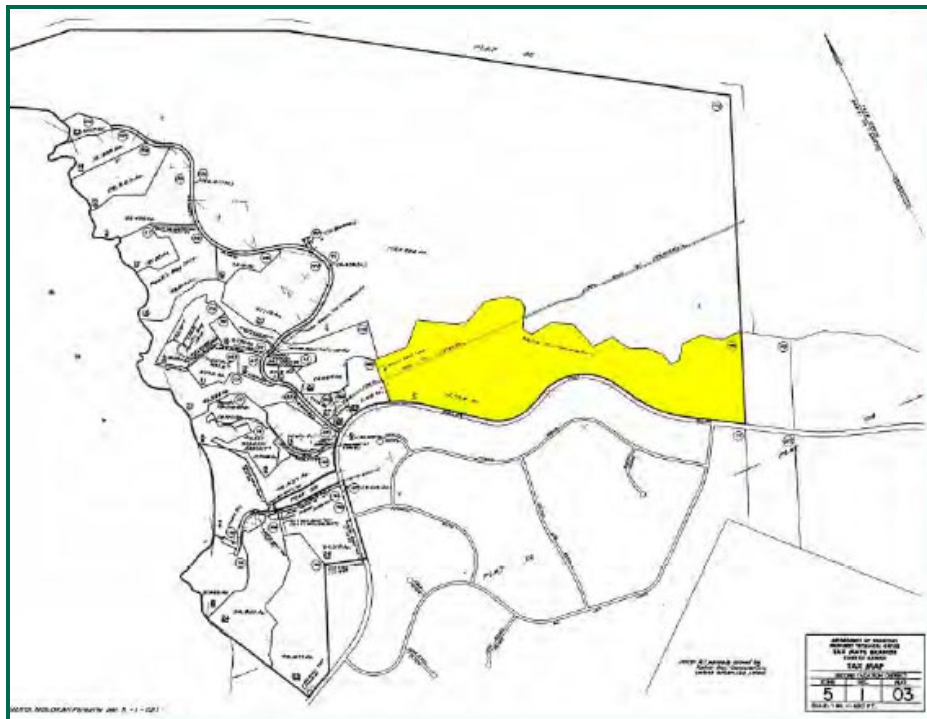
Aerial of West Agricultural Lands



TMK (2) 5-1, Plat 2



Close-up of TMK (2) 5-1-1, Parcel 1



Close-up of TMK (2) 5-1-3, Parcel 2

PROPERTY DATA AND DESCRIPTION

Physical Description

KALUAKOI AG - The Kaluakoi AG parcel is a 172.924-acre parcel situated adjacent to and east of the Kaluakoi Resort area's golf course and main entry road. Given its location, the parcel may have future long-term expansion potential for the resort but has been evaluated for this assignment as agricultural land.

MAUNALOA AG - The northern and western portions of the island are good, grazing / agricultural lands with approximately 8,000 acres in western Molokai that were at one time in pineapple cultivation. These areas have been leveled and are serviced by non-paved interior roadways.

The northern coastline has cliff lines with heights of up to 500 feet, and a portion of the north central area contains a large sand dune area. There is limited access to the shoreline at the eastern end of this area near Kawaaloa Bay and Moomomi Beach.

The western shoreline is rocky with stretches of white sand beach. The coastline is generally accessible and approached over a moderately sloping coastal plain periodically broken by a series of east-west gulches/gullies. Within this area is the Kaupoa Beach Village camp (appraised separately).

The southern coastal region generally extends from Maunaloa Highway in the north to the southern coastline and from Lono Harbor in the west to Waiahewahewa Gulch in the east. Except for cliffline, this area is the most rugged of the Maunaloa AG area. Slopes are moderate to steep with the coastal flanks periodically sliced by a series of 13 major north-south gulches that extend from about the 1,000-foot elevation to the coastline.

MAUNALOA NEAR OCEANFRONT - This area consists of parcels situated immediately mauka of Lono Harbor at Haleolono Point, created during the 1970s. The properties are serviced by a good quality unimproved roadway that extends to Lono Harbor from Maunaloa Village. Expansive ocean and south Molokai coastal views are available from this area.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Kaluakoi AG – Agriculture with future development.

Maunaloa AG -Agriculture.

Maunaloa Near Oceanfront – Potential future residential estate(s).

Specific Value Considerations

The Molokai Ranch equestrian facility (TMK 5-1-2, Parcel 23) involved specific value considerations identified later.

Valuation Approach Utilized

The sales comparison approach was utilized to value various individual parcels as well as assemblage configurations within the 42,217.697-acre West Molokai area.

Comparables Examined

The closure of Molokai Ranch in 2008 had a significant impact on land sales activity, particularly bulk agriculture transactions. There have been few recent Molokai sales and only four in excess of 100 acres in size since 2012. Located in East Molokai, three bulk agricultural transactions occurred in 2012 and 2013 and ranged in size from 148 to 508 acres and were priced from \$1,673 per acre to \$3,578 per acre. Summarized in our 2018 report, the long, narrow, and steep parcels are generally inferior to the subject. A fourth transaction occurring in January 2020. A mixed between agricultural and conservation land, the 800-acre sale is discussed subsequently.

Fortunately, supplementing the few Molokai agricultural transactions are several other bulk agricultural land transactions on the island of Hawaii that transacted since 2015.

Transaction A-1 is the purchase of 1,609.0272 acres of land near the town of Na'alehu in the Kau district for \$7,100,000 (\$4,413 per acre) on January 8, 2015. Acquired for tea and coffee production, this holding had access to municipal water service, agricultural water, and electricity, and included 67 pre-existing lots of record for future development potential plus approximately 7.0+ acres zoned ML-20, Industrial. The development potential of the holding was rated superior to the subject.

Transaction A-2 and A-3 both occurred in the South Kohala district of the island and were purchased for agricultural lot development. Transaction A-2 is a bulk land holding with frontage on Queen Kaahumanu Highway, across from Mauna Lani Resort. It is very arid, lacking water in the immediate area. The property consists of rocky lava land with Keawe trees, brush and grasses. The property comprises two parcels and totals 810.752 acres. It sold in July 2016 for \$7,000,000, or \$8,634 per acre.

Transaction A-3 is a bulk agricultural land sale mauka of the Mauna Kea Uplands residential resort development, accessed off of Kawaihae Road. The property is rocky, arid and has no water available to it. The October 2016 sale consists of two land parcels totaling 844.099 acres with a sale price of \$6,300,000 or \$7,464 per acre. This property has superior locational attributes near Mauna Kea Resort.

Transactions A-4 and A-5 are both located in the South Kona district, with Transaction A-4 being two sales between the same seller and buyer. The two sales A-4a (December 2016 – 1,392.710

acres) and A-4b (September 2017), were agreed to at the same time, with a due diligence period for the buyer to decide whether to purchase an additional 500 acres.

The above properties are noncontiguous, however access between the two properties over ranch roadways was secured. The purchaser intends to undertake large scale coffee farming on the combined holding. A total purchase price of \$13,499,999, or \$7,133 per acre was paid for the two properties.

Transaction A-5 was the purchase of three large parcels (641.304; 1,343.625; and 1,260.710 acres) mauka of Mamalahoa Highway. The parcels are moderate to steep and forested. The parcels were purchased in April 2017 by the United States of America, Fish and Wildlife Service for inclusion in a National Wildlife Refuge. A total area of 3,245.639 acres was associated with this combined transaction. The purchase price was a reported \$10,660,000, or \$2,963 per acre.

Transaction A-6, comprised of pastureland with a rolling topography and historically used for cattle grazing, is the sale of a 564.55-acre parcel located in Honokaa in the Hamakua District. The holding has access and frontage on Old Mamalahoa Highway, but no utilities. The property sold on March 9, 2018 for \$3,320,000 or \$5,881 per acre

Transaction A-7 is the July 2018 sale of 823 acres of open land located south of the town of Naalehu on the makai side of Mamalahoa Highway. Confirmed with the listing broker and seller of the property, the site was surveyed prior to sale resulting in an 823-acre measurement which is greater than the 775.673-acres shown of tax office records. The property is accessible from Mamalahoa Highway and extends from the Highway to circa one-half mile from the shoreline. Municipal water and electricity are available to the site. Comprising 11 tax map key parcels, the property sold to Kuahiwi Contractors, who was a long-time tenant on the site and uses the land for cattle grazing. While the property was not publicly marketed and sold via a private offer, the seller feels the price was fair and considered market value.

Transaction A-8 is a multi-parcel 2,229.256-acre holding situated within the North Kohala District mauka of the Akoni Pule Highway on the western slopes of Kohala Mountain. Irregular in shape, Parker Land Trust acquired the holding for \$9,203,081 or \$4,128 per acre in June 2019. The acreage was originally purchased in 2010 from Parker Land Trust by the seller for agricultural development and dairy operations. The sale and resale pairing reflect a 43% decline in price.

Transaction A-9 is the June 2020 sale of 45 parcels totaling 7,104.466 acres in North Kohala, Big Island. Extending from Akoni Pule Highway up to the forest reserve at the top of Kohala Mountain, the mixed-zone holding is primarily zoned A-20a Agriculture, with a significant portion zoned Forest Reserve (conservation) and nominal acreage in RA-.5a Residential Agricultural and RS-15 Single-Family Residential. The lowlands comprised cleared and level farmland separated by ravines and gullies, with the higher elevation land being forested. The holding was purchased

by Hookipa Ranch LLC for a total price of \$15,325,000 or \$2,157 per acre for the mixed agricultural/conservation assemblage.

Transaction A-10 is the sale of 800.755 acres in the Puaahala area of East Molokai to the State of Hawaii. Acquired to protecting an important watershed on Moloka'i's east side, the 10 parcel holding comprises an entire ahupua'a from the top of the mountain to the ocean. The Department of Land and Natural Resource reports, "It will protect the island's remaining watershed forests and cultural resources, as well as safeguard freshwater resources that sustain the people of Moloka'i." Largely Agricultural zoned, with areas in conservation along its oceanfront and upper elevations, the 800.755 acres was purchased on January 10, 2020 for \$3,190,000 or \$3,984 per acre.

Transaction A-11, TMK (2) 5-7-5-2 and 27, is a current listing of 1,824 acres of mixed-zoned land in the Mapulehu Valley of East Molokai. Comprised of approximately 665 acres of Agricultural zoned land (Parcel 2) with a long history as a working ranch with a dairy, mango, lime and mac nut orchards, and 1,156 acres of Conservation zoned land (Parcel 27), the holding has been marketed for over two years at \$3,999,999 or \$2,193 per acre.

Not on the schedule of comparables is A&B's 2019 bulk sale of circa 41,000 acres of agricultural land on Maui for \$262,000,000, \$6,390 per acre. While potentially for sale for many years, it was marketed in earnest with the closure of their sugar operation in 2017. A&B reports this was their best farmland, and it was cultivated and included a ditch system and infrastructure to bring water down from the mountains to the irrigated fields. Its location and quality are far superior to largely uncultivated ranchland of the subject.

In addition to the closed transactions above, there are a number of bulk agricultural lands currently listed for sale that lend to the valuation of the subject lands.

The first is a group of three arid grassland properties in South Kohala, situated between Waikoloa Village and Mamalahoa Highway. Independently owned and marketed separately, the properties range in size from 652 acres to 2,153 acres and are marketed from \$3,334 to \$4,644 per acre. The other is the recent listing of Pohue Bay in Ka'u. The 16,456-acre site is split zoned agricultural (8,250-acres) and conservation (8,205-acres). According to the listing broker, the agricultural portion of the site is expected to sell at circa \$1,100 per acre on the high end.

Selected Bulk Value Per Acre

Since our prior 2020 report, there have been no new significant bulk land value indicators that would suggest a notable change in unit values for agricultural land, especially for Molokai. From our review and confirmation of the various Hawaii island bulk agricultural land sale value indicators, and prior transactions from the island of Molokai, Lanai, and Hawaii, a fee simple land value of \$2,000 per acre was applied to the agricultural properties located in West, Central and Southeast Molokai. All Molokai agricultural holdings have been valued at the same value

per acre. This singular unit value for each agricultural property grouping is consistent with the treatment of the agricultural lands in prior appraisals.

We acknowledge that there are smaller agricultural parcels (under 15-acres in size), and those which have ocean frontage, some with extensive coastline. The oceanfront parcels, under the premise of agriculture as the highest and best use of the land, were valued using the same \$2,000 per acre and were not afforded an added contributory value due to their oceanfront locations.

Significant Structural Improvements

The Molokai Ranch equestrian facility includes an extensive lighted rodeo arena with an announcer/timer stand, animal pens and chutes, spectator bleachers and parking for 1,500 spectators. Within the complex are a kitchen/restaurant and snack bar, three working barns, a show barn with attached office and retail space, feed barn, hot walker and horse wash down facilities, and corral system with numerous cells and lanes. This facility was an icon for the ranch intended to establish prominence for the ranch and Maunaloa Village. It was constructed between 1994 and 1998 at a then cost of over \$2 million for structural and site improvements, excluding furniture, fixtures and equipment.

The contributory value of the equestrian facility was estimated by depreciated cost analysis employing construction costs and in-service dates provided by the client, and depreciation applied by the analysts. Depreciation considered both the physical condition of the structures and external factors such as current economic circumstances. The contributory value was estimated at \$1,020,000 . Adding this to the previously concluded fee simple land value of \$84,435,300 indicates a total property value for the Western Agricultural Lands.

Concluded Market Value

As shown on the following table, MPL's West Molokai Agriculture Lands were estimated to have an aggregate rounded value of \$85,455,000, as of February 1, 2021.

WEST AGRICULTURAL LANDS VALUE CONCLUSIONS					
Molokai Properties Limited Real Property Assets					
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
Kaluakoi AG					
2-5-1-03-2	172.924	Fee Simple	Vacant	\$345,800	12-18 Months
Maunaloa AG					
2-5-1-01-1	23.652	Fee Simple	Vacant	\$47,300	12-18 Months
2-5-1-02-4	16,392.146	Fee Simple	Vacant	\$32,784,300	2-3 Years
2-5-1-02-5	7.350	Fee Simple	Vacant	\$14,700	Submerged Land
2-5-1-02-13	0.142	Fee Simple	Vacant	\$300	2-3 Years
2-5-1-02-18	36.727	Fee Simple	Vacant	\$73,500	12-18 Months
2-5-1-02-38	0.072	Fee Simple	Vacant	\$100	2-3 Years
2-5-1-02-1	4,148.893	Fee Simple	Vacant	\$8,297,800	2-3 Years
2-5-1-02-23	3,266.096	Fee Simple	Vacant/ Eq. Facilities	\$6,532,200	2-3 Years
2-5-1-02-24	1,518.267	Fee Simple	Vacant	\$3,036,500	2-3 Years
2-5-1-02-29	1,483.468	Fee Simple	Vacant	\$2,966,900	2-3 Years
2-5-1-02-30	6,348.623	Fee Simple	Vacant	\$12,697,200	2-3 Years
2-5-1-02-31	1,439.238	Fee Simple	Vacant	\$2,878,500	2-3 Years
2-5-1-02-32	897.399	Fee Simple	Vacant	\$1,794,800	2-3 Years
2-5-1-02-33	624.683	Fee Simple	Vacant	\$1,249,400	2-3 Years
2-5-1-02-34	155.371	Fee Simple	Vacant	\$310,700	2-3 Years
2-5-1-02-35	5,356.442	Fee Simple	Vacant	\$10,712,900	2-3 Years
Maunaloa Near Oceanfront					
2-5-1-02-49	295.169	Fee Simple	Vacant	\$590,300	12-18 Months
2-5-1-02-50	51.035	Fee Simple	Vacant	\$102,100	12-18 Months
Equestrian Facilities (Improvements Contribution)					
2-5-1-02-23 (Por.)	above	Fee Simple	Eq. Facilities	\$1,020,000	2-3 Years
Aggregate	42,217.697		Rounded	\$85,455,000	

Compiled by CBRE

Central Agricultural Lands

IDENTIFICATION

CENTRAL AGRICULTURAL LANDS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held for	Zoning / Land Use	Ownership
5-2-11-26 (por.)	846.017	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-2-11-38	14.750	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-2-11-23	6.131	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-2-11-25	79.900	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-2-11-27 (por.)	570.507	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Cooke Land Company, Inc.
5-2-12-29 (por.)	0.970	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-2-13-3	1,011.360	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-2-13-16	0.850	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-2-13-21 (por)	59.783	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
Aggregate	2,590.268					

Compiled by CBRE

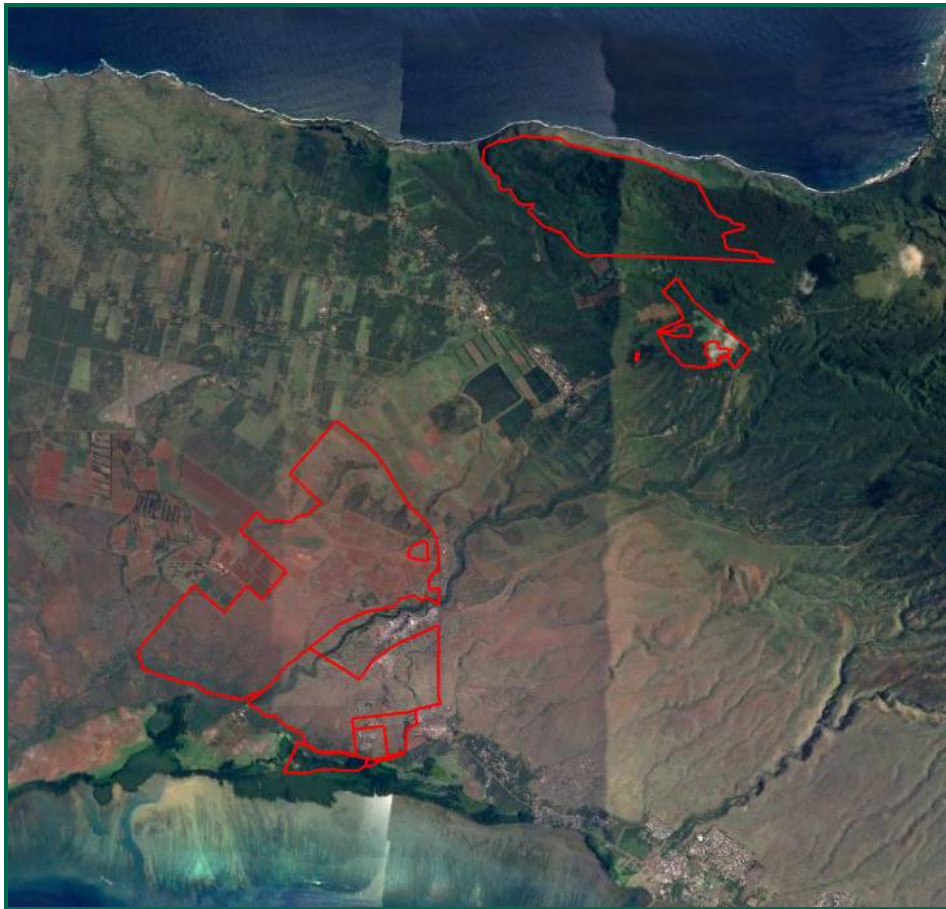
Location

Hoolehua (Apana 2)-Naiwa-Kahananui-Manowainui, Molokai, Hawaii.

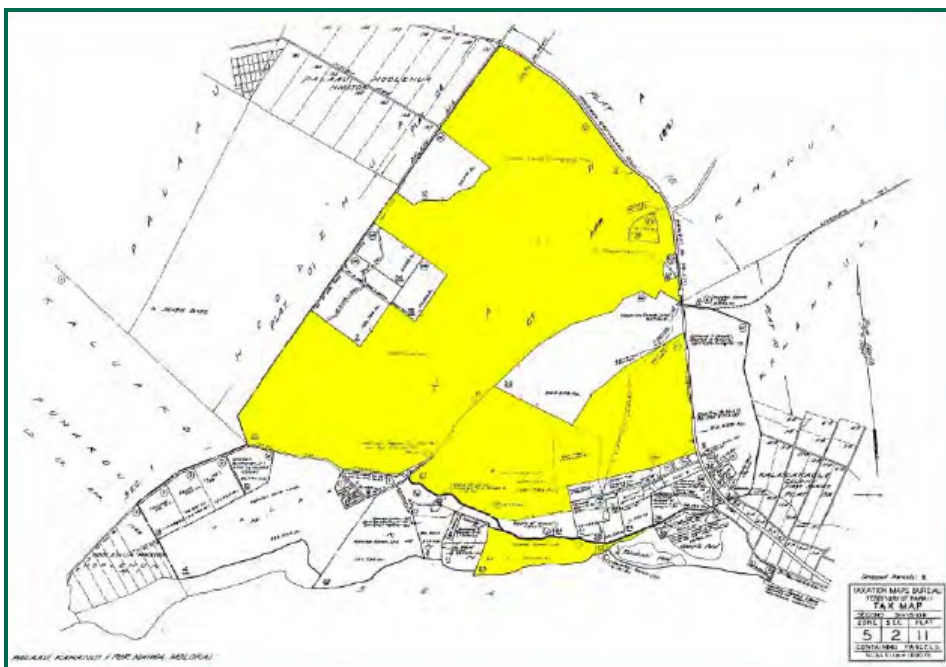
This land grouping consists of holdings within the central portion of Molokai, generally situated east of Palaau ahupua'a and west of Kalamaulua and the island's principal urban area of Kaunakakai. At the center of this area is the island's second largest population center, Kualapu'u with a 2010 Census population of 2,027 or approximately 27.6 percent of the island's 2010 population of 7,345.

The northern and southern portions of the island are bisected by State Highway 460, also known as Maunaloa Highway, a macadam two-lane roadway that extends past Molokai Airport at Ho'olehua to Maunaloa Village in the west and Kaunakakai in the southeast. Kala'e Highway (aka State Highway 470) provides access to the Kalaupapa Overlook at the North Pali (cliffline).

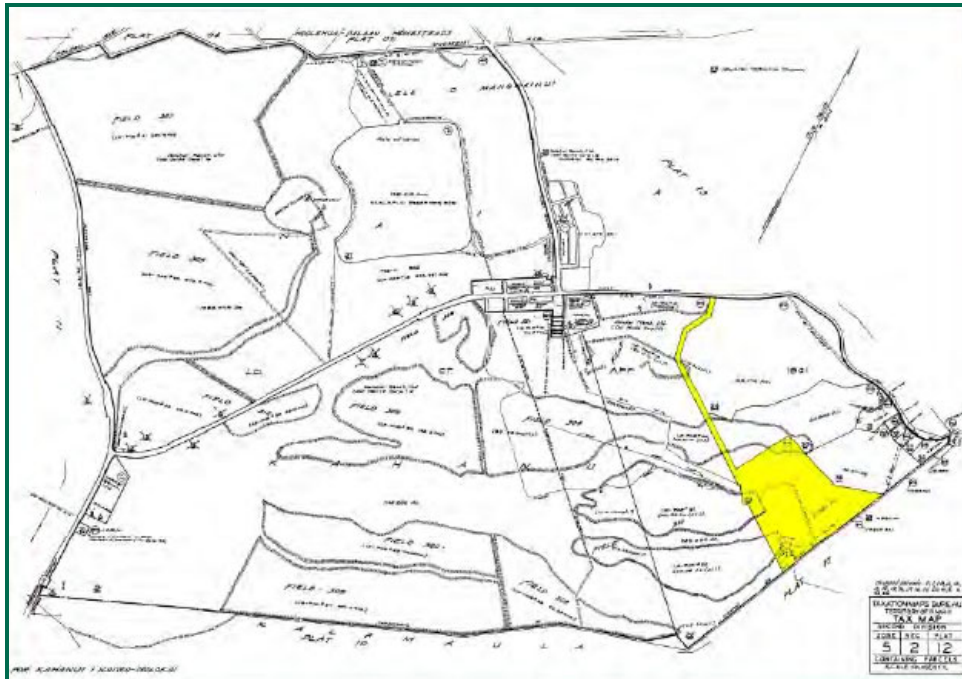
Aerials and Tax Maps



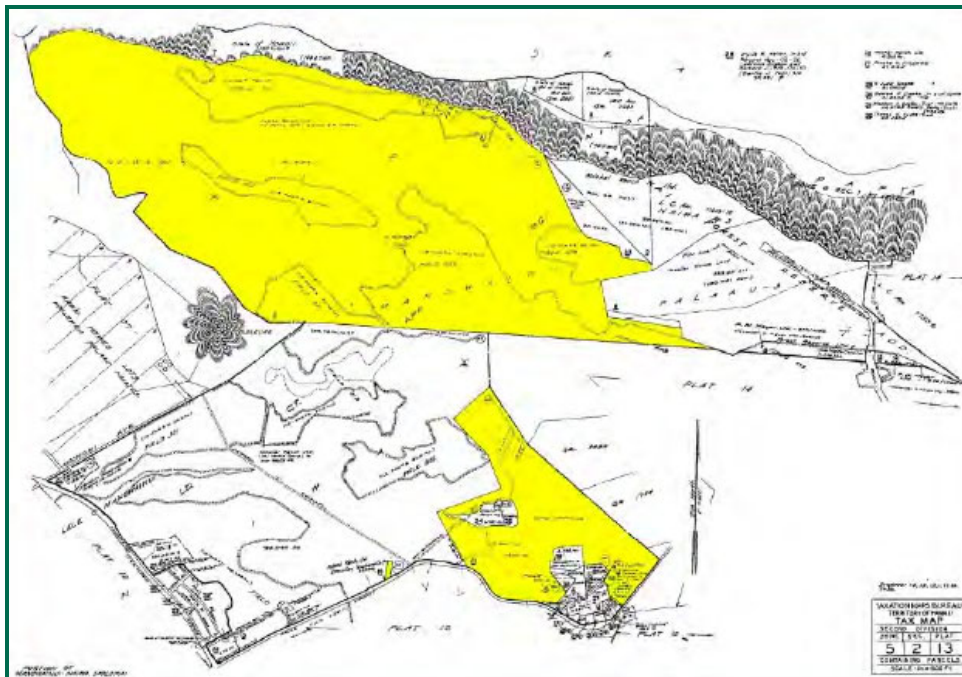
Aerial of Central Agriculture Lands



TMK (2) 5-2, Plat 11



TMK (2) 5-2, Plat 12



TMK (2) 5-2, Plat 13

PROPERTY DATA AND DESCRIPTION

Physical Description

KUALAPUU AG - The area is comprised of relatively flat lowlands along the island's southern coastal mudflats gently rising to the 1,000+ foot northern coastal cliff lines. Rainfall increases as elevations rise.

Several steep, narrow gulches are located along the northern coastline and extend into the northern-most Central Molokai properties. These gulches tend to impact the accessibility of interior portions of the properties. Access to most usable portions of the property are via unimproved dirt roads and four-wheel drive trails. There are also several broader shallow gulch systems which impact the Kualapu'u area.

Much of the Central Molokai area formed the heart of the island's former pineapple production. Since the closing of the pineapple plantation in the mid-1980s, attempts to diversify agricultural product lines have been made by several agricultural companies to produce seed and crops year-round in the area's mild climate. Efforts continue to convert fledgling coffee production farms into viable operations. Much of the land currently lies fallow and has not been in production for close to 20 years.

There are reported archaeological sites on portions of the Central Agriculture Lands and the Molokai Landfill is located on approximately 21 acres of TMK (2) 5-2-11, Parcel 27. The area associated with the landfill plus 61.648 acres that are encumbered by a 99-year lease to Goodfellow Brothers were deducted from the total tax map key area of 653.155 acres to yield the 570.507 acres valued.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Agriculture

Concluded Market Value

Consistent with our analysis of the West Agriculture Lands, the Central Agriculture Lands have also been valued at \$2,000 per acre. As shown on the following table, the Central Agriculture Lands were estimated to have an aggregate rounded value of \$5,181,000, as of February 1, 2021.

CENTRAL AGRICULTURAL LANDS VALUE CONCLUSIONS**Molokai Properties Limited Real Property Assets**

Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-2-11-26 (por.)	846.017	Fee Simple	Vacant	\$1,692,000	2-3 Years
2-5-2-11-38	14.750	Fee Simple	Vacant	\$29,500	2-3 Years
2-5-2-11-23	6.131	Fee Simple	Vacant	\$12,300	2-3 Years
2-5-2-11-25	79.900	Fee Simple	Vacant	\$159,800	2-3 Years
2-5-2-11-27 (por.)	570.507	Fee Simple	Vacant	\$1,141,000	2-3 Years
2-5-2-12-29 (por.)	0.970	Fee Simple	Vacant	\$1,900	12-18 Months
2-5-2-13-3	1,011.360	Fee Simple	Vacant	\$2,022,700	2-3 Years
2-5-2-13-16	0.850	Fee Simple	Vacant	\$1,700	2-3 Years
2-5-2-13-21(por)	59.783	Fee Simple	Vacant	\$119,600	2-3 Years
Aggregate	2,590.268		Rounded	\$5,181,000	

Compiled by CBRE

Southeast Agricultural Lands

IDENTIFICATION

SOUTHEAST AGRICULTURAL LANDS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-3-03-1	1,768.310	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-3-03-2	50.000	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-3-03-15	3.726	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-3-03-16	13.259	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-3-03-17	0.497	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
5-3-03-20	1,718.596	Fee Simple	Vacant	Owner Occupancy	AGR / Agricultural	Molokai Properties Limited
Aggregate	3,554.388					

Compiled by CBRE

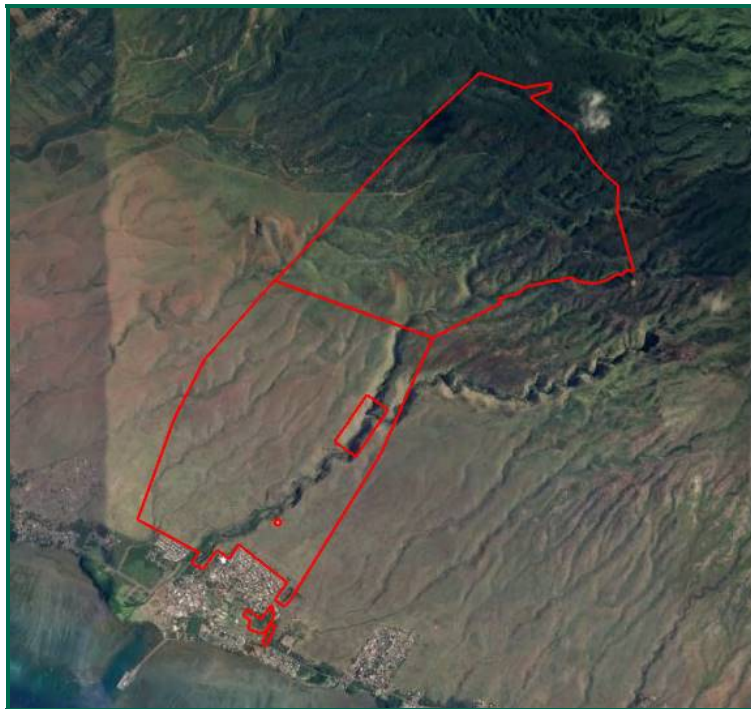
Location

Kaunakakai and Kawela, Molokai, Hawaii.

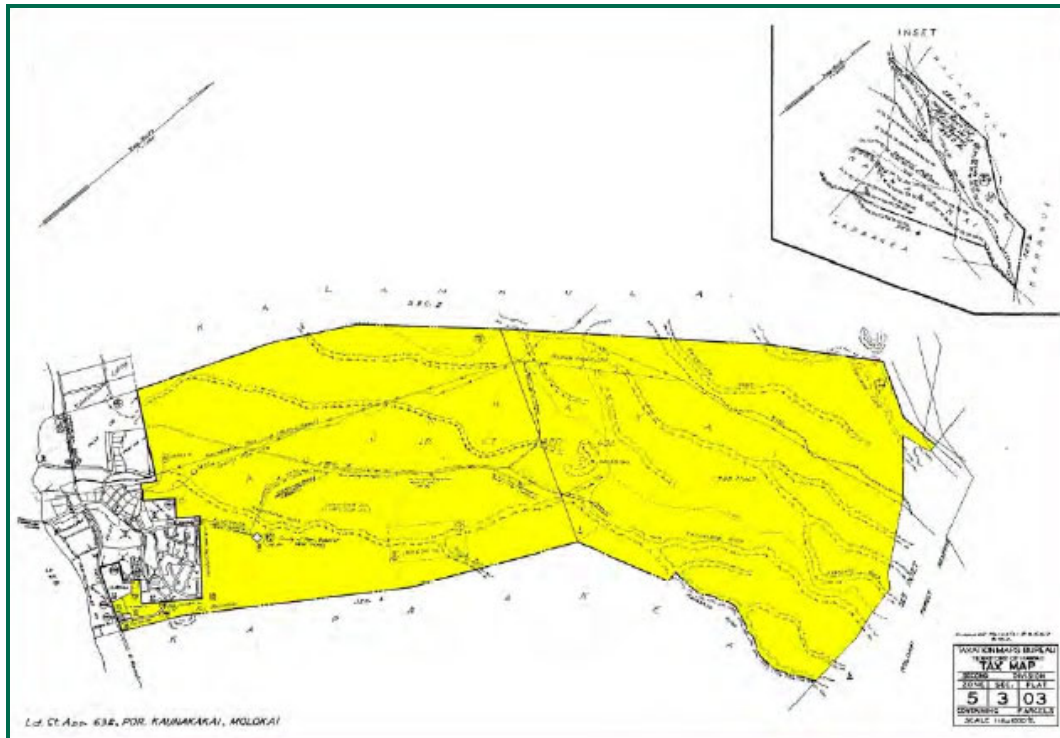
This land grouping primarily consists of large land holdings mauka of Kaunakakai, the principal urban center on Molokai. Within this grouping are several smaller holdings in the Kawela area.

Kaunakakai is rural in appearance, with a relatively smaller urban/commercial core. The town services the island's population of 7,345 as of the 2010 Census. Approximately 46.6 percent of Molokai's residents reside in this area. Kaunakakai hosts the island's commercial harbor, and it connects the east and west segments of the island.

Aerials and Tax Maps



Aerial of Southeast Agriculture Lands



TMK 5-3, Plat 3

PROPERTY DATA AND DESCRIPTION

Physical Description

The subject bulk agricultural parcels in this area extend on the east side of and behind Kaunakakai Village from sea level to about the 1,975-foot elevation at the Forest Reserve boundary; above the 1,300-foot elevation, the holding becomes much steeper. The property is bisected lengthwise by Kaunakakai Gulch, a relatively broad and steep ravine.

The property may be accessed from Kaunakakai Village, where there are several unimproved four-wheel drive trails extending inland, and alternative access points near Homelani Cemetery and beyond.

Much of the holding below the Forest Reserve is relatively void of large vegetation, with most trees having been removed to facilitate cattle grazing on the property.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Agriculture

Concluded Market Value

Consistent with our analysis of the West Agriculture Lands, the Southeast Agriculture Lands have been valued at \$2,000 per acre. As shown on the following table, the Southeast Agriculture Lands were estimated to have an aggregate rounded value of \$7,109,000, as of February 1, 2021.

SOUTHEAST AGRICULTURAL LANDS VALUE CONCLUSIONS					
Molokai Properties Limited Real Property Assets					
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-3-03-1	1,768.310	Fee Simple	Vacant	\$3,536,600	2-3 Years
2-5-3-03-2	50.000	Fee Simple	Vacant	\$100,000	2-3 Years
2-5-3-03-15	3.726	Fee Simple	Vacant	\$7,500	2-3 Years
2-5-3-03-16	13.259	Fee Simple	Vacant	\$26,500	2-3 Years
2-5-3-03-17	0.497	Fee Simple	Vacant	\$1,000	2-3 Years
2-5-3-03-20	1,718.596	Fee Simple	Vacant	\$3,437,200	2-3 Years
Aggregate	3,554.388		Rounded	\$7,109,000	

Compiled by CBRE

Independent Conservation Lands

IDENTIFICATION

INDEPENDENT CONSERVATION LANDS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-2-13-5	82.824	Fee Simple	Vacant	Owner Occupancy	C / Conservation	Molokai Properties Limited
5-2-13-33	20.176	Fee Simple	Vacant	Owner Occupancy	C / Conservation	Molokai Properties Limited
5-3-03-5	1,240.000	Fee Simple	Vacant	Owner Occupancy	C / Conservation	Molokai Properties Limited
5-4-03-26	2,773.740	Fee Simple	Vacant	Owner Occupancy	C / Conservation	Molokai Properties Limited
Aggregate	4,116.740					

Compiled by CBRE

Location

Nihoa, Kaunakakai and Kawela, Molokai, Hawaii.

This land grouping consists of conservation zoned land holdings in the upper mauka regions of Nihoa within Palaau State Park, and remote areas of Kaunakakai and Kawela ahupua'a. These areas are essentially unimproved and serve as watershed areas for the island.

Vehicular access is very difficult or impossible; foot trails lead into these areas. Each area is heavily forested.



Aerial of Independent Conservation Lands



TMK (2) 5-4, Plat 3

PROPERTY DATA AND DESCRIPTION

Physical Description

NIHOA – TMK (2) 5-2-13-5 and 33 is accessible only by foot and is situated west of Phallic Rock near Puu Lua. The property is relatively level at about the 1,300-foot elevation, and abuts and overlooks the Kalaupapa Pali (cliffline).

KAUNAKAKAI – TMK (2) 5-3-03-5 is situated between the 1,975- and 3,100-foot elevations. The property is accessible via an unimproved dirt roadway that is off State Highway 460 and used to service well sites and water aqueduct systems that provide water to the island. The subject is heavily forested.

KAWELA - TMK (2) 5-4-03-26 is situated between the 2,600- and 4,250-foot elevations. The holding is known as the Kamakou Preserve area, which abuts dramatic Palis (cliff lines) overlooking Waikolu and Pelekunu Valleys. The property is only accessible via unimproved foot paths.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Nihoa – Conservation (Nihoa; potentially a single house site).

Kaunakakai and Kawela – Conservation - Watershed.

Specific Value Considerations

The market for true bulk-acreage conservation parcels throughout the State of Hawaii is generally viewed as being a unified market. Typical purchasers are governmental agencies for watershed or preservation uses, or conservation groups/organizations.

The per acre value of these holdings has generally ranged from about \$450 to \$1,000 per acre depending on location, access, terrain and the potential for ancillary conservation uses, and has varied little over time.

Valuation Approach Utilized

The sales comparison approach was utilized to value various individual parcels and assemblage configurations within the 4,116.740-acre Independent Conservation Molokai grouping.

Concluded Market Value

Our search of the market for Conservation property transactions was previously presented. From this data we bracketed and conclude a fee simple value of \$700 per acre for the subject Conservation acreage. As summarized on the following table, the Independent Conservation lands were estimated to have an aggregate value of \$2,881,700, as of February 1, 2021.

INDEPENDENT CONSERVATION LANDS VALUE CONCLUSIONS					
Molokai Properties Limited Real Property Assets					
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-2-13-5	82.824	Fee Simple	Vacant	\$58,000	2+ Years
2-5-2-13-33	20.176	Fee Simple	Vacant	\$14,100	2+ Years
2-5-3-03-5	1,240.000	Fee Simple	Vacant	\$868,000	2+ Years
2-5-4-03-26	2,773.740	Fee Simple	Vacant	\$1,941,600	2+ Years
Aggregate	4,116.740			\$2,881,700	

Compiled by CBRE

Kaunakakai and Maunaloa Commercial Properties

IDENTIFICATION

KAUNAKAKAI AND MAUNALOA COMMERCIAL PROPERTIES						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-1-2-45	4.404	Fee Simple	RE/Museum	Owner Occupancy	B-CT / Urban	Molokai Properties Limited
5-1-9-110	0.725	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-9-111	0.471	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-9-112	0.457	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-9-113	0.442	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-9-114	0.423	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-9-115	0.455	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-9-117	1.833	Fee Simple	Village Grill, etc.	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-10-3	0.201	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-10-4	0.201	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-10-5	0.201	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-10-6	0.200	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-10-7	0.206	Fee Simple	Vacant Lot	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-1-10-8	1.923	Fee Simple	Store/Dispatch	Investment/Sale	B-CT / Urban	Molokai Properties Limited
5-3-1-1	6.760	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-25	0.401	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-26	0.345	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-27	0.387	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-30	4.629	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-47	0.349	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-48	0.343	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-49	0.358	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-50	0.420	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-51	0.256	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-55	0.366	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-56	0.368	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-57	0.258	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-58	0.217	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-1-59	0.209	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
5-3-6-33	1.018	Fee Simple	Vacant Lot	Investment	B-CT / Urban	Molokai Properties Limited
Total	28.825					

Compiled by CBRE

Location

Kaunakakai and Maunaloa, Molokai, Hawaii

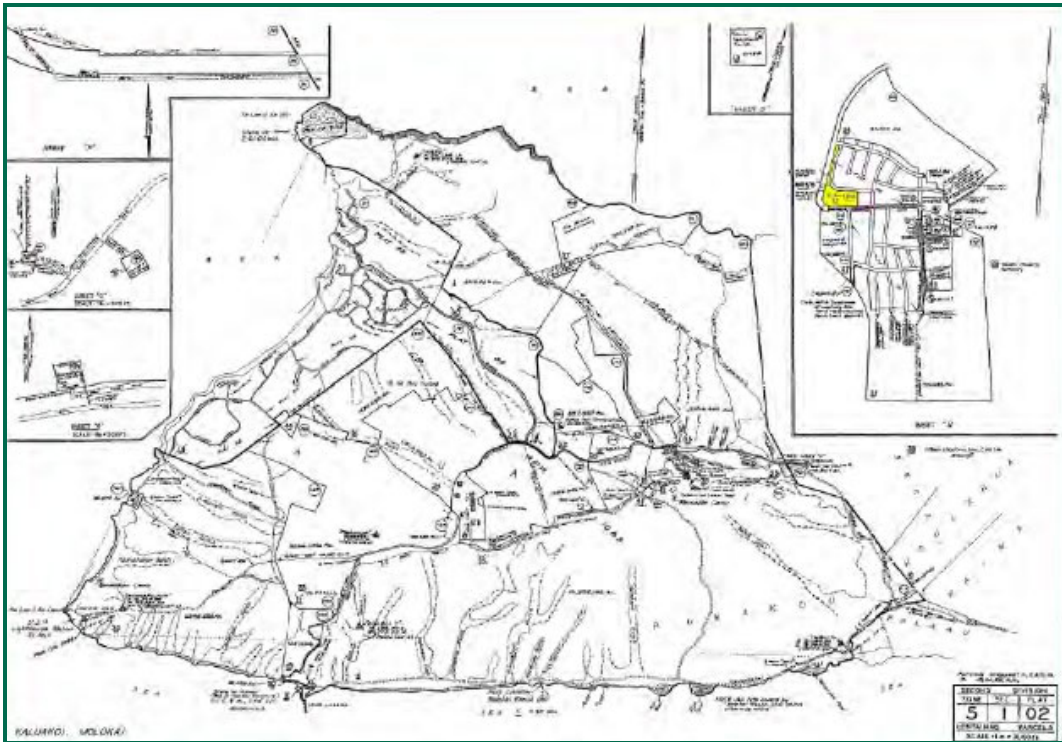
TMKs 5-1-02, Parcel 45; 5-1-09 (various); and 5-1-10 (various) are situated in and around Maunaloa Village and include an assortment of vacant lots and parcels improved with old buildings.

TMKs 5-3-01 (various) and 5-3-06, Parcel 33 are located on the makai side of Kamehameha V Highway in Kaunakakai near Kaunakakai Wharf and the former Pau Hana Inn. These parcels are situated near the center of Kaunakakai town. TMK 5-3-06, Parcel 33 is a flag lot with access off of Oki Place.

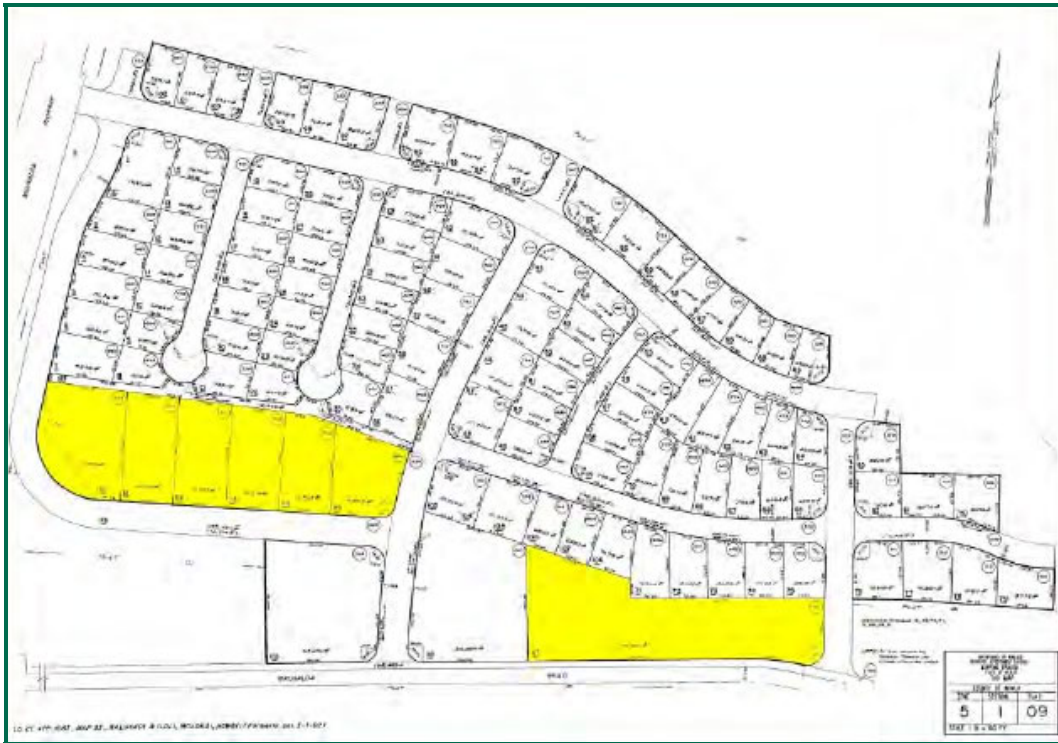
Aerials and Tax Maps



Aerial of Maunaloa Village Commercial



Maunaloa Village TMK 5-1-2, Parcel 45



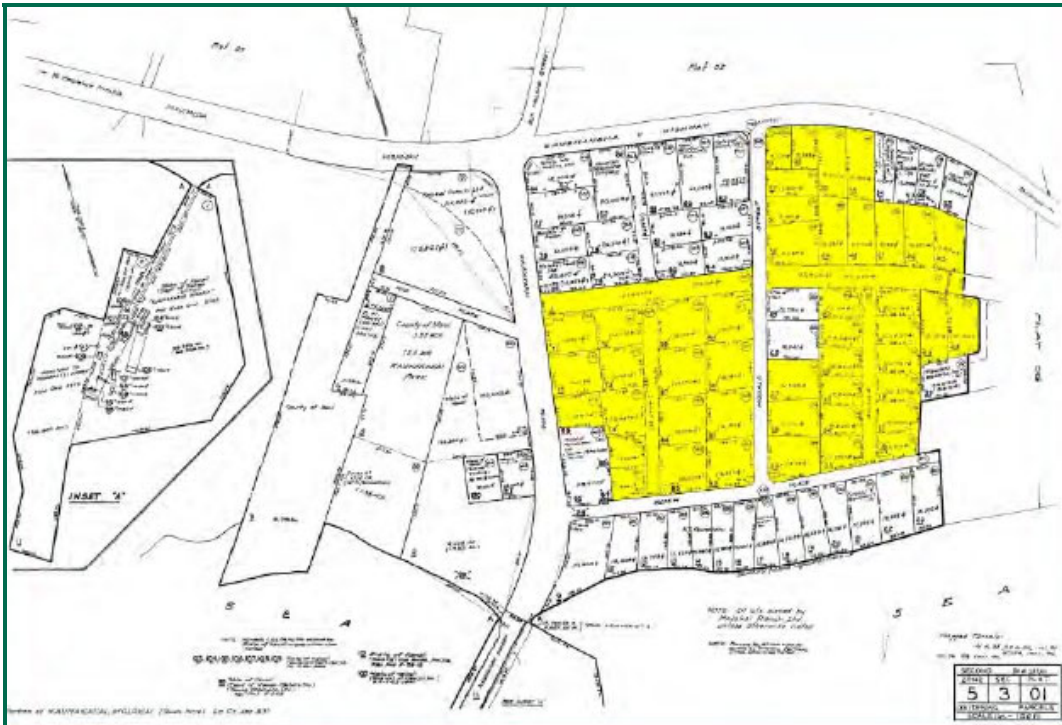
Maunaloa Village TMK 5-1, Plat 9



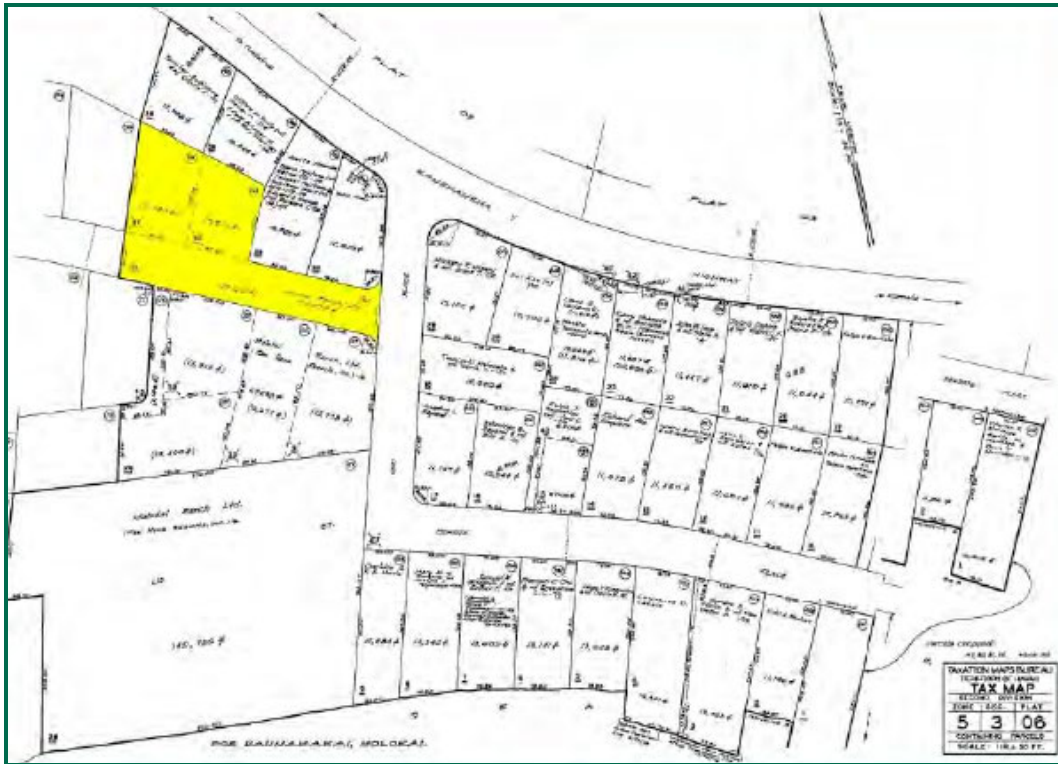
Maunaloa Village TMK 5-1, Plat 10



Aerial of Kaunakakai Commercial



Kaunakakai Commercial TMK 5-3, Plat 1



Kaunakakai Commercial TMK 5-3, Plat 6

PROPERTY DATA AND DESCRIPTION

Physical Description

TMKs 5-1-02, Parcel 45; 5-1-09 (various); and 5-1-10 (various) represent virtually all the B-CT zoned land in Maunaloa Village. TMKs 5-1-09, Parcels 110 through 115; and 5-1-10, Parcels 3 through 7 are vacant unsold Maunaloa commercial lots. These parcels range in size between 8,709 and 31,585 square feet and are rectangular to slightly irregular in shape and level to slightly sloping in topography. TMK 5-1-02, Parcel 45 has a near rectangular predominant shape and a long tail portion. This slightly sloping site contains a total land area of 191,840 square feet. TMK 5-1-09, Parcel 117 is a 79,840-square-foot elongated corner site along the north side of Maunaloa Road that slopes gradually upward west to east. Located on the south side of Maunaloa Road, TMK 5-1-10, Parcel 8 contains 83,748 square feet and is a near rectangular double corner site that slopes gradually upward from west to east. All of these parcels have paved roadway access and available utilities include water, electricity, and telephone service.

TMKs 5-3-01 (various) and 5-3-06, Parcel 33 represent a combination of B-CT and Interim zoned lots in the Kaunakakai area generally bounded by Kamehameha V Highway, Kaunakakai Place, Beach Place, and Oki Place. Due to its proximity to Kaunakakai town, use of this land for urban expansion is reasonably probable.

The subdivided lots generally range between 9,119 and 18,282 square feet, with two unsubdivided lots containing 201,640 and 294,475 square feet. TMK 5-3-06, Parcel 33 is a large flag lot containing 44,358 square feet. The sites are generally level and served by paved roadways. Electricity and telephone service are available in the area, and water is available along Kamehameha V Highway.

Improvement Description

The majority of the commercial sites are vacant. Those with improvements are described below:

TMK 5-1-02, PARCEL 45 - This site is improved with the 1,290-square-foot wood frame Libby's building (built in 1925), bandstand, and multiple old wood frame dwellings, which were relocated to this property to be preserved as a museum for old plantation homes. The homes are not occupied and are not being actively restored.

TMK 5-1-09, PARCEL 117 - There are four buildings (built in 1938-1941) situated on this property; the former Village Grill restaurant containing 5,085 square feet, and three cottages ranging in size between 763 and 1,116 square feet. The Village Grill building is a significantly renovated wooden structure, which is currently shuttered but adequately maintained. All cottages are older wood frame structures in poor condition.

TMK 5-1-10, PARCEL 8 - The Maunaloa General Store and Dispatch buildings are located on this property. Containing 5,130 square feet, the older wood frame general store building (built in 1938) has a retail store in the front and storage space in the rear. The wood frame Dispatch building contains 3,953 square feet and formerly housed the Molokai Dispatch newspaper, doctor's offices, and a laundromat--all of which are largely vacant. Other spaces in the building are occupied by the laundry facility for The Lodge at Molokai Ranch, thrift store and a small space rented to Taro Patch Jewelry.

Photographs

The following photographs depict the general appearance of selected subject lands as of our site visit on July 8, 2020.



Maunaloa General Store



Shuttered Village Grill

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Commercial or commercial expansion.

Specific Value Considerations

All significant structural improvements involved specific value considerations detailed below.

Valuation Approach Utilized

A sales comparison approach was utilized to value the land component of all commercial holdings.

KAUNAKAKAI COMMERCIAL PROPERTIES

For the vacant Kaunakakai commercial lots (TMK 5-3-01 (various) and 5-3-6, Parcel 33), a benchmark site (TMK 5- 3-01-55) was valued, accounting for differences in market conditions, location, corner/frontage, zoning, physical characteristics and size. The remaining commercial expansion lots were then valued in relation to the benchmark employing a similar rationale.

Comparables Examined

Commercial Comparables B-1 to B-3, B-6, B-8, B-11 and B-12. Transactions B-1, B-2, B-11, and B-12 are similarly situated on the makai side of Kamehameha V Highway. Transactions B-3 and B-8 are situated mauka of Kamehameha V Highway near the center of Kaunakakai town, and Transaction B-6 fronts on the mauka side of the highway near the subject holdings.

Compensating Adjustments

Market price trends indicate a market conditions adjustment of negative 20 percent through June 2012. From July 2012 to current for the Kaunakakai parcels, we employed an allowance of two

percent per annum through March 2020 (the start of Covid) due to general market activity levels. The asking price of Comparable B-12 was discounted 20 percent. The locations of Transactions B-3 and B-8 near the center of Kaunakakai town were rated superior to the benchmark. Transactions B-2 and B-12 are situated off Kamehameha V Highway and were judged inferior. The M-1 zonings of Transactions B-2 and B-12 were considered superior to the benchmark. Having irregular shapes, Transaction B-3 and B-8 were deemed inferior to the benchmark for physical characteristics. Except for size, no other significant adjustments were made.

Adjusted values ranged from \$10.04 to \$16.54 per square foot, with a mean of \$12.79 and a weighted value of \$12.11. The value of the 15,922-square-foot benchmark lot was concluded to be \$12.15 per square foot, or a total of \$193,000.

MAUNALOA COMMERCIAL PROPERTIES

For the Maunaloa commercial lots (TMK 5-1-02, Parcel 45; 5-1-09 (various) and 5-1-10 (various), a representative benchmark lot (TMK 5- 1-09, Parcel 117) was valued employing the identical adjustment rationale as in the previous section. The values of the remaining commercial lots were then estimated in relation to the benchmark employing a consistent rationale.

Comparables Examined

Commercial Comparables B-4 to B-6, and B-8 to B-11. Comparables B-9 and B-10 are the current listings of Transactions B-4 and B-5. These generally level and rectangular shaped B-CT zoned sites are located on Maunaloa Road across the Village Grill.

Compensating Adjustments

The time adjustment employed the identical negative 20 percent adjustment through June 2012. A further 15 percent deduction was applied to transactions through 2012, based on current commercial lot listing prices and considering the depressed conditions in Maunaloa town. The asking price of Comparables B-9 and B-10 were discounted 20 percent. Transactions B-6, B-8 and B-11 were judged to have superior locations in Kaunakakai. The benchmark is a corner parcel deemed superior to all transactions except for Transactions B-4 and B-9. The irregular shape of Transaction B-8 was inferior to the benchmark. The only other adjustment was for size.

After all adjustments, the values ranged between \$5.12 to \$6.90 per square foot, with a mean of \$5.97 and a weighted value of \$6.02. We conclude a value for the 79,840-square-foot benchmark parcel of \$6.00 per square foot, or a total fee simple value of \$479,000.

SIGNIFICANT STRUCTURAL IMPROVEMENTS

The contributory value of all significant structural improvements were estimated by depreciated cost analysis employing construction costs and in service dates provided by the client, and depreciation applied by the analysts. Estimates of depreciation considered the physical condition of the structures, current use, and external factors such as current economic circumstances. Buildings in this grouping determined to be significant for purposes of this assignment included

the Village Grill Restaurant, Libby’s, Laundromat Building, and Grocery Store. The following chart summarizes the estimated contributory values, underlying fee simple land values, and total property values for the improved properties in this grouping.

SUMMARY OF IMPROVED PROPERTY VALUES				
Kaunakakai and Maunaloa Commercial Properties				
Tax Map Key	Description	Contributory Value of Improvements	Fee Simple Land Value	Total Property Value
5-1-09-117	Village Grill	\$280,000	\$479,000	\$759,000
5-1-10-8	General Store/ Laundromat	\$270,000	\$523,000	\$793,000
5-1-02-45	Libbys	\$170,000	\$780,000	\$950,000

Concluded Market Value in the Existing State

As shown on the following table, the aggregate value of the Kaunakakai and Maunaloa commercial properties total \$8,681,000 as of February 1, 2021.

KAUNAKAKAI AND MAUNALOA COMMERCIAL PROPERTIES VALUE CONCLUSIONS**Molokai Properties Limited Real Property Assets**

Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-1-2-45	4.404	Fee Simple	RE/Museum	\$950,000	1 to 2 Years
2-5-1-9-110	0.725	Fee Simple	Vacant Lot	\$200,000	1 to 2 Years
2-5-1-9-111	0.471	Fee Simple	Vacant Lot	\$135,000	1 to 2 Years
2-5-1-9-112	0.457	Fee Simple	Vacant Lot	\$133,000	1 to 2 Years
2-5-1-9-113	0.442	Fee Simple	Vacant Lot	\$130,000	1 to 2 Years
2-5-1-9-114	0.423	Fee Simple	Vacant Lot	\$125,000	1 to 2 Years
2-5-1-9-115	0.455	Fee Simple	Vacant Lot	\$141,000	1 to 2 Years
2-5-1-9-117	1.833	Fee Simple	Village Grill, etc.	\$759,000	1 to 2 Years
2-5-1-10-3	0.201	Fee Simple	Vacant Lot	\$84,000	1 to 2 Years
2-5-1-10-4	0.201	Fee Simple	Vacant Lot	\$84,000	1 to 2 Years
2-5-1-10-5	0.201	Fee Simple	Vacant Lot	\$84,000	1 to 2 Years
2-5-1-10-6	0.200	Fee Simple	Vacant Lot	\$83,000	1 to 2 Years
2-5-1-10-7	0.206	Fee Simple	Vacant Lot	\$90,000	1 to 2 Years
2-5-1-10-8	1.923	Fee Simple	Store/Dispatch	\$793,000	1 to 2 Years
2-5-3-1-1	6.760	Fee Simple	Vacant Lot	\$1,520,000	1 to 2 Years
2-5-3-1-25	0.401	Fee Simple	Vacant Lot	\$168,000	1 to 2 Years
2-5-3-1-26	0.345	Fee Simple	Vacant Lot	\$138,000	1 to 2 Years
2-5-3-1-27	0.387	Fee Simple	Vacant Lot	\$152,000	1 to 2 Years
2-5-3-1-30	4.629	Fee Simple	Vacant Lot	\$1,010,000	1 to 2 Years
2-5-3-1-47	0.349	Fee Simple	Vacant Lot	\$158,000	1 to 2 Years
2-5-3-1-48	0.343	Fee Simple	Vacant Lot	\$156,000	1 to 2 Years
2-5-3-1-49	0.358	Fee Simple	Vacant Lot	\$161,000	1 to 2 Years
2-5-3-1-50	0.420	Fee Simple	Vacant Lot	\$196,000	1 to 2 Years
2-5-3-1-51	0.256	Fee Simple	Vacant Lot	\$122,000	1 to 2 Years
2-5-3-1-55	0.366	Fee Simple	Vacant Lot	\$193,000	1 to 2 Years
2-5-3-1-56	0.368	Fee Simple	Vacant Lot	\$195,000	1 to 2 Years
2-5-3-1-57	0.258	Fee Simple	Vacant Lot	\$122,000	1 to 2 Years
2-5-3-1-58	0.217	Fee Simple	Vacant Lot	\$124,000	1 to 2 Years
2-5-3-1-59	0.209	Fee Simple	Vacant Lot	\$127,000	1 to 2 Years
2-5-3-6-33	1.018	Fee Simple	Vacant Lot	\$348,000	1 to 2 Years
Total	28.825		Rounded	\$8,681,000	

Compiled by CBRE

Kualapuu and Maunaloa Industrial Properties

IDENTIFICATION

KUALAPUU AND MAUNALOA INDUSTRIAL PROPERTIES							
Molokai Properties Limited Real Property Assets							
Second Division Tax Map Key	Land Area		Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
	Acres	Sq. Ft.					
5-1-10-134	6.363	277,169	Fee Simple	Office/Theatre	Owner Occupancy	M-1 / Urban	Molokai Properties Limited
5-2-11-29	68.546	2,985,864	Fee Simple	Vacant Lot	Investment	M-1 / Urban & Ag.	Cooke Land Company, Inc.
5-2-31-1	0.812	35,378	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-2	0.833	36,284	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-3	0.854	37,203	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-4	0.868	37,793	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-5	0.877	38,187	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-6	0.885	38,541	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-7	0.893	38,895	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-8	0.901	39,260	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-15	0.507	22,101	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-16	0.513	22,357	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-17	0.534	23,256	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-21	0.688	29,949	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
5-2-31-22	0.677	29,501	Fee Simple	Vacant Lot	Sale	M-1 / Urban	Cooke Land Company, Inc.
Total	84.751						

Compiled by CBRE

Location

Maunaloa and Kualapuu, Molokai, Hawaii

TMK 5-1-10, Parcel 134 is the site of the Molokai Ranch office and base yard, and the theatre building located at Maunaloa. Located in Kualapuu off of Kamehameha V Highway, TMK 5-2-31 (various) consists of vacant lots in the Molokai Industrial Park. TMK 5-2-11, Parcel 29 consists of industrial expansion acreage situated adjacent to the west and southwest of the existing industrial park.

Aerials and Tax Maps



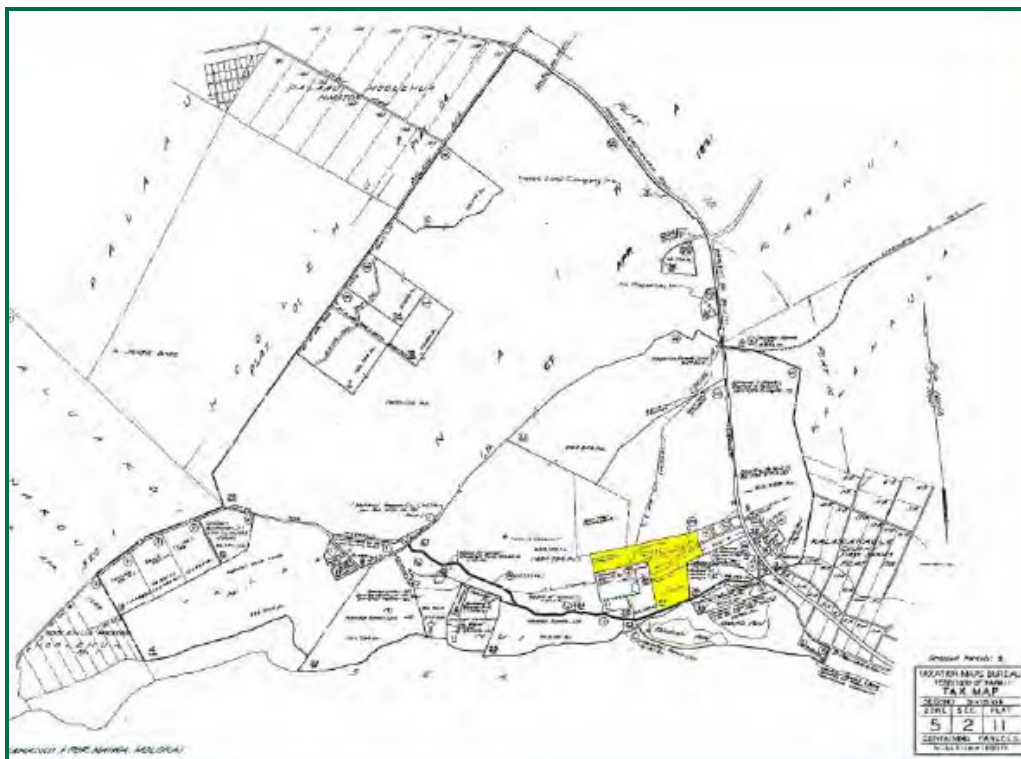
Aerial of Maunaloa Village Industrial



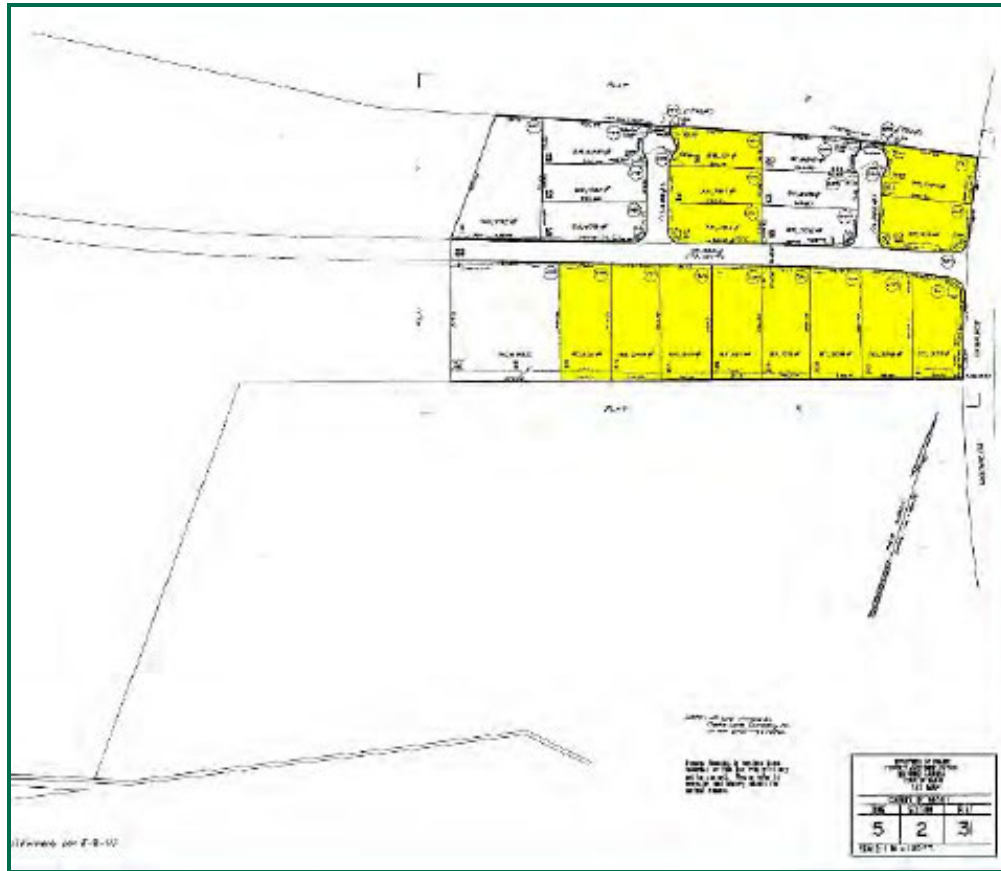
Maunaloa Village TMK 5-1-10, Parcel 134



Aerial of Molokai Industrial Park Lands



TMK (2) 5-2-11, Parcel 29



Kaunakakai TMK (2) 5-2, Plat 31

PROPERTY DATA AND DESCRIPTION

Physical Description

TMK 5-1-10, Parcel 134 is a slightly irregular shaped property having frontages on four paved roadways. The site is generally level and served by all available utilities. Distant ocean views are available from this property.

The irregularly shaped TMK 5-2-11, Parcel 29 features undulating topography and is accessed by the paved roadway through the Molokai Industrial Park. The property is bifurcated adjacent to its west property line by land which is leased to Goodfellow Brothers. Utilities available in the area include water, telephone, and electric. Ocean and coastline views are available from this property.

TMK 5-2-31 (various) identifies the unsold Molokai Industrial Park lots which are accessed via a paved roadway from Kamehameha V Highway. The lots range in size between 22,101 and 39,260 square feet, and feature level to slightly sloping topographies. Available utilities include water, electricity, and telephone service.

Improvement Description

The improvements on TMK 5-1-10, Parcel 134 consist of the Molokai Ranch offices (built in 1969 per tax records) and base yard and the theatre building (built in 1997). Containing approximately 3,120 square feet, the wood frame office building is of newer construction. The adjacent warehouse structure contains approximately 15,919 square feet and houses various maintenance and repair shops. The theatre building is also of newer construction and contains approximately 9,370 square feet.

All other industrial parcels are vacant of structural improvements.

Photographs

The following photographs depict the general appearance of selected improved subject properties as of our site visit on July 8, 2020.



Shuttered Theater Building



Molokai Ranch Office and Warehouse

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Industrial and commercial.

Specific Value Considerations

The Molokai Ranch office, base yard and theatre property (TMK 5-1-10, Parcel 134) involved specific value considerations identified later.

Valuation Approach Utilized

A sales comparison approach was utilized to value the land component of all the industrial holdings.

MOLOKAI INDUSTRIAL PARK

For the Molokai Industrial Park lots (TMK 5-2-31 (various)), a benchmark lot (TMK 5-2-31-16) was valued accounting for differences in market conditions, location, corner/frontage, zoning, physical characteristics and size. The remaining industrial park lots were then valued in relation to the benchmark employing a consistent rationale.

Comparables Examined

Industrial comparables B-1, B-2, B-6, B-7, B-8, B-11, B-12, I-1, and I- 2 were utilized in valuing the benchmark lot. One transaction is located within the Molokai Industrial Park, and the others in Kaunakakai.

Compensating Adjustments

Consistent with the previous section, a negative 20 percent market conditions adjustment was applied to all transactions through June 2012. Thereafter, a market conditions allowance of two percent per annum was applied to all transactions through March 2020 in recognition of Kaunakakai activity levels. The asking price of Comparable B-12 was discounted 20 percent. The high exposure locations of Transactions B-1, B-6, B-8, B-11 and I-2 required downward adjustments. The interior locations of B-2 and B-12 were inferior. Having corner configurations, Transactions I-1 and I-2 were rated superior to the benchmark. The B-CT zoning of Transactions B-1, B-6, B-7, B-8 and B-11 were judged inferior. Transaction B-7 and B-8 have irregular shapes and were deemed inferior for physical characteristics. The only other adjustment required was for size. Final adjusted values ranged from \$3.81 to \$12.92 per square foot, with a mean of \$10.05 and a weighted value of \$9.84. The value of the benchmark lot was concluded to be \$9.85 per square foot, or a total of \$220,000.

MOLOKAI INDUSTRIAL PARK EXPANSION ACREAGE

Lacking an abundance of industrial zoned transactions, the 68.546-acre Molokai Industrial Park expansion acreage (TMK 5-2-11, Parcel 29) was valued employing the same transactions and general adjustment rationale as the previous industrial park benchmark lot. However, considering the 13 unsold lots in the existing subdivision, a market over supply allowance was considered in the valuation of the expansion acreage. In addition to the market over supply allowance, the subject's easement access and irregular shape were rated inferior to the transactions. The Interim zoning for a portion of the subject was judged inferior to Transactions B-2, B-12, I-1, and I-2. The irregular shape of the expansion acre was rated comparable to Transactions B-7 and B-8 and inferior to all other transactions.

After all adjustments, the values ranged between \$0.43 to \$2.00 per square foot, with a mean of \$1.54 and a weighted value of \$1.50. We concluded a value for the 68.546-acre expansion parcel of \$1.50 per square foot, or a total fee value of \$4,479,000.

MOLOKAI RANCH OFFICE, BASE YARD, THEATRE PROPERTY

This 6.363-acre parcel has frontages on four roadways and is located in the center of Maunaloa Village.

Comparables Examined

Valuation of M-1 zoned TMK 5-1-10, Parcel 134 used consistent transactions and general adjustment rationale as in the preceding industrial valuations, save replacing Comparable B-12 with B-9 and B-10.

Compensating Adjustments

The time adjustment employed the identical negative 20 percent adjustment through June 2012. A further 15 percent deduction was applied to transactions through 2012, based on current commercial lot listing prices and considering the depressed conditions in Maunaloa town. The asking price of Comparables B-9 and B-10 were discounted 20 percent. The subject's Maunaloa location was rated inferior to all transactions except Comparables B-9 and B-10. Having single frontages, Transactions B-1, B-2, B-6, B-7, B-8 B-10 and B-11 were rated inferior to the subject. The B-CT zonings of Transactions B-1 and B-6 to B-11 were judged inferior to the subject. The irregular shapes to Transactions B-7 and B-8 were rated inferior to the subject. The only other adjustment required was for size.

The adjustment process resulted in a value range of \$2.17 to \$6.63 per square foot, with a mean of \$5.25 and weighted value of \$5.34. We concluded a land value for the 6.363-acre Molokai Ranch Office, Base yard, and Theatre parcel of \$5.30 per square foot, or a total fee value of \$1,469,000.

The contributory values of the Molokai Ranch Office Complex and Cinema building were estimated by depreciated cost analysis employing construction costs and in service dates provided by the client, and depreciation applied by the analysts. As indicated in the previous section, estimates of depreciation considered the physical condition of the structures and external factors such as current economic circumstances. The contributory values of the Molokai Ranch Office/Baseyard and Cinema buildings were estimated at \$26,000 and \$870,000, respectively, for a total contributory value of \$896,000. Adding this to the previously concluded fee simple land value of \$1,469,000 indicates a total property value for the Molokai Ranch Office, Baseyard, and Theater property (TMK 5-1-10, 134) of \$2,365,000.

Concluded Market Value in the Existing State

As summarized in the table below, the aggregate rounded value of the Kualapuu and Maunaloa industrial properties was estimated to be \$10,943,000 as of February 1, 2021.

KUALAPUU AND MAUNALOA INDUSTRIAL PROPERTIES VALUE CONCLUSIONS

Molokai Properties Limited Real Property Assets

Second Division Tax Map Key	Land Area		Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
	Acres	Sq. Ft.				
2-5-1-10-134	6.363	277,169	Fee Simple	Office/Theatre	\$2,365,000	1 to 2 Years
2-5-2-11-29	68.546	2,985,864	Fee Simple	Vacant Lot	\$4,479,000	1 to 2 Years
2-5-2-31-1	0.812	35,378	Fee Simple	Vacant Lot	\$373,000	1 to 2 Years
2-5-2-31-2	0.833	36,284	Fee Simple	Vacant Lot	\$332,000	1 to 2 Years
2-5-2-31-3	0.854	37,203	Fee Simple	Vacant Lot	\$341,000	1 to 2 Years
2-5-2-31-4	0.868	37,793	Fee Simple	Vacant Lot	\$342,000	1 to 2 Years
2-5-2-31-5	0.877	38,187	Fee Simple	Vacant Lot	\$346,000	1 to 2 Years
2-5-2-31-6	0.885	38,541	Fee Simple	Vacant Lot	\$349,000	1 to 2 Years
2-5-2-31-7	0.893	38,895	Fee Simple	Vacant Lot	\$352,000	1 to 2 Years
2-5-2-31-8	0.901	39,260	Fee Simple	Vacant Lot	\$356,000	1 to 2 Years
2-5-2-31-15	0.507	22,101	Fee Simple	Vacant Lot	\$218,000	1 to 2 Years
2-5-2-31-16	0.513	22,357	Fee Simple	Vacant Lot	\$220,000	1 to 2 Years
2-5-2-31-17	0.534	23,256	Fee Simple	Vacant Lot	\$238,000	1 to 2 Years
2-5-2-31-21	0.688	29,949	Fee Simple	Vacant Lot	\$311,000	1 to 2 Years
2-5-2-31-22	0.677	29,501	Fee Simple	Vacant Lot	\$321,000	1 to 2 Years
Total	84.751			Rounded	\$10,943,000	

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Maunaloa Residential Properties

IDENTIFICATION

MAUNALOA RESIDENTIAL PROPERTIES							
Molokai Properties Limited Real Property Assets							
Second Division	Land Area		Interest	Existing	Classification	Zoning /	Ownership
Tax Map Key	Acres	Sq. Ft.	Valued	Use	Held For	Land Use	
5-1-9-60	0.200	8,702	Fee Simple	Vacant Lot	North Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-9-61	0.191	8,307	Fee Simple	Vacant Lot	North Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-9-69	0.174	7,571	Fee Simple	Vacant Lot	North Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-9-72	0.197	8,590	Fee Simple	Vacant Lot	North Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-9-74	0.370	16,097	Fee Simple	Vacant Lot	North Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-9-76	0.321	13,961	Fee Simple	Vacant Lot	North Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-9-81	0.274	11,947	Fee Simple	Vacant Lot	North Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-29	0.122	5,304	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-30	0.124	5,384	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-36	0.125	5,447	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-37	0.129	5,602	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-38	0.130	5,662	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-39	0.124	5,418	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-40	0.124	5,395	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-41	0.121	5,261	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-43	0.126	5,497	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-60	0.140	6,088	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-62	0.117	5,110	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-64	0.118	5,133	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-66	0.119	5,165	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-69	0.131	5,689	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-70	0.143	6,241	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-71	0.125	5,462	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-74	0.118	5,157	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-75	0.120	5,211	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-76	0.119	5,183	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-77	0.121	5,264	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-91	0.122	5,293	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-92	0.122	5,325	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-93	0.121	5,267	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-95	0.135	5,871	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-96	0.121	5,273	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-97	0.121	5,256	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-98	0.117	5,113	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-99	0.119	5,184	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-100	0.129	5,625	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-101	0.125	5,451	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-102	0.133	5,787	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-103	0.137	5,968	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-104	0.124	5,400	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-105	0.119	5,190	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-106	0.119	5,190	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-107	0.119	5,190	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-108	0.121	5,255	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-116	0.123	5,366	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-117	0.121	5,266	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-118	0.121	5,272	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-119	0.126	5,477	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-120	0.136	5,914	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-121	0.133	5,803	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-122	0.137	5,964	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-123	0.143	6,220	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-124	0.146	6,353	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-125	0.146	6,353	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-126	0.143	6,209	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-127	0.128	5,561	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-128	0.128	5,552	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-129	0.127	5,518	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-130	0.123	5,377	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-131	0.123	5,371	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-132	0.123	5,371	Fee Simple	Vacant Lot	South Subdivision Lots	Interim / Urban	Malokai Properties Limited
5-1-10-34	0.126	5,471	Fee Simple	Vacant Lot	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-35	0.127	5,515	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-86	0.127	5,516	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-87	0.124	5,410	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-88	0.119	5,182	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-89	0.123	5,355	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-90	0.124	5,389	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-109	0.121	5,282	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-110	0.122	5,308	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-111	0.125	5,453	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-112	0.125	5,431	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-10-114	0.124	5,413	Leased Fee	Maunaloa Vistas	Maunaloa Vistas	Interim / Urban	Malokai Properties Limited
5-1-2-51	0.607	26,441	Fee Simple	SF Residential	Manager's Row	Interim / Urban	Malokai Properties Limited
5-1-2-52	0.515	22,433	Fee Simple	SF Residential	Manager's Row	Interim / Urban	Malokai Properties Limited
5-1-2-53	0.451	19,646	Fee Simple	SF Residential	Manager's Row	Interim / Urban	Malokai Properties Limited
5-1-2-54	0.414	18,034	Fee Simple	Vacant Lot	Manager's Row	Interim / Urban	Malokai Properties Limited
5-1-2-55	0.443	19,297	Fee Simple	SF Residential	Manager's Row	Interim / Urban	Malokai Properties Limited
5-1-2-56	0.597	26,005	Fee Simple	Vacant Lot	Manager's Row	Interim / Urban	Malokai Properties Limited
5-1-2-57	0.712	31,015	Fee Simple	SF Residential	Manager's Row	Interim / Urban	Malokai Properties Limited
5-1-2-58	0.935	40,729	Fee Simple	SF Residential	Manager's Row	Interim / Urban	Malokai Properties Limited
5-1-10-9	6.792	295,868	Fee Simple	Nani Maunaloa	Nani Maunaloa	Interim / Urban	Malokai Properties Limited
Aggregate	21.502	936,626					

Compiled by CBRE

Location

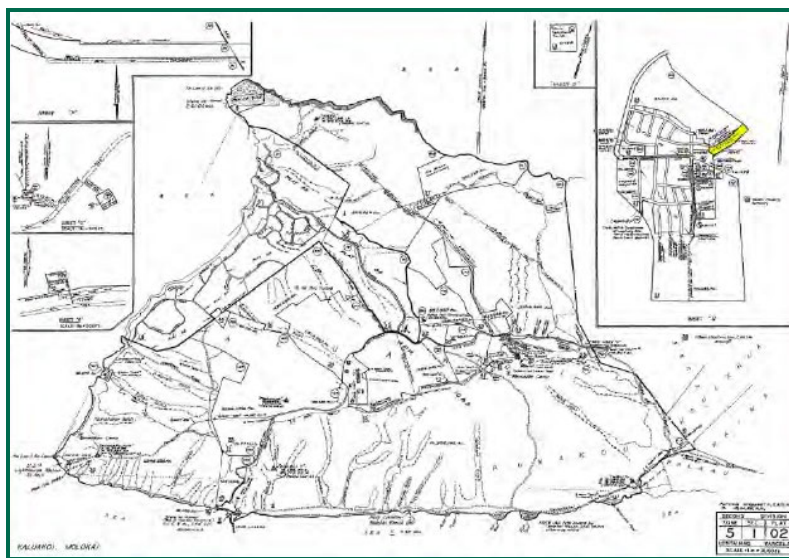
Maunaloa, Molokai, Hawaii

TMKs 5-1-09 (various) and 5-1-10 (various) consists of vacant unsold single-family residential lots in the Maunaloa North and South subdivisions, and homes in the South Subdivision constructed by Maunaloa Vistas Limited Partnership. TMK 5-1-02 (various) contains six homes and two vacant lot commonly referred to as Manager's Row. TMK 5-1-10, Parcel 9 consists of a single large parcel improved with 61 rental cottages comprising the Nani Maunaloa affordable housing project.

Aerials and Tax Maps



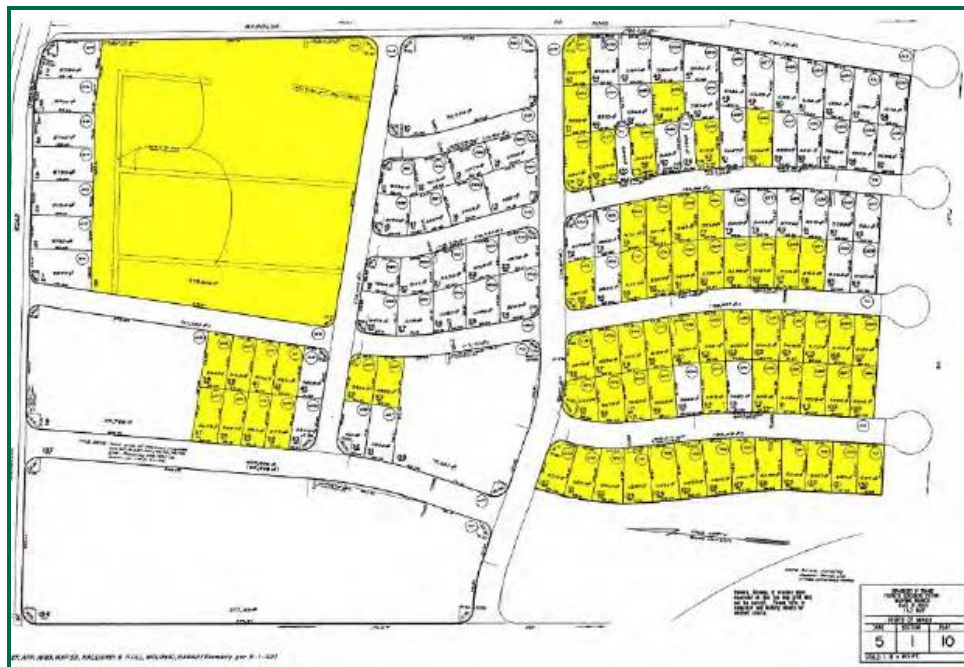
Aerial of Maunaloa Village Residential



TMK (2) 5-1-2, Parcels 51 to 58 (Manager's Row)



TMK (2) 5-1, Plat 2 (Various Residential Lots – North Subdivision)



TMK (2) 5-1, Plat 10
(Nani Maunaloa, Maunaloa Vistas and Various Residential Lots – South Subdivision)

PROPERTY DATA AND DESCRIPTION

Physical Description

The Maunaloa North subdivision lots range in size from 7,571 to 16,097 square feet and vary from generally level to moderately sloping topography. This is the newer and preferred

subdivision, which features panoramic views in a westerly direction. The Maunaloa South subdivision is an older development with generally smaller lots between 5,110 and 6,353 square feet in size. The lots also vary from level to moderately sloping. Views are less panoramic from these lots, although distant ocean views are available.

The Manager's Row residences and the sites are situated in a premier Maunaloa location on a knoll overlooking the North subdivision. The eight lots along this corridor range in size from 0.414 to 0.935 acres. All lots are generally rectangular shaped with most sloping gradually upward from west to east.

Containing 6.792 acres, the large Nani Maunaloa site is a near rectangular holding bordered to the east, south and west by village roadways. A row of unsold commercial lots abut the subject to the north. The property slopes moderately upward from west to east.

Improvement Description

The Maunaloa Vistas homes, constructed as affordable rentals, are all wood frame structures containing 864 to 988 square feet. These 12 homes have three-bedroom, two-bath configurations and were built in 1997.

The Manager's Row homes include four small masonry houses (1,260 to 1,430 square feet) in fair condition and two larger wood frame executive dwellings (2,236 to 3,030 square feet) that have been extensively remodeled through the years.

Nani Maunaloa consists of 61 affordable rental cottages, which are roughly 67 percent physically occupied. Managed by Prudential, the wood frame units containing between 498 and 1,248 square feet. These homes, built in 1996, vary from one-bedroom, one-bath to four-bedroom, two-bath configurations.

Photographs

The following photographs depict the general appearance of selected subject lands as of our site visit.



Representative Residential Improvements in South Subdivision

VALUATION ANALYSIS

Rights Appraised

Fee simple and leased fee interests.

Highest and Best Use

Residential.

Specific Value Consideration

The leased fee interests in the 12 Maunaloa Vistas homes and the fee simple interest in the Nani Maunaloa Village parcel have been estimated by income capitalization analysis.

Valuation Approach Utilized

Sales comparison approaches were utilized to value the various Maunaloa vacant lots and homes. Where appropriate, income capitalization analysis was also employed as indicated above.

MAUNALOA NORTH SUBDIVISION LOTS

For the seven Maunaloa North subdivision lots (TMK 5-1-09 (various)) and two Manager's Row lots (TMK 5-1-2-54 and 56), a benchmark lot (Parcel 61) was valued relative to market value indicators, accounting for differences in market conditions, corner/frontage, view, physical characteristics and size. The remaining subdivision lots were then valued in relation to the benchmark employing a similar rationale.

Comparables Examined

Residential lot comparables R-1 through R-5 were utilized in valuing the benchmark lot.

Compensating Adjustments

No market conditions adjustment was warranted due to the timeliness of the comparables and stable price trend in Maunaloa. A 25 percent location adjustment for Comparable R-1, located in the south subdivision, was warranted along with a 50% downward adjustment to Transaction R-2 for its double lot potential. The only other required adjustment was for size.

Adjusted lot values ranged from \$39,000 to \$55,471, with a mean of \$48,694 and weighted lot value of \$46,294. The value of the North subdivision benchmark lot was concluded to be \$46,500.

MAUNALOA SOUTH SUBDIVISION LOTS

The 54 South subdivision lots (TMK 5-1-10 (various)) were valued utilizing the same methodology and adjustment rationale as the North subdivision lots.

Comparables Examined

Residential lot comparables R-1 through R-6 were utilized in valuing the benchmark lot (Parcel 77).

Compensating Adjustments

Like the prior analysis, no market conditions allowance was required. An adjustment for location accounted for the superior locational attributes of the four North subdivision Transactions R-2 to R-5. Again, a 50% downward adjustment was applied to Transaction R-2 for its double lot potential. The only other adjustment required was for size.

Adjusted lot values ranged from \$25,500 to \$42,450, with a mean of \$33,192 and a weighted lot value of \$33,610. The value of the South subdivision benchmark lot was concluded to be \$33,500.

MANAGER'S ROW HOMES

The Manager's Row homes (TMK 5-1-02-51, 52, 53, 55, 57, and 58), ranging in size from 1,260 to 3,030 square feet, were valued by sales comparison employing recent home sales in Maunaloa. Adjustments were made for date of sale/time, location, differences in land area, view, design and appeal, quality of construction, age in years, condition, bedrooms/baths, interior living area, garage, entry area/lanai, and lot location.

Comparables Examined

Single family residential comparables SF-1 through SF-6 were utilized in valuing the six Manager's Row homes. Transaction SF-1 is a 1,592-square-foot 2-bedroom, 2-bath home located in the Maunaloa North subdivision. Transaction SF-2 is a 2,450-square-foot 3-bedroom, 2-bath home in the Maunaloa North subdivision. Transaction SF-3 is a 3-bedroom, 2-bath home containing 1,581 square feet located in Maunaloa's North subdivision. Transaction SF-4 is a 1,478-square-foot 3-bedroom, 3-bath home on the north side. Transaction SF-5 is a 710-

square-foot 2-bedroom, 1-bath home on the north side. Transaction 6, located in the North Subdivision, is a 1,800 square-foot 5-bedroom, 3-bathroom house.

Compensating Adjustments

As is typical for house valuations, compensating adjustments were made for most of the criteria listed above. Built in 1978, the subject homes are generally older plantation style homes on large lots which have been maintained to varying degrees over the years. Generally, all the comparables were rated superior to the four smaller masonry homes. The two larger Manager Row homes were judged similar to inferior to the comparables. The most significant adjustments were for site area, age in years, quality of construction, condition, and differences in living area.

Concluded values for the four smaller masonry homes on Manager's Row ranged from \$215,000 to \$237,000.

The two larger wood-framed homes on Manager's Row ranged in value from \$346,000 to \$363,000.

MAUNALOA VISTAS

The 12 Maunaloa Vistas homes are leased until December 31, 2030 at an aggregate annual rent of \$23,881. At the termination of the lease, the tenants have the right to purchase the homes for \$2,500 each.

An income capitalization analysis was employed to value this leased fee interest. The methodology involves calculating the present value of the right to receive aggregate monthly rent of \$1,900.09 per month for 9.9 years and an aggregate reversion of \$30,000 (12 units x \$2,500 per unit) at termination. Considering the low monthly rental rate and nominal reversionary interest, the reliability of this cash flow is rated as high resulting in selection of a seven percent discount rate.

The leased fee value of the Maunaloa Vistas was calculated to be \$187,000.

NANI MAUNALOA

The Nani Maunaloa is a complex of 61 rental cottages, rated fair to poor building quality by the tax assessment office, that is committed to operate as affordable rentals until December 31, 2026. After this date, there would be no restrictions on these cottages and they could continue operation as a rental project or be condominiumized and sold. Managed by Prudential, reported occupancy for the project has historically been below 75 percent, and, most recently, there is State of Hawaii moratorium on evictions for non-payment of rent for an indefinite period.

A direct income capitalization analysis was considered to value the property as an ongoing rental housing project; however, the project has been operating at a loss for a number of years. We anticipate that even with increased occupancy, the affordable housing project may not be able to

generate a profit given the levels of required maintenance and operating expenses. Before its \$73,500 annual ground rent expense, the project is breakeven at best.

In its current state, the property would not be marketable to individuals seeking an economic return on an investment. While we acknowledge the social benefits provided by the affordable housing project, it has been determined that the subject property has no economic value as a going concern.

At the end of the project's commitment to provide affordable rental housing in 2026, the individual units could potentially be renovated, condominiumized, and marketed individually. However, such a venture would require substantial renovations, a multi-year sell out in a stronger market, and would compete with the surplus of house lots in existence around Maunaloa.

As a vacant parcel, the 6.792-acre site has value, but such cannot be realized under the property's existing commitment to provide affordable housing. Therefore, we have assigned the Nani Maunaloa a zero value.

CONCLUDED MARKET VALUE IN THE EXISTING STATE

As shown on the following table, the aggregate value of the Maunaloa residential properties totals \$4,358,000 as of February 1, 2021.

MAUNALOA RESIDENTIAL PROPERTIES VALUE CONCLUSIONS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area Acres	Interest Sq. Ft.	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-1-9-60	0.200	8,702	Fee Simple	Vacant Lot	\$47,000	9 to 12 Months
2-5-1-9-61	0.191	8,307	Fee Simple	Vacant Lot	\$46,500	9 to 12 Months
2-5-1-9-69	0.174	7,571	Fee Simple	Vacant Lot	\$45,000	9 to 12 Months
2-5-1-9-72	0.197	8,590	Fee Simple	Vacant Lot	\$47,000	9 to 12 Months
2-5-1-9-74	0.370	16,097	Fee Simple	Vacant Lot	\$111,500	9 to 12 Months
2-5-1-9-76	0.321	13,961	Fee Simple	Vacant Lot	\$103,000	9 to 12 Months
2-5-1-9-81	0.274	11,947	Fee Simple	Vacant Lot	\$95,000	9 to 12 Months
2-5-1-10-29	0.122	5,304	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-30	0.124	5,384	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-36	0.125	5,447	Fee Simple	Vacant Lot	\$30,500	9 to 12 Months
2-5-1-10-37	0.129	5,602	Fee Simple	Vacant Lot	\$31,000	9 to 12 Months
2-5-1-10-38	0.130	5,662	Fee Simple	Vacant Lot	\$34,000	9 to 12 Months
2-5-1-10-39	0.124	5,418	Fee Simple	Vacant Lot	\$34,000	9 to 12 Months
2-5-1-10-40	0.124	5,395	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-41	0.121	5,261	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-43	0.126	5,497	Fee Simple	Vacant Lot	\$34,000	9 to 12 Months
2-5-1-10-60	0.140	6,088	Fee Simple	Vacant Lot	\$35,000	9 to 12 Months
2-5-1-10-62	0.117	5,110	Fee Simple	Vacant Lot	\$31,500	9 to 12 Months
2-5-1-10-64	0.118	5,133	Fee Simple	Vacant Lot	\$30,000	9 to 12 Months
2-5-1-10-66	0.119	5,165	Fee Simple	Vacant Lot	\$31,500	9 to 12 Months
2-5-1-10-69	0.131	5,689	Fee Simple	Vacant Lot	\$32,500	9 to 12 Months
2-5-1-10-70	0.143	6,241	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-71	0.125	5,462	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-74	0.118	5,157	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-75	0.120	5,211	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-76	0.119	5,183	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-77	0.121	5,264	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-91	0.122	5,293	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-92	0.122	5,325	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-93	0.121	5,267	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-95	0.135	5,871	Fee Simple	Vacant Lot	\$33,000	9 to 12 Months
2-5-1-10-96	0.121	5,273	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-97	0.121	5,256	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-98	0.117	5,113	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-99	0.119	5,184	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-100	0.129	5,625	Fee Simple	Vacant Lot	\$34,000	9 to 12 Months
2-5-1-10-101	0.125	5,451	Fee Simple	Vacant Lot	\$34,000	9 to 12 Months
2-5-1-10-102	0.133	5,787	Fee Simple	Vacant Lot	\$34,500	9 to 12 Months
2-5-1-10-103	0.137	5,968	Fee Simple	Vacant Lot	\$34,500	9 to 12 Months
2-5-1-10-104	0.124	5,400	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-105	0.119	5,190	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-106	0.119	5,190	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-107	0.119	5,190	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-108	0.121	5,255	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-116	0.123	5,366	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-117	0.121	5,266	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-118	0.121	5,272	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-119	0.126	5,477	Fee Simple	Vacant Lot	\$32,000	9 to 12 Months
2-5-1-10-120	0.136	5,914	Fee Simple	Vacant Lot	\$34,500	9 to 12 Months
2-5-1-10-121	0.133	5,803	Fee Simple	Vacant Lot	\$34,500	9 to 12 Months
2-5-1-10-122	0.137	5,964	Fee Simple	Vacant Lot	\$34,500	9 to 12 Months
2-5-1-10-123	0.143	6,220	Fee Simple	Vacant Lot	\$35,000	9 to 12 Months
2-5-1-10-124	0.146	6,353	Fee Simple	Vacant Lot	\$35,500	9 to 12 Months
2-5-1-10-125	0.146	6,353	Fee Simple	Vacant Lot	\$35,500	9 to 12 Months
2-5-1-10-126	0.143	6,209	Fee Simple	Vacant Lot	\$35,000	9 to 12 Months
2-5-1-10-127	0.128	5,561	Fee Simple	Vacant Lot	\$34,000	9 to 12 Months
2-5-1-10-128	0.128	5,552	Fee Simple	Vacant Lot	\$34,000	9 to 12 Months
2-5-1-10-129	0.127	5,518	Fee Simple	Vacant Lot	\$34,000	9 to 12 Months
2-5-1-10-130	0.123	5,377	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-131	0.123	5,371	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-132	0.123	5,371	Fee Simple	Vacant Lot	\$33,500	9 to 12 Months
2-5-1-10-34	0.126	5,471	Fee Simple	Vacant Lot	\$187,000	9 to 12 Months
2-5-1-10-35	0.127	5,515	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-86	0.127	5,516	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-87	0.124	5,410	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-88	0.119	5,182	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-89	0.123	5,355	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-90	0.124	5,389	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-109	0.121	5,282	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-110	0.122	5,308	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-111	0.125	5,453	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-112	0.125	5,431	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-10-114	0.124	5,413	Leased Fee	Maunaloa Vistas	In Parcel 34	9 to 12 Months
2-5-1-2-51	0.607	26,441	Fee Simple	SF Residential	\$233,000	9 to 12 Months
2-5-1-2-52	0.515	22,433	Fee Simple	SF Residential	\$237,000	9 to 12 Months
2-5-1-2-53	0.451	19,646	Fee Simple	SF Residential	\$215,000	9 to 12 Months
2-5-1-2-54	0.414	18,034	Fee Simple	Vacant Lot	\$124,000	9 to 12 Months
2-5-1-2-55	0.443	19,297	Fee Simple	SF Residential	\$219,000	9 to 12 Months
2-5-1-2-56	0.597	26,005	Fee Simple	Vacant Lot	\$140,500	9 to 12 Months
2-5-1-2-57	0.712	31,015	Fee Simple	SF Residential	\$363,000	9 to 12 Months
2-5-1-2-58	0.935	40,729	Fee Simple	SF Residential	\$346,000	9 to 12 Months
2-5-1-10-9	6.792	295,868	Fee Simple	Nani Maunaloa	\$0	9 to 12 Months
Aggregate	21.502	936,626		Rounded	\$4,358,000	

Compiled by CBRE

Residential Potential Urban Expansion Land

IDENTIFICATION

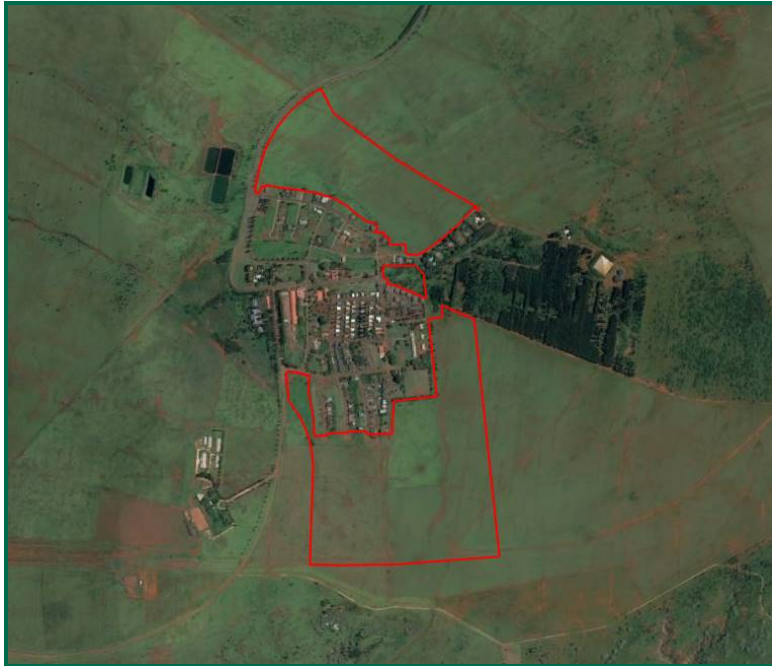
RESIDENTIAL POTENTIAL URBAN EXPANSION LANDS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classificaiton Held For	Zoning / Land Use	Ownership
5-1-2-25	49.710	Fee Simple	Vacant Lot	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-1-2-46	2.929	Fee Simple	Vacant Lot	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-1-2-28	96.085	Fee Simple	Vacant Lot	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-2-13-38	6.058	Fee Simple	Vacant Lot	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-2-13-21 (por.)	12.608	Fee Simple	Vacant Lot	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-2-28-106	2.057	Fee Simple	Vacant Lot	Owner Occupancy	AGR / Urban & Ag.	Cooke Land Company Inc.
5-3-05-3	63.150	Fee Simple	Vacant	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-3-05-8	13.721	Fee Simple	Vacant	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-3-11-129	2.345	Fee Simple	Vacant Lot	Owner Occupancy	AGR / Urban & Ag.	Cooke Land Company Inc.
5-4-01-23	34.895	Fee Simple	Vacant	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-4-01-54	2.625	Fee Simple	Vacant	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
5-4-01-84	8.809	Fee Simple	Vacant	Owner Occupancy	AGR / Urban & Ag.	Molokai Properties Limited
Total	294.992					

Compiled by CBRE

Location

Maunaloa, Kualapuu, Kaunakakai, and Kawela, Molokai, Hawaii

In Maunaloa, these expansion lands are situated adjacent to the existing Maunaloa Village north and south residential subdivisions. The Kualapuu expansion lands are located adjacent to the Ironwoods Golf Course and an existing residential subdivision in Kualapuu Village. Currently being farmed, the Kaunakakai expansion land is also adjacent to the existing Ranch Camp residential subdivision. The Kawela expansion lands are in close proximity to Kawela Plantations subdivision.



Aerial of Maunaloa Residential Expansion Lands



Aerial of Residential Urban Expansion Lands Between Kualapuu and Kalae



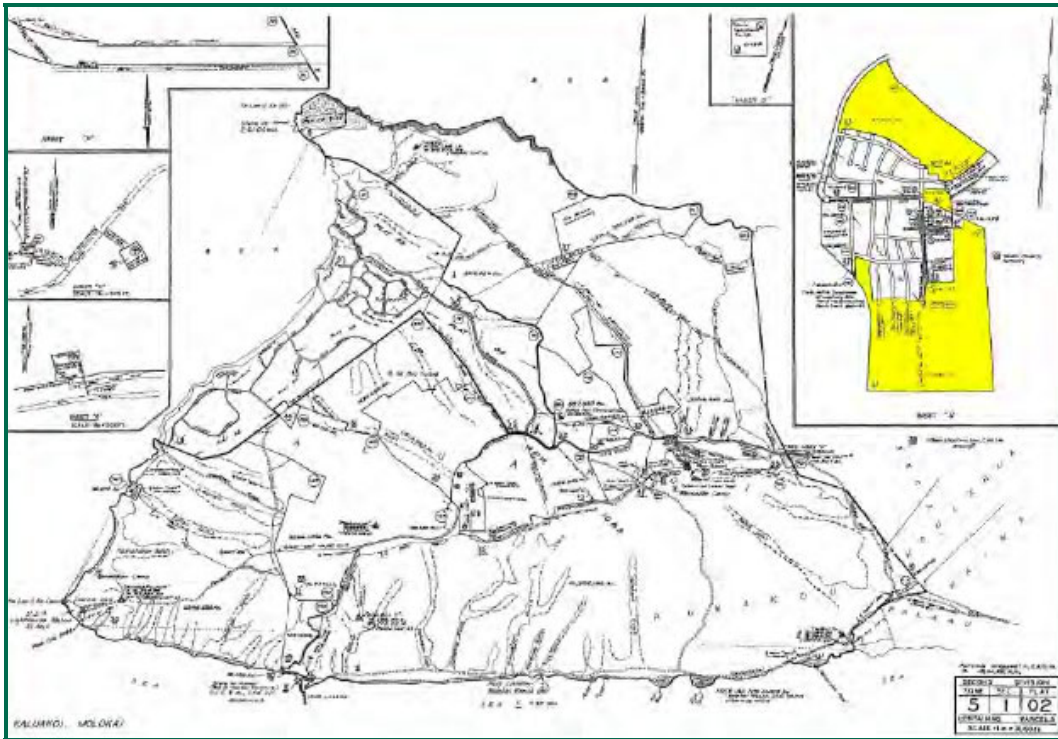
Aerial of Kaunakakai Residential Urban Expansion Lands



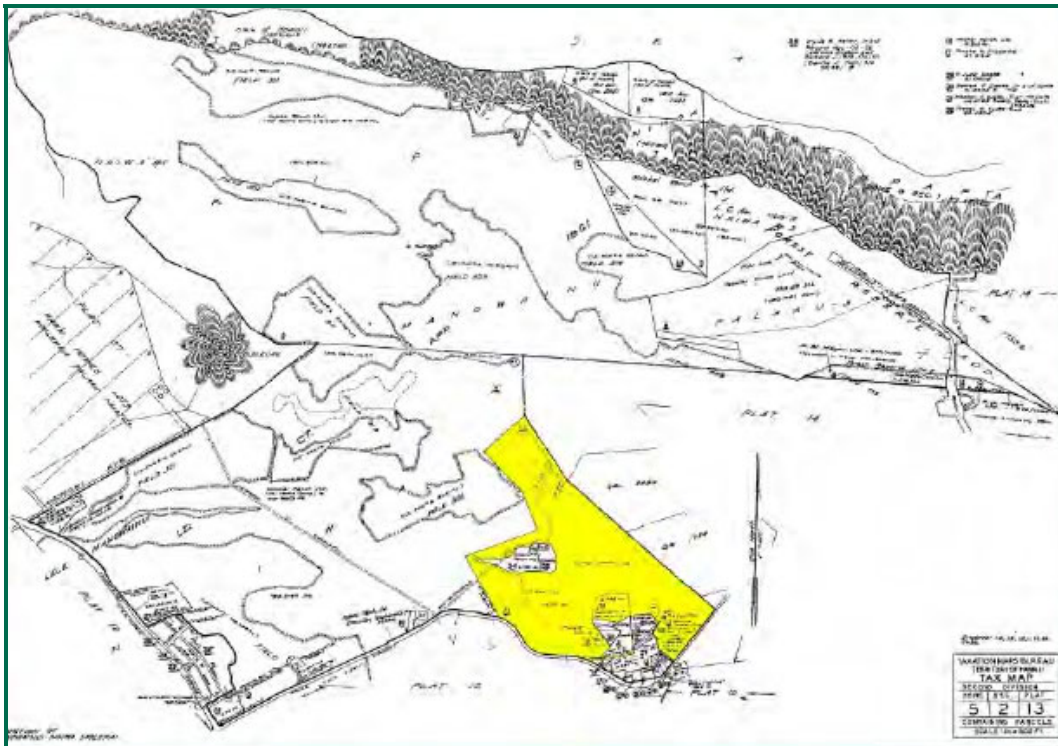
Other Kaunakakai Residential Urban Expansion Lands



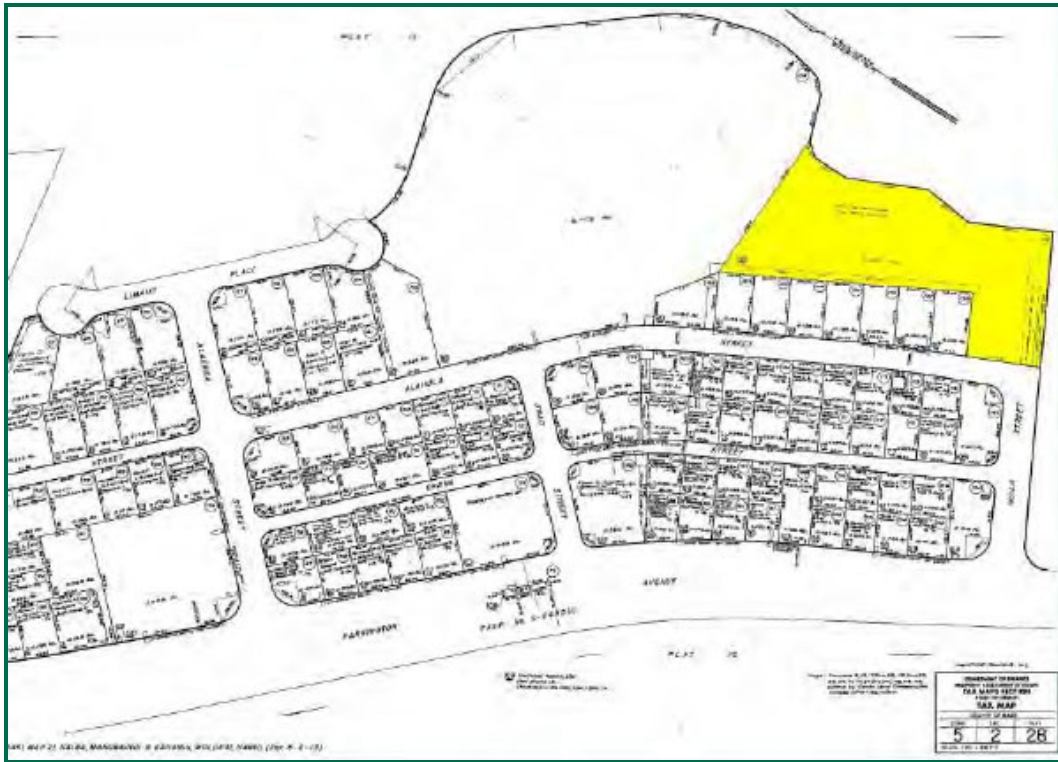
Aerial of Kawela Residential Urban Expansion Lands



Maunaloa Village TMK (2) 5-1, Plat 2



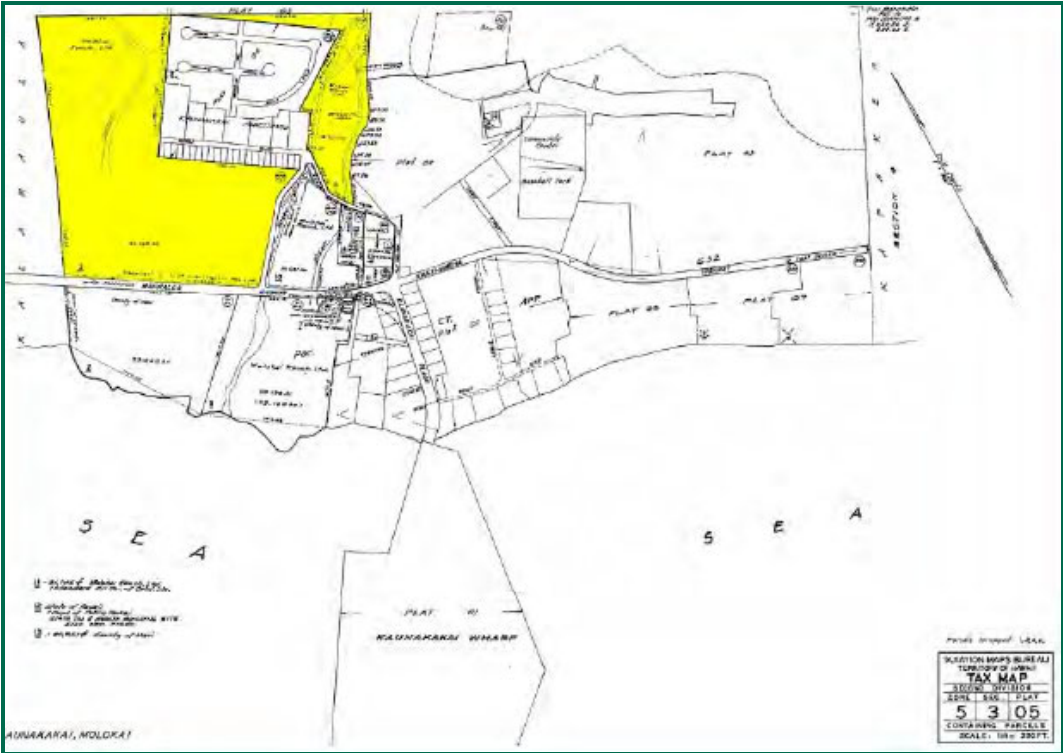
Between Kualapuu and Kalae – TMK (2) 5-2-13, Parcel 21 (por.) and 38



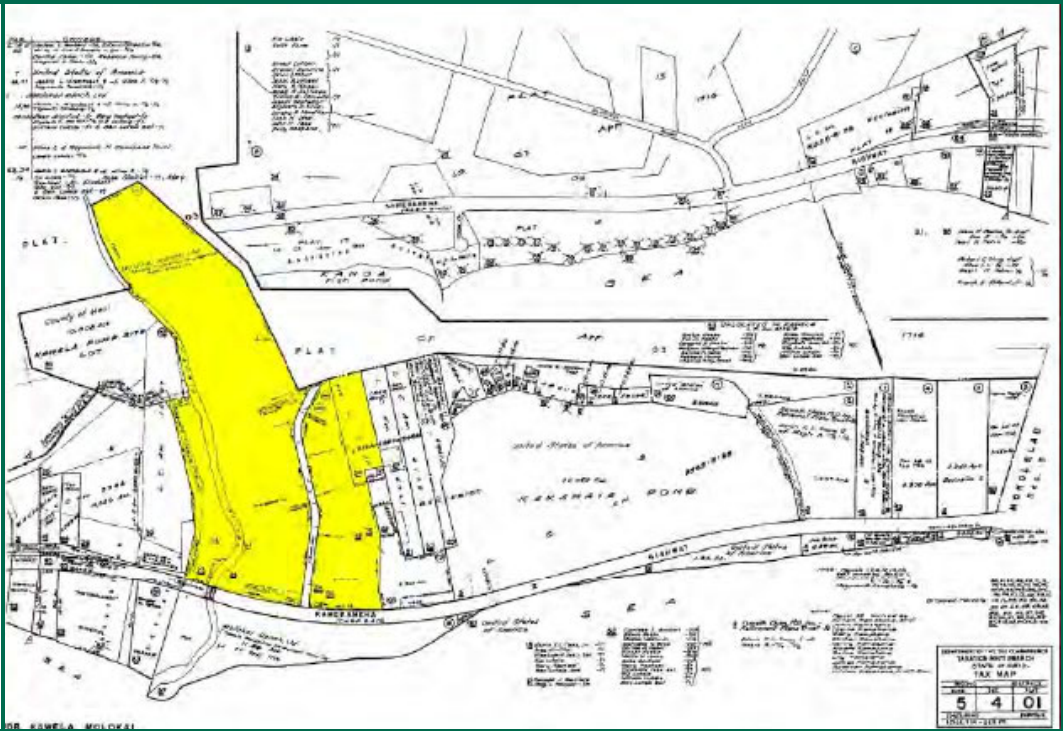
Kualapuu TMK (2) 5-2-28, Parcel 106



Kaunakakai TMK (2) 5-3-11, Parcel 129



Kaunakakai TMK 5-3, Plat 5



Kawela TMK 5-4, Plat 1

PROPERTY DATA AND DESCRIPTION

Physical Description

TMK 5-1-02, Parcels 25 (por.) and 28 are irregularly shaped larger sites with undulating topographical features containing 49.710 and 96.085 acres, respectively. Both have good views of the ocean and coastline. TMK 5-1-02, Parcel 46 contains 2.929 acres located at the east end of Maunaloa Road. This site is undulating and slopes gradually upward from the roadway. We were unable to definitively locate the 6.058-acre TMK 5-2-13, Parcel 38 but the general area is heavily wooded and undulating topography is typical. TMK 5-2-13, Parcel 21 (por.) is a 12.608-acre portion of the Ironwoods Golf Course property adjacent to and sloping gradually upward from Kalae Highway.

Situated in Kualapuu Village, TMK 5-2-28, Parcel 106 is an irregularly shaped 2.057-acre parcel that wraps around existing homesites. This property slopes gradually upward from Huila and Alahula Streets. Containing 2.345 acres, TMK 5-3-11, Parcel 129 is an irregularly shaped level site that extends around existing Ranch Camp homesites. The property is situated slightly below the Kolapa Place grade. TMK 5-3-05, Parcels 3 and 8 are irregularly shaped sites containing 63.150 and 13.721 acres, respectively. These parcels are situated adjacent to the Kaunakakai Homesteads subdivision at the west end of town. Parcel 3 is generally level to slightly sloping, while Parcel 8 is undulating with ravines and berms within the property boundary.

TMK 5-4-01, Parcels 54 and 84 contain 2.625 and 8.809 acres, respectively, and are located east of Kaunakakai in the Kawela area. Parcel 84 has frontage on Kamehameha V Highway, while Parcel 54 is an interior parcel with no frontage on the highway. Both are slightly irregular shaped and feature level to slightly sloping topography.

Also in Kawela, TMK 5-4-01, Parcel 23 is a 34.895-acre parcel bisected by Kawela Stream. Much of this parcel is lost to the stream and associated flooding issues. This parcel has frontage on Kamehameha V Highway.

Improvement Description

All sites are currently vacant. Except for TMK 5-2-13, Parcel 38 and 5-4-01, Parcel 54, all parcels are served by asphalt paved roadways to their property line.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Residential development.

Valuation Approach Utilized

Sales comparison approaches were utilized to value a benchmark lot on a price per acre basis, accounting for differences in market conditions, location, access/frontage, zoning, view potential, physical characteristics, and size. The remaining lots were then valued in relation to the benchmark employing a similar rationale.

Comparables Examined

Our research revealed seven closed transactions with residential potential on Molokai. Bulk residential Transactions BR-1 through BR-7 were employed in our valuation analysis. Located in Keawanui, Transaction BR-1 is an irregular shaped 13.747-acre site with frontage on Kamehameha V Highway. This site is level to gradually sloping.

Transaction BR-2 is located adjacent to Transaction BR-1 and is an interior parcel containing 2.483 acres. This gradually sloping site does not appear to have any roadway access. Comparable BR-7 is a resale of Transaction BR-2. Transaction BR-3 is located in Kualapuu at the intersection of Kalae Highway and South Kiapa Street. This rectangular shaped 2.598-acre site is generally level at road grade.

Transactions BR-4 (13.747 acres) and BR-5 (13.485 acres) are irregularly shaped parcels on the mauka side of Kamehameha V Highway in Keawanui with extensive frontages on the roadway. Transaction BR-6 is a 6.957-acre site near the intersection of Kalama and Analu Roads in the Kalae Tract subdivision. This irregular shaped parcel slopes gradually down from the roadway.

Compensating Adjustments

The adjustment for market conditions employed a negative 20 percent adjustment through 2012 for Transaction BR-1 and BR-2 which occurred in 2009. From July 2012 to current, we employed an allowance of two percent per annum through March 2020 due to general market activity levels.

The Keawanui location of Transactions BR-1, BR-2, BR-4, BR-5 and BR-7 were considered inferior to the subject benchmark's Kaunakakai location. Located in Kualapuu, Transactions BR-3 and BR-6 were rated superior to the benchmark. For access and frontage, the extensive single frontage of the benchmark was rated superior to Transactions BR-2 and BR-7 which lack access. BR-6 has distant views rated superior to the benchmark. Having irregular shapes, Transactions BR-1, BR-2, BR-4 to BR-7 were rated inferior to the benchmark for physical characteristics.

After all adjustments including recognition of size differences, the values ranged from \$41,342 to \$112,268 per acre, with a mean of \$67,402 and a weighted value of \$76,262. We conclude a value of \$75,000 per acre, or a total of \$176,000 for the 2.345-acre benchmark site.

Concluded Market Value in the Existing State

As shown on the following table, the aggregate rounded value of the residential potential expansion parcels was examined to be \$10,035,000 as of February 1, 2021.

RESIDENTIAL POTENTIAL URBAN EXPANSION LANDS VALUE CONCLUSIONS					
Molokai Properties Limited Real Property Assets					
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-1-2-25	49.710	Fee Simple	Vacant Lot	\$1,290,000	1 to 2 Years
2-5-1-2-46	2.929	Fee Simple	Vacant Lot	\$149,000	1 to 2 Years
2-5-1-2-28	96.085	Fee Simple	Vacant Lot	\$3,290,000	1 to 2 Years
2-5-2-13-38	6.058	Fee Simple	Vacant Lot	\$316,000	1 to 2 Years
2-5-2-13-21 (por.)	12.608	Fee Simple	Vacant Lot	\$728,000	1 to 2 Years
2-5-2-28-106	2.057	Fee Simple	Vacant Lot	\$157,000	1 to 2 Years
2-5-3-05-3	63.150	Fee Simple	Vacant	\$2,167,000	1 to 2 Years
2-5-3-05-8	13.721	Fee Simple	Vacant	\$508,000	1 to 2 Years
2-5-3-11-129	2.345	Fee Simple	Vacant Lot	\$176,000	1 to 2 Years
2-5-4-01-23	34.895	Fee Simple	Vacant	\$777,000	1 to 2 Years
2-5-4-01-54	2.625	Fee Simple	Vacant	\$125,000	1 to 2 Years
2-5-4-01-84	8.809	Fee Simple	Vacant	\$352,000	1 to 2 Years
Total	294.992		Rounded	\$10,035,000	

Compiled by CBRE

Kaluakoi Interior Resort Land

IDENTIFICATION

KALUAKOI INTERIOR LANDS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-1-3-4	18.594	Fee Simple	Vacant	Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-10	8.018	Fee Simple	Vacant	Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-12	4.189	Fee Simple	Vacant	Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-16	6.751	Fee Simple	Vacant	Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-19	7.516	Fee Simple	Vacant	Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-20	41.710	Fee Simple	Vacant	Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-25	49.077	Fee Simple	Vacant	Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-26	24.975	Fee Simple	Vacant	Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-28	3.670	Fee Simple	Vacant	Investment	AGR / Urban	Kaluakoi Real Estate LLC
5-1-3-29	11.515	Fee Simple	Vacant	Investment	AGR / Urban	Kaluakoi Real Estate LLC
Aggregate	176.015					

Compiled by CBRE

Location

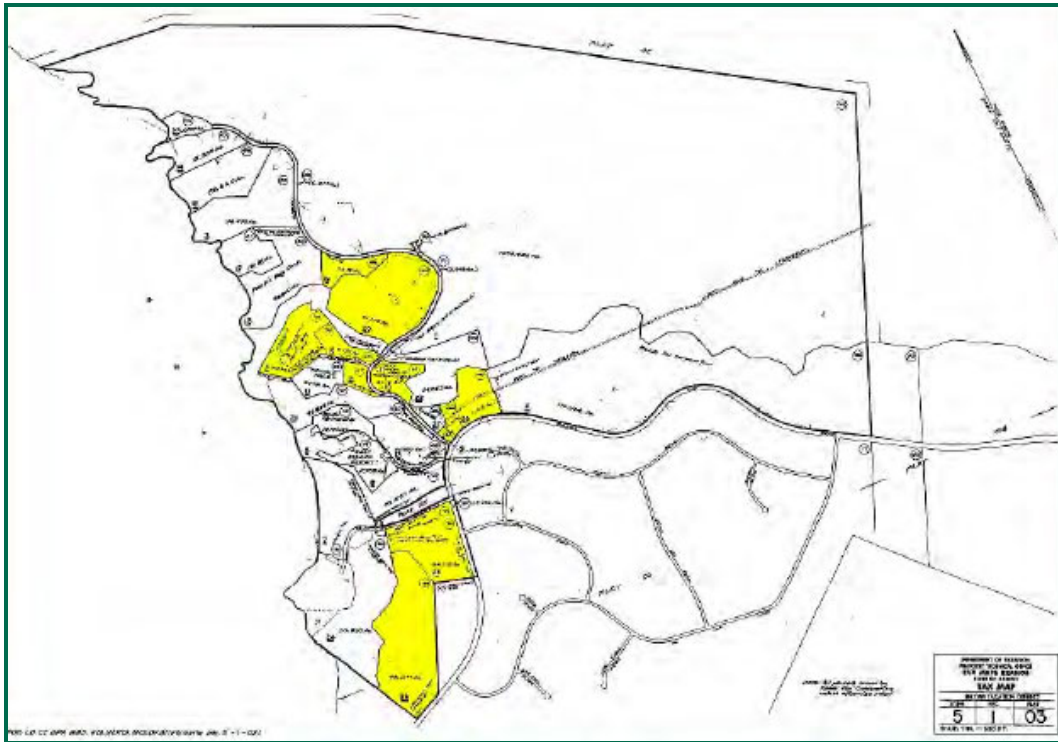
Kaluakoi, Molokai, Hawaii

These interior resort development parcels are located in the Kaluakoi Resort. All are golf course frontage lots situated around the existing hotel (non-operational), multifamily condominium, and golf course developments (non-operational).

Aerial and Tax Map



Aerial of Kaluakoi Interior Resort Lands



TMK (2) 5-1, Plat 3

PROPERTY DATA AND DESCRIPTION

Physical Description

The ten Kaluakoi interior resort development parcels range in size between 3.670 and 49.077 acres with topography varying from level to moderately sloping. Ocean, coastline, and/or golf course views are afforded from most lots.

Improvement Description

All sites are currently vacant and served by asphalt paved roadways and utilities to the property line except for TMK 5-1-03, Parcels 19 and 20.

Photographs

The following photographs depict the general appearance of selected subject lands as of our recent site visits.



Looking southwest and south, respectively, across interior resort lands.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Hotel and resort development.

Specific Value Considerations

As stated earlier, there is no paved roadway access to TMK 5-1-03, Parcels 19 and 20.

Valuation Approach Utilized

The sales comparison approach was utilized to value an interior benchmark lot on a price per acre basis, accounting for differences in market conditions, location, access/frontage, zoning, golf course frontage, physical characteristics, and size. The remaining interior lots were then valued in relation to the benchmark employing a similar rationale.

Comparables Examined

There have not been any transactions of similar resort sites on Molokai. Therefore, we selected five recent transactions from Maui, Big Island, and Kauai for specific comparison to the subject benchmark lot. Interior Resort Transactions RR-1 through RR-6 were employed in our valuation analysis.

Compensating Adjustments

A three percent per annum market conditions allowance was applied in recognition of the overall interior resort land market appreciation in the State observed from the sale date of the comparable transactions. A general location adjustment was estimated by comparing median

sales prices on Molokai relative to the locations of the comparable transactions, both the County and regional submarket. Based on this analysis, the Kailua Kona comparable was adjusted downward by 50 percent, South Kihei Maui comparables were adjusted downwards by 55 percent relative to Molokai, whereas the Poipu and Wainani-Kailua Kona were adjusted downwards by 50 and 40 percent, respectively.

Because of the condition of the narrowness of the road at the subject, which would require widening to support development, and because of its condition, each of the comparables was adjusted downward by five percent. For access/frontage, the corner frontage and dual access of Transactions RR-2 and RR-4 were considered superior and adjusted downward by an additional five percent. Transactions RR-3 and RR-6 were considered superior due to the superior width and condition. Transaction RR-5, which is accessed via an easement, was considered similar.

Relative to the split A-2/H-M/Open zoning of the benchmark, the zoning of RR-1, which allows for more dense development, was considered superior resulting in a downward adjustment. The zoning for RR-2 and RR-3, which allow for similar development, were deemed similar. The zoning of RR-4 and RR-5 was considered superior, whereas RR-6 was considered inferior. Lacking golf course frontage, a nominal upward adjustment was applied to RR-1 to RR-6, while Transactions RR-4 is not fronting but proximate to a white sand beach and received a downward adjustment. For physical characteristics, each of the comparables was considered nominally superior primarily due to a steep slope near Kakaako Road for the subject. The only other significant adjustment was for relative size.

Adjusted values ranged from \$65,851 to \$331,164 per acre, with a mean of \$223,048 and a weighted value of \$229,478. The value of the benchmark interior resort lot was concluded to be \$229,000 per acre, or a total of \$1,840,000 for the 8.018-acre representative site.

Concluded Market Value in the Existing State

As summarized on the following table, the aggregate value of the Kaluakoi Interior Land parcels was estimated to be \$20,659,000 as of February 1, 2021.

KALUAKOI INTERIOR LANDS VALUE CONCLUSIONS
Molokai Properties Limited Real Property Assets

Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-1-3-4	18.594	Fee Simple	Vacant	\$2,750,000	1 to 2 Years
2-5-1-3-10	8.018	Fee Simple	Vacant	\$1,840,000	1 to 2 Years
2-5-1-3-12	4.189	Fee Simple	Vacant	\$1,120,000	1 to 2 Years
2-5-1-3-16	6.751	Fee Simple	Vacant	\$1,560,000	1 to 2 Years
2-5-1-3-19	7.516	Fee Simple	Vacant	\$1,320,000	1 to 2 Years
2-5-1-3-20	41.710	Fee Simple	Vacant	\$2,540,000	1 to 2 Years
2-5-1-3-25	49.077	Fee Simple	Vacant	\$3,460,000	1 to 2 Years
2-5-1-3-26	24.975	Fee Simple	Vacant	\$3,550,000	1 to 2 Years
2-5-1-3-28	3.670	Fee Simple	Vacant	\$759,000	1 to 2 Years
2-5-1-3-29	11.515	Fee Simple	Vacant	\$1,760,000	1 to 2 Years
Aggregate	176.015		Rounded	\$20,659,000	

Compiled by CBRE

Kaluakoi Oceanfront Resort Land

IDENTIFICATION

KALUAKOI OCEANFRONT LANDS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-1-3-8	21.965	Fee Simple	Vacant	Vacant/Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-14	15.330	Fee Simple	Vacant	Vacant/Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-15	22.360	Fee Simple	Vacant	Vacant/Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-17	12.120	Fee Simple	Vacant	Vacant/Investment	Interim / Urban	Kaluakoi Real Estate LLC
5-1-3-18	28.800	Fee Simple	Vacant	Vacant/Investment	Interim / Urban	Kaluakoi Real Estate LLC
Aggregate	100.575					

Compiled by CBRE

Location

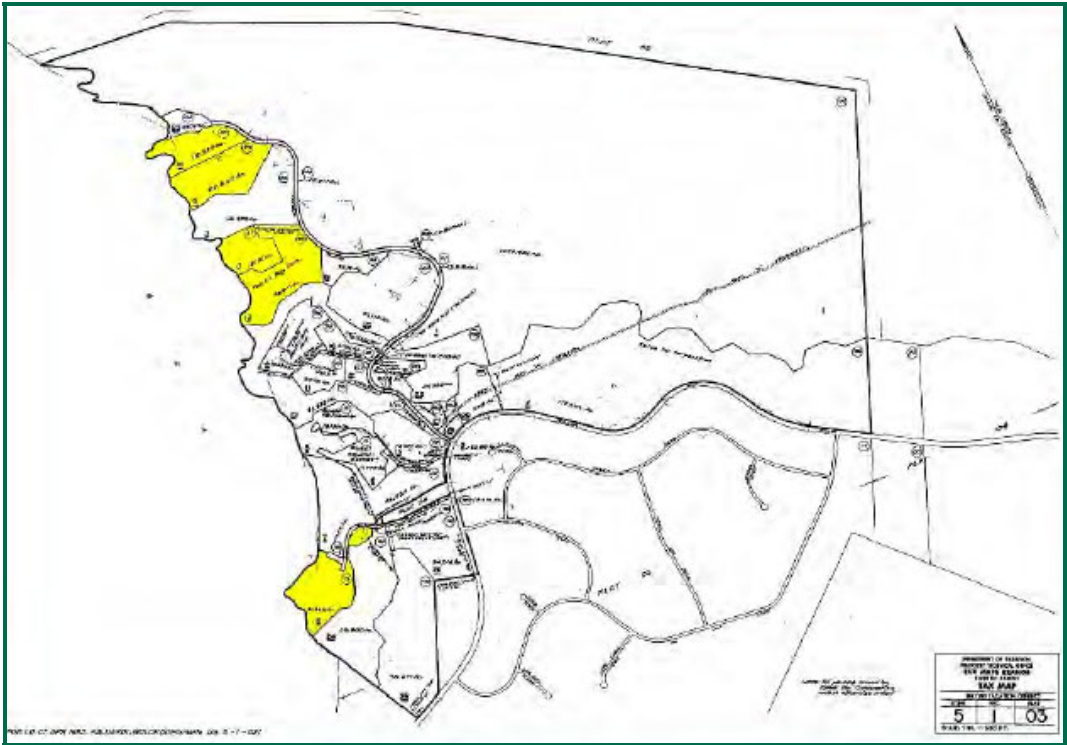
Kaluakoi, Molokai, Hawaii

These oceanfront resort development parcels are located in the Kaluakoi Resort. With the exception of TMK 5-1-03, Parcel 8, these oceanfront parcels currently do not have roadway access.

Aerial and Tax Map



Kaluakoi Oceanfront Resort Lands



TMK (2) 5-1, Plat 3

PROPERTY DATA AND DESCRIPTION

Recent Subject Property Market Activity

None.

Physical Description

The five Kaluakoi oceanfront resort development parcels range in size between 12.120 and 28.800 acres with topography varying from level to moderately sloping. TMK 5-1-03, Parcel 8 is commonly referred to as Kaiaka Rock, which is a rock mound and landmark along the otherwise undulating coastline. Due to the prominence and cultural significance of the Kaiaka Rock site, we judge it not marketable in the current political environment. Ocean, coastline, and/or golf course views are afforded from most lots.

Description

All sites are currently vacant, and except for TMK 5-1-03, Parcel 8, do not have asphalt paved roadways and utilities to the property line.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Hotel and resort development.

Specific Value Considerations

As stated earlier, TMK 5-1-03, Parcel 8 (Kaiaka Rock) was deemed unmarketable in the current political climate.

Valuation Approach Utilized

The sales comparison approach was utilized to value an oceanfront benchmark lot on a price per acre basis, accounting for differences in market conditions, location, access/frontage, zoning, ocean frontage, physical characteristics, and size. The remaining oceanfront lots were then valued in relation to the benchmark employing a similar rationale.

Comparables Examined

There have not been any transactions of similar oceanfront resort sites on Molokai. Therefore, we selected five recent transactions for specific comparison to the subject benchmark lot. Oceanfront Resort Transactions O-1 through O-5 were employed in our valuation analysis. The comparables are located on Maui and Kauai.

Compensating Adjustments

A three percent per annum market conditions allowance was applied in recognition of the overall resort land market appreciation observed in the State from the sale date of the comparable transactions. We have employed negative location adjustments ranging from 45 to 60 percent, as discussed in the previous section.

For access/frontage, all comparables were deemed superior to the same degree relative to the benchmark's lack of roadway access. With the exception of Transaction O-3, the H-M zoning of the benchmark was deemed inferior to all comparables. Having portions of white sand beach frontage, Transactions O-4 and O-5 were rated superior to the benchmark. The sandy harbor frontage of Transaction O-1 was considered inferior. Transaction O-2 does not front the ocean but is proximate to a white sand beach and was considered similar. The ocean cliff frontage of Transaction O-3 was considered superior to the subject. All of the transactions were judged similar to the subject benchmark for physical characteristics.

The only other significant adjustment was for relative size. Adjusted values ranged from \$49,573 to \$230,132 per acre, with a mean of \$150,713 and a weighted value of \$145,366.

The value of the benchmark oceanfront resort lot without roadway access was concluded to be \$145,000 per acre, or a total of \$3,240,000 for the 22.360-acre representative site.

Concluded Market Value in the Existing State

As summarized on the following table, the aggregate value of the oceanfront Kaluakoi Resort parcels without roadway access was estimated to be \$12,050,000 as of February 1, 2021.

This total excludes Kaiaka Rock (TMK 5-1-03, Parcel 8), which was deemed to not be marketable.

KALUAKOI OCEANFRONT LANDS VALUE CONCLUSIONS					
Molokai Properties Limited Real Property Assets					
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-1-3-8	21.965	Fee Simple	Vacant	\$0	1 to 2 Years
2-5-1-3-14	15.330	Fee Simple	Vacant	\$2,470,000	1 to 2 Years
2-5-1-3-15	22.360	Fee Simple	Vacant	\$3,240,000	1 to 2 Years
2-5-1-3-17	12.120	Fee Simple	Vacant	\$1,930,000	1 to 2 Years
2-5-1-3-18	28.800	Fee Simple	Vacant	\$4,410,000	1 to 2 Years
Aggregate	100.575		Rounded	\$12,050,000	

Compiled by CBRE

Kaluakoi Resort Expansion Lands

IDENTIFICATION

KALUAKOI EXPANSION LANDS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-1-3-3	33.400	Fee Simple	Vacant	Investment	OS-1 / Urban & Rural	Kaluakoi Real Estate LLC
5-1-3-23	5.407	Fee Simple	Vacant	Investment	Interim / Urban & Rural	Kaluakoi Real Estate LLC
Aggregate	38.807					

Compiled by CBRE

Location

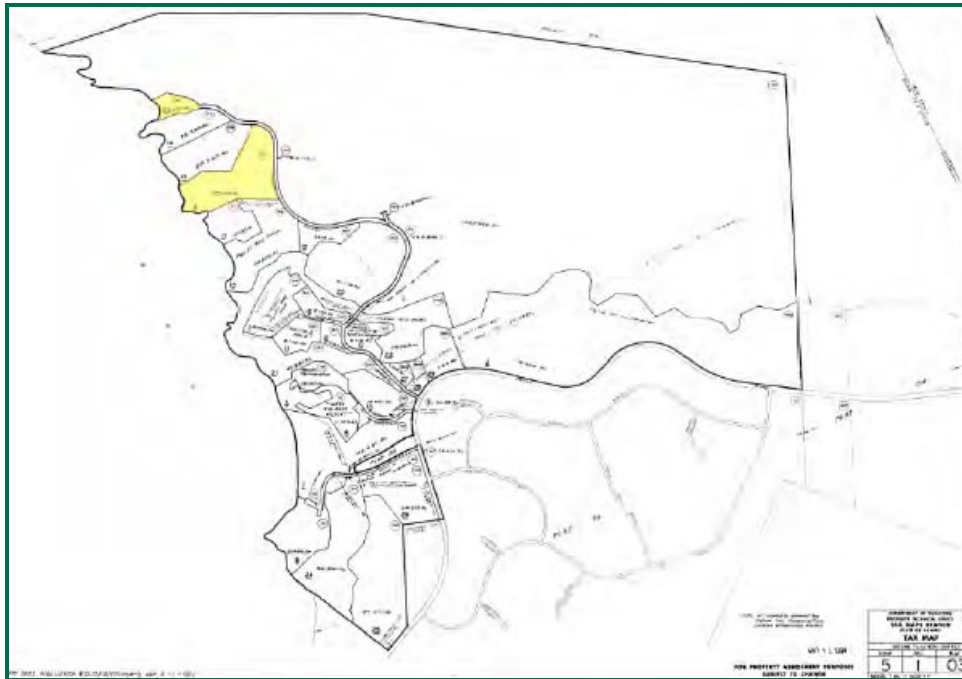
Kaluakoi, Molokai, Hawaii.

These oceanfront resort expansion lots are located in the Kaluakoi Resort. This asset is comprised of parcels that are zoned for multifamily, commercial, agriculture, and open space uses but are currently inaccessible by existing paved roadways.

Aerials and Tax Maps



Aerials of Kaluakoi Resort Expansion Lands



TMK (2) 5-1, Plat 3

PROPERTY DATA AND DESCRIPTION

Physical Description

The two Kaluakoi Resort future expansion parcels are 5.407 and 33.400 acres, with topography varying from generally level to moderately sloping. The resort expansion lands contain an aggregate area of 38.807 acres.

Improvement Description

The entire resort expansion holding is vacant of any substantial improvements.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Resort expansion due to various zonings.

Specific Value Conclusions

None.

Valuation Approach Utilized

The sales comparison approach was utilized to value an oceanfront benchmark lot on a price per acre basis, accounting for differences in market conditions, location, access/frontage, zoning, ocean frontage, physical characteristics, and size. The remaining oceanfront lot was then valued in relation to the benchmark employing a similar rationale.

Comparables Examined

Our research did not uncover any transactions of similar urban expansion acreage on Molokai. Therefore, we expanded our research to Maui and selected four transactions located in North Kihei, Kuau, Kilauea and Waiehu.

Compensating Adjustments

No adjustment was required market conditions. As described in an earlier section, comparisons of median product sales prices between Molokai and the respective locations of the comparables resulted in general location adjustments of negative 50 and 60 percent. For access/frontage, downward adjustments of 25 percent were made to all transactions except U-3 to account for the lack of public roadway access for the benchmark. Transaction U-3, which also has no direct frontage but has nearby vehicular access, was adjusted downward by 10 percent.

The subject property is predominantly designated agriculture and State Land Use Rural, thus requiring an upward adjustment to Transactions U-1, U-2 and U-3 for their protective, cemetery conservation, and limited/protected subzones, respectively, which are considered inferior to the benchmark. A conservation easement on Transaction U-2 and U-3 was considered inferior, so an upward adjustment was made. Additionally, Transaction U-2 had superior flood zoning, so it was adjusted downward. The subject is the lower portion of a gulch with a stream bed (active following heavy rains) which resulted in Transactions U-2 and U-4 being judged as superior for physical characteristics. Transaction U-3 was adjusted upward as a large portion of it is submerged. Similarly, the physical characteristic of wetlands in Transaction U-1 was considered inferior.

After compensating for size differences, the adjusted values ranged from \$6,909 to \$25,616 per acre, with a mean of \$13,602 and a weighted value of \$15,074. The value of the 5.407-acre Kaluakoi urban expansion acreage was concluded to be \$15,000 per acre.

Concluded Market Value in the Existing State

As shown on the following table, the aggregate value of Kaluakoi Resort urban expansion lands was estimated to be \$440,000 as of February 1, 2021.

KALUAKOI EXPANSION LANDS VALUE CONCLUSIONS					
Molokai Properties Limited Real Property Assets					
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-1-3-3	33.400	Fee Simple	Vacant	\$360,000	1 to 2 Years
2-5-1-3-23	5.407	Fee Simple	Vacant	\$80,000	1 to 2 Years
Aggregate	38.807		Rounded	\$440,000	
Compiled by CBRE					

Papohaku Ranch Lots and Kaupoa Beach Camp

IDENTIFICATION

PAPOHAKU RANCH LOTS AND KAUPOA BEACH CAMP						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-1-2-48	30.246	Fee Simple	Beach Camp	Owner Occupancy	AGR / Ag. & Conserv.	Molokai Properties Limited
5-1-4-22	32.772	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Kaluakoi Residential LLC
5-1-6-50	28.364	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Kaluakoi Residential LLC
5-1-6-51	21.479	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Kaluakoi Residential LLC
5-1-6-52	20.003	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Kaluakoi Residential LLC
5-1-6-77	23.754	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Kaluakoi Residential LLC
5-1-7-11	24.654	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-7-17	23.576	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-7-18	23.333	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-7-19	22.695	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-7-20	25.532	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-1	25.143	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-2	20.910	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-3	20.894	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-4	21.064	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-5	21.091	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-6	43.357	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-7	40.027	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-8	40.197	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-9	23.007	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-10	23.007	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-11	23.669	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-12	21.562	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-13	24.739	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-14	21.994	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-15	22.075	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-16	22.074	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-17	24.494	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-20	20.474	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-21	21.632	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-22	21.258	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-25	21.471	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-26	20.475	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
5-1-8-27	20.937	Fee Simple	Vacant Lot	Sale	AGR / Ag. & Conserv.	Molokai Acquisition LLC
Aggregate	841.959					

Compiled by CBRE

Location / Address

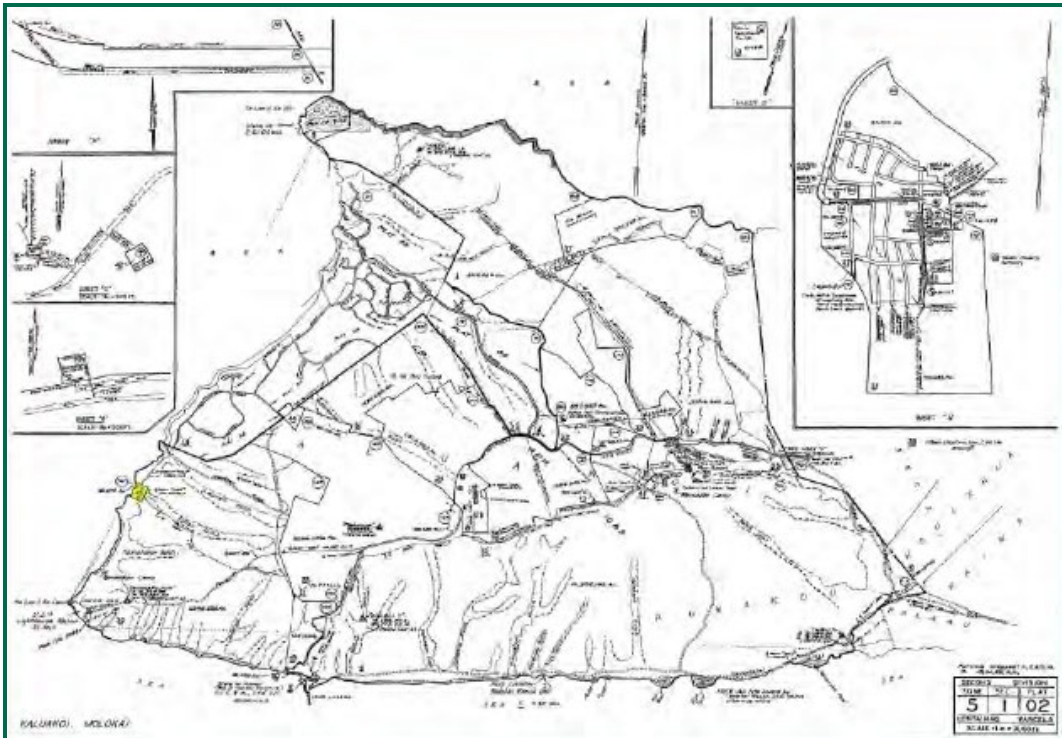
Kaluakoi, Molokai, Hawaii

These ranch lots are located in agricultural subdivisions east and south of Kaluakoi Resort on the west side of Molokai and are primarily used as residential estates.

Aerial and Tax Maps



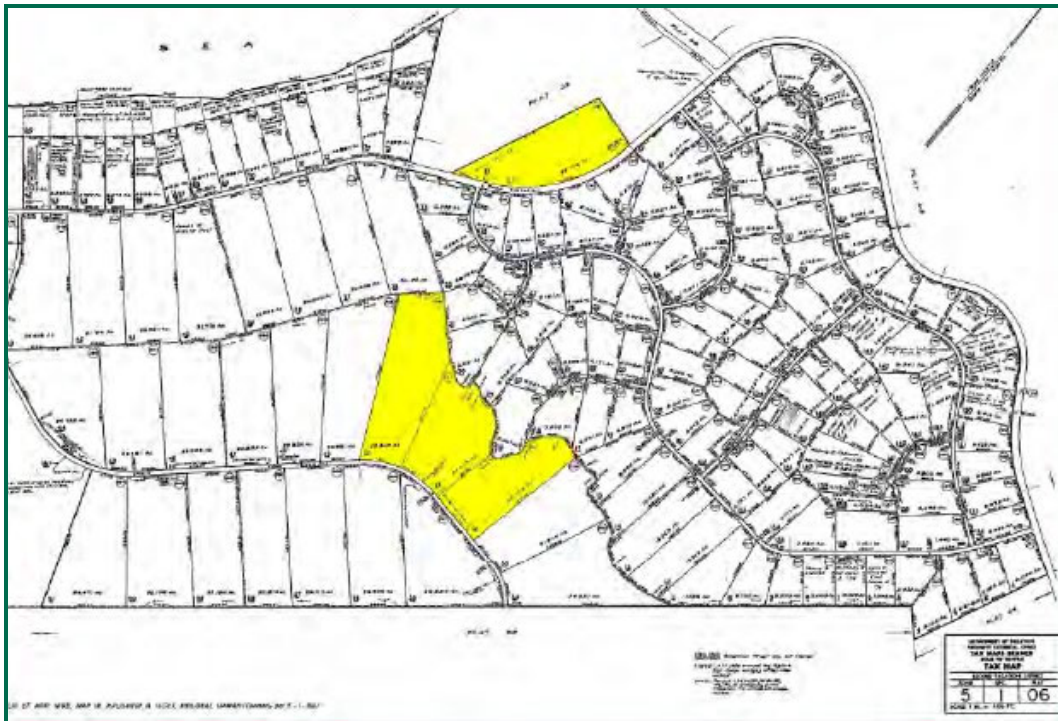
Aerial of Papohaku Ranch Lots and Kaupoa Beach Camp



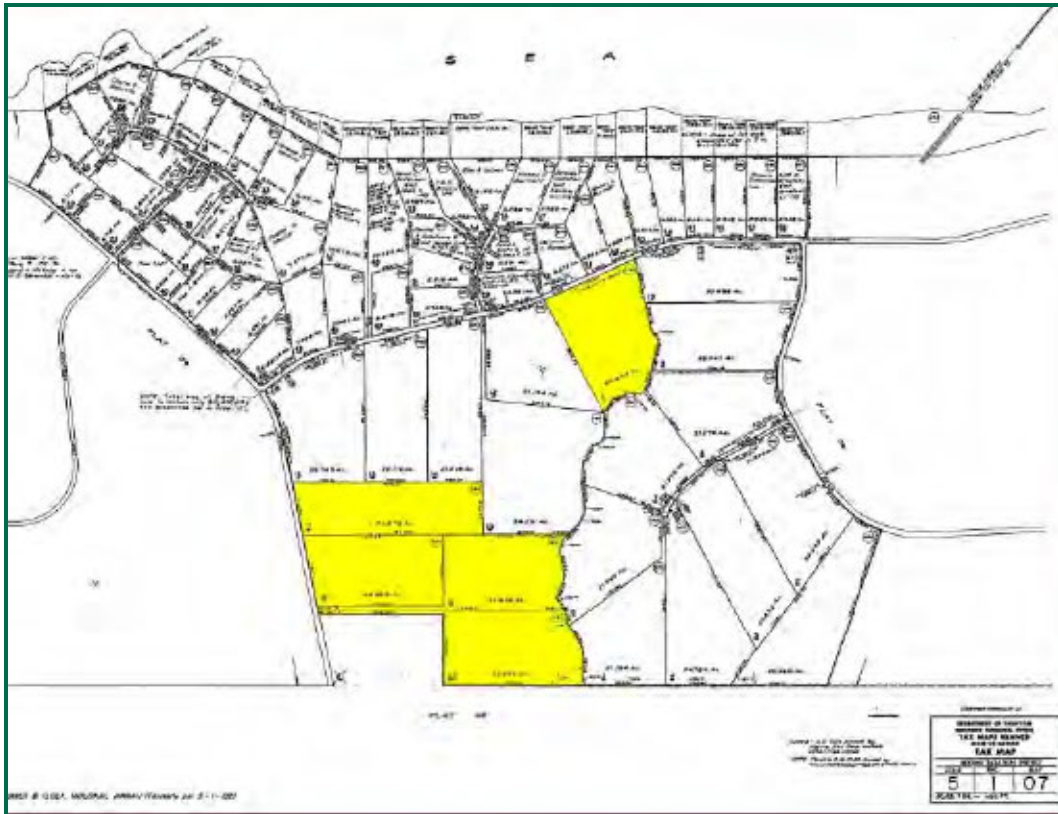
Kaupoa Beach Camp TMK 5-1-2, Parcel 48



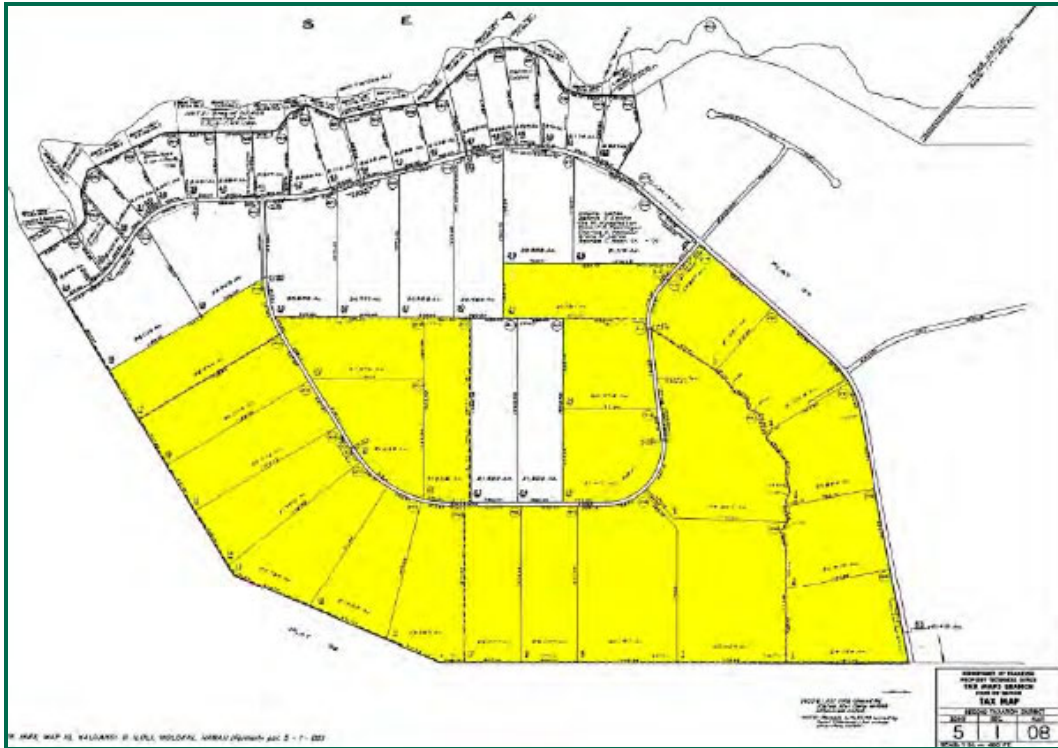
Moana Makani Lot TMK (2) 5-1-4, Parcel 22



Papohaku Ranch Lots TMK (2) 5-1, Plat 6



Papohaku Ranch Lots TMK (2) 5-1, Plat 7



Papohaku Ranch Lots TMK (2) 5-1, Plat 8

PROPERTY DATA AND DESCRIPTION

Physical Description

The 33 interior ranch lots range in size from 20.003 to 43.357 acres with topography varying from level to gently sloping. Each lot is served by underground utilities including water, sewer, telephone, and electric. Ocean and coastline views are afforded from most lots.

The oceanfront Kaupoa Beach Camp is remotely located away from the other ranch lots, accessible via private unpaved roads. It has no electricity, telephone, or septic system, and private water. Many protected culturally significant features exist on the site.

Improvement Description

The beach camp is improved with one small permanent structure built in 1999, utilized as a kitchen and open-air gathering area.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Single-family home sites/estates.

Specific Value Consideration

The now defunct beach camp cannot be financially sustained on a standalone basis, and the land and marginal improvements have greater value as a private exclusive single home site/estate.

Valuation Approach Utilized

The sales comparison approach, specifically bracketing, was utilized to value the interior lots on a price per acre basis, accounting for differences in location, access, view, physical characteristics, and size.

The oceanfront beach village parcel was valued by direct sales comparison with neighboring vacant oceanfront parcels, based on price per acre. Additional adjustments were made for beach frontage, privacy, access, and utilities.

KAUPOA BEACH CAMP

Comparables Examined

Our research revealed 4 closed transactions and one current listing of oceanfront lots within the Papohaku Ranch subdivision, Comparables RA-1 to RA-5.

Compensating Adjustments

Due to its unique attributes, there were significant adjustments made to the ocean front comparables to equate them to the beach camp parcel; these included allowances for market conditions, varying quality of beach frontage, the subject's superior privacy but inferior access and utilities, and size.

These adjusted values ranged from \$83,333 to \$122,851 per acre, with a mean of \$93,853 per acre and a weighted value per acre of \$97,429. The value of the desirable 30.246-acre oceanfront lot was concluded to be \$97,000 per acre, or \$2,930,000 total.

INTERIOR RANCH LOTS

Analysis and grouping of recent interior lot sales and listings indicated unit values for the largest lots (30+ acres) of \$7,235 per acre, circa \$12,500 per acre for TMK 5-1-66-77 located closest to the ocean, and \$9,850 per acre for the balance of the interior lots.

This resulted in total lot values ranging from \$185,000 to \$315,000, and an aggregate value of \$7,580,000.

CONCLUDED MARKET VALUE IN THE EXISTING STATE

As summarized on the following table, the aggregate values of the Papohaku Ranch Lots and Kaupoa Beach Camp lot totaled \$10,510,000 as of February 1, 2021.

PAPOHAKU RANCH LOTS AND KAUPOA BEACH CAMP VALUE CONCLUSIONS
Molokai Properties Limited Real Property Assets

Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-1-2-48	30.246	Fee Simple	Beach Camp	\$2,930,000	1 to 3 Years
2-5-1-4-22	32.772	Fee Simple	Vacant Lot	\$235,000	12 to 18 Months
2-5-1-6-50	28.364	Fee Simple	Vacant Lot	\$280,000	12 to 18 Months
2-5-1-6-51	21.479	Fee Simple	Vacant Lot	\$200,000	12 to 18 Months
2-5-1-6-52	20.003	Fee Simple	Vacant Lot	\$185,000	12 to 18 Months
2-5-1-6-77	23.754	Fee Simple	Vacant Lot	\$295,000	12 to 18 Months
2-5-1-7-11	24.654	Fee Simple	Vacant Lot	\$245,000	12 to 18 Months
2-5-1-7-17	23.576	Fee Simple	Vacant Lot	\$230,000	12 to 18 Months
2-5-1-7-18	23.333	Fee Simple	Vacant Lot	\$230,000	12 to 18 Months
2-5-1-7-19	22.695	Fee Simple	Vacant Lot	\$210,000	12 to 18 Months
2-5-1-7-20	25.532	Fee Simple	Vacant Lot	\$240,000	12 to 18 Months
2-5-1-8-1	25.143	Fee Simple	Vacant Lot	\$250,000	12 to 18 Months
2-5-1-8-2	20.910	Fee Simple	Vacant Lot	\$205,000	12 to 18 Months
2-5-1-8-3	20.894	Fee Simple	Vacant Lot	\$205,000	12 to 18 Months
2-5-1-8-4	21.064	Fee Simple	Vacant Lot	\$205,000	12 to 18 Months
2-5-1-8-5	21.091	Fee Simple	Vacant Lot	\$220,000	12 to 18 Months
2-5-1-8-6	43.357	Fee Simple	Vacant Lot	\$315,000	12 to 18 Months
2-5-1-8-7	40.027	Fee Simple	Vacant Lot	\$275,000	12 to 18 Months
2-5-1-8-8	40.197	Fee Simple	Vacant Lot	\$290,000	12 to 18 Months
2-5-1-8-9	23.007	Fee Simple	Vacant Lot	\$225,000	12 to 18 Months
2-5-1-8-10	23.007	Fee Simple	Vacant Lot	\$225,000	12 to 18 Months
2-5-1-8-11	23.669	Fee Simple	Vacant Lot	\$235,000	12 to 18 Months
2-5-1-8-12	21.562	Fee Simple	Vacant Lot	\$210,000	12 to 18 Months
2-5-1-8-13	24.739	Fee Simple	Vacant Lot	\$245,000	12 to 18 Months
2-5-1-8-14	21.994	Fee Simple	Vacant Lot	\$215,000	12 to 18 Months
2-5-1-8-15	22.075	Fee Simple	Vacant Lot	\$215,000	12 to 18 Months
2-5-1-8-16	22.074	Fee Simple	Vacant Lot	\$215,000	12 to 18 Months
2-5-1-8-17	24.494	Fee Simple	Vacant Lot	\$240,000	12 to 18 Months
2-5-1-8-20	20.474	Fee Simple	Vacant Lot	\$200,000	12 to 18 Months
2-5-1-8-21	21.632	Fee Simple	Vacant Lot	\$215,000	12 to 18 Months
2-5-1-8-22	21.258	Fee Simple	Vacant Lot	\$210,000	12 to 18 Months
2-5-1-8-25	21.471	Fee Simple	Vacant Lot	\$210,000	12 to 18 Months
2-5-1-8-26	20.475	Fee Simple	Vacant Lot	\$200,000	12 to 18 Months
2-5-1-8-27	20.937	Fee Simple	Vacant Lot	\$205,000	12 to 18 Months
Aggregate	841.959		Rounded	\$10,510,000	

Compiled by CBRE

Maunaloa and Kaluakoi Hotel Properties

IDENTIFICATION

MAUNALOA AND KALUAKOI HOTEL PROPERTIES						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-1-2-27	10.804	Fee Simple	Hotel	Warehouse/Closed Lodge	H-1 / Urban	Molokai Properties Limited
5-1-3-5	18.120	Fee Simple	Hotel	Closed Hotel	HM / Urban	Kaluakoi Poolside LLC
Aggregate	28.924					

Compiled by CBRE

Location / Address

Maunaloa and Kaluakoi, Molokai, Hawaii

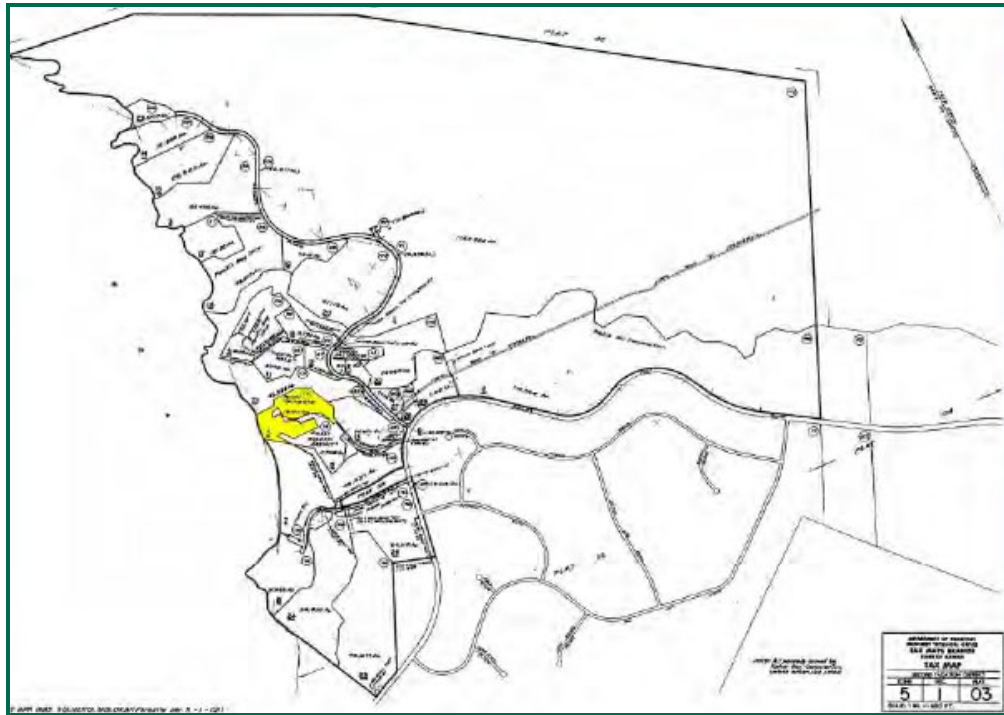
The Lodge at Molokai Ranch is situated in Maunaloa Village at the 1,200-foot elevation affording unobstructed countryside and distant ocean views.

The oceanfront Kaluakoi hotel is situated within the Kaluakoi Resort on the west side of Molokai and is neighbored by an abandoned 18-hole golf course and the West Molokai Resort project.

Aerials and Tax Maps



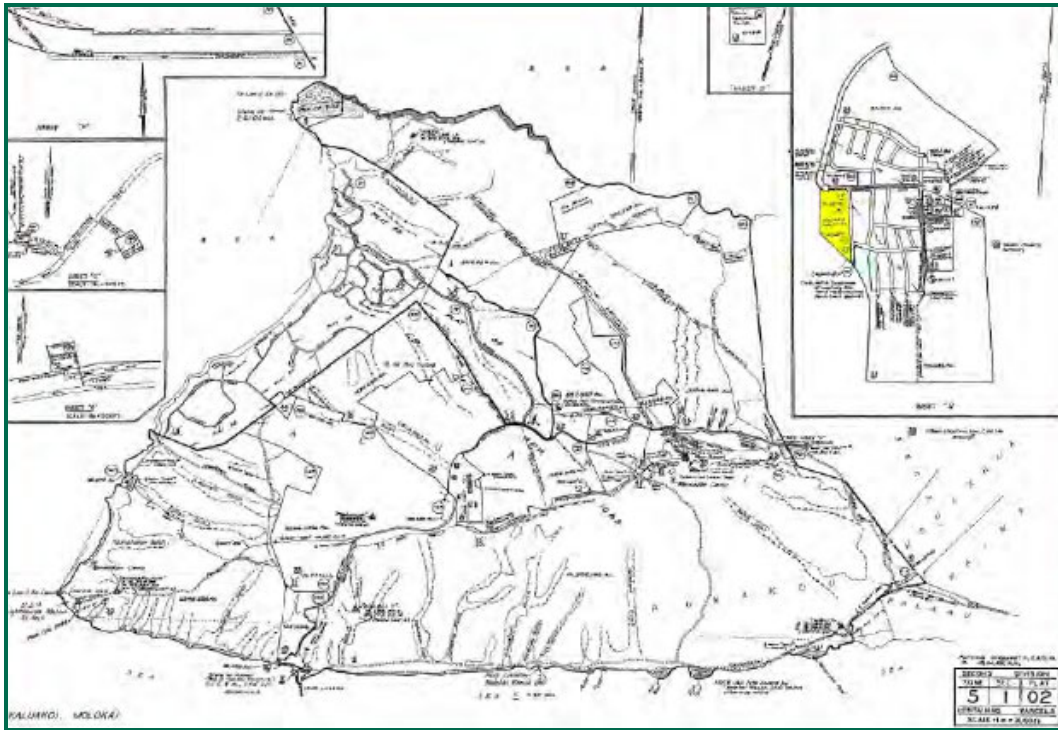
Aerial of Kaluakoi Resort Hotel Property



TMK (2) 5-1, Plat 3



Aerial of Molokai Lodge Property



TMK (2) 5-1, Plat 2

PROPERTY DATA AND DESCRIPTION

Physical Description

The irregular-shaped parcel containing The Lodge at Molokai Ranch is located at the western end of Maunaloa Village and gradually slopes downward to the west. Access is directly available from Maunaloa Highway. The site is served by underground utilities including water, sewer, telephone, cable, and electric. A separate commercial warehouse is also situated on the parcel.

The oceanfront Kaluakoi Hotel site is fairly level, but highly irregularly shaped, as boundary lines were drawn to exclude any former hotel units that were sold off as condo units when the hotel closed. The site is accessed via Kepuhi Place, and is served by underground utilities including water, sewer, telephone, cable, and electric.

Improvement Description

The shuttered Lodge at Molokai Ranch is comprised of a central building containing the front desk, great hall, restaurant, grill, fitness center, outdoor pool, and 6 guest rooms, and two ancillary buildings--each containing 8 guest rooms. The 22-room wood-frame luxury-hotel was built in 1999. Located across the landscaped parking lot from The Lodge at Molokai Ranch is the 7,517-square foot "Outfitters" warehouse, originally built in 1926, that has been renovated and divided, and is occupied by a church.

The 152-room, wood-frame, bungalow-style Kaluakoi Hotel, abandoned in January 2001, was constructed in 1976 and originally comprised of 290+ rooms, the difference of which was previously subdivided and sold as condominium units. Other improvements at the hotel include a

front desk, restaurant, small commercial spaces, and pool. One commercial space and the pool remains open at the present time. Reportedly, some interested buyers have expressed interest in acquiring the hotel.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Hotel.

Specific Value Considerations

The Lodge at Molokai Ranch has been closed since circa 2008 and portions have been vandalized. The contributory value of the existing improvements has been evaluated by depreciated cost analysis.

The anticipated required renovations to the Kaluakoi Hotel are greater than the estimated value of the improved hotel, and thus do not make a contribution above land value.

THE LODGE AT MOLOKAI RANCH AND OUTFITTERS WAREHOUSE

Valuation Approach Utilized

The sales comparison approach was utilized to value the H-1 zoned Lodge at Molokai Ranch site on a price per acre basis, accounting for differences in market conditions, location, access/frontage, zoning, physical characteristics, and size.

Comparables Examined

Interior Resort Transactions RR-1 through RR-5 presented earlier in valuing the Kaluakoi Interior Resort Multifamily Benchmark were employed in our valuation analysis

Compensating Adjustments

A three percent per annum market conditions allowance was applied in recognition of the overall interior resort land market appreciation in the State observed from the sale date of the comparable transactions. A general location adjustment was estimated by comparing median sales prices on Molokai relative to the locations of the comparable transactions, both the County and regional submarket. Based on this analysis, the South Kihei Maui comparables were adjusted downwards by 65 percent relative to Molokai, whereas the Poipu and Wainani-Kailua Kona were adjusted downwards by 60 and 50 percent, respectively.

For access/frontage, the corner frontage and dual access of Transactions RR-1 and RR-3 were considered similar. Transactions RR-2 and RR-5 were considered inferior due to single frontage. Transaction RR-4, which is accessed via an easement, was considered inferior and adjusted upwards.

Relative to the split H-1 zoning of the subject, the zoning of RR-1 and RR-2, which allow for similar development, were deemed similar. The zoning of RR-3 and RR-4 was considered superior, whereas RR-1, RR-2, and RR-5 were considered inferior. The proximity to a white sand beach of Transaction RR-3 warranted a downward adjustment. For physical characteristics, each of the comparables was considered similar to the subject. The only other significant adjustment was for relative size.

Adjusted values ranged from \$119,224 to \$278,314 per acre, with a mean of \$224,771 and a weighted value of \$224,772. The value of the lodge lot was concluded to be \$225,000 per acre, or a total of \$2,430,000 for the 10.804-acre site.

The contributory values of the Lodge at Molokai Ranch and Outfitters buildings were estimated by depreciated cost analysis employing construction costs and in-service dates provided by the client, and depreciation applied by the analysts. Depreciation considered the physical condition of the structures and external factors such as current economic circumstances. The contributory value of the Lodge at Molokai Ranch and Outfitters was estimated at \$4,000,000. Adding this to the previously concluded fee simple land value of \$2,240,000 indicates a total property value for the Lodge at Molokai Ranch and Outfitters building (TMK 5-1-2, Parcel 27) of \$6,240,000.

KALUAKOI HOTEL PROPERTY

Valuation Approach Utilized

The sales comparison approach was utilized to value the H-1 zoned Kaluakakoi Hotel site on a price per acre basis, accounting for differences in market conditions, location, access/frontage, zoning, ocean frontage, physical characteristics, and size.

Comparables Examined

Oceanfront Resort Transactions O-1 through O-5 were employed in our valuation; all are located on Maui and Kauai.

Compensating Adjustments

A three percent per annum market conditions allowance was applied in recognition of the overall resort land market appreciation observed in the State from the sale date of the comparable transactions. We have employed negative location adjustments ranging from 50 to 65 percent as discussed in the previous section. With the exception of Transaction O-3, the H-M zoning of the benchmark was deemed inferior to all comparables.

Having portions of white sand beach frontage, Transactions O-4 and O-5 were rated similar to the Kaluakoi Hotel site. The sandy harbor frontage of Transaction O-1 was considered inferior. Transaction O-2 does not front the ocean but is proximate to a white sand beach and was considered inferior. The ocean cliff frontage of Transaction O-3 was considered similar to the subject. Due to lack of golf course frontage in all five transactions, an upward adjustment was made to each. The physical characteristics of all five transactions were judged to be superior to

the subject, which is a very irregular shaped parcel including approximately an acre that is an access roadway. The only other significant adjustment was for relative size.

Adjusted values ranged from \$179,226 to \$770,552 per acre, with a mean of \$439,940 and a weighted value of \$420,699. The value of the Kaluakoi hotel property was concluded to be \$421,000 per acre, or a total of \$7,630,000 for the 18.120-acre representative site.

No additional value was attributed to the existing building pads under the improvements, which might enhance redevelopment due to potential shoreline setback issues.

Concluded Market Value in the Existing State

As shown on the following table, the aggregate value of the hotel properties was estimated to be \$13,870,000 as of February 1, 2021.

MAUNALOA AND KALUAKOI HOTEL PROPERTIES VALUE CONCLUSION					
Molokai Properties Limited Real Property Assets					
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Classification Held For	Concluded Value	Reasonable Exposure Time
2-5-1-2-27	10.804	Fee Simple	Warehouse/Closed Lodge	\$6,240,000	1 to 2 Years
2-5-1-3-5	18.120	Fee Simple	Closed Hotel	\$7,630,000	1 to 2 Years
Aggregate	28.924			\$13,870,000	
Compiled by CBRE					

Kaluakoi and Ironwood Golf Courses

IDENTIFICATION

KALUAKOI AND IRONWOOD GOLF COURSES						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-1-3-7	42.497	Fee Simple	Abandoned Golf Course	Owner Occupancy	OS-1 / Urban	Kaluakoi Golf Course LLC
5-1-3-21	45.332	Fee Simple	Abandoned Golf Course	Owner Occupancy	Interim / Urban	Kaluakoi Golf Course LLC
5-1-3-22	24.069	Fee Simple	Abandoned Golf Course	Owner Occupancy	Interim / Urban	Kaluakoi Golf Course LLC
5-1-3-24	36.860	Fee Simple	Abandoned Golf Course	Owner Occupancy	Interim / Urban	Kaluakoi Golf Course LLC
5-1-3-27	3.238	Fee Simple	Abandoned Golf Course	Owner Occupancy	AGR / Urban	Kaluakoi Golf Course LLC
5-1-6-76	2.331	Fee Simple	Abandoned Golf Course	Owner Occupancy	C / Urban	Kaluakoi Golf Course LLC
5-2-13-21 (por.)	68.000	Fee Simple	Golf Course	Owner Occupancy	AGR / Ag. & Urban	Molokai Properties Limited
Aggregate	222.327					
Compiled by CBRE						

Location

Kaluakoi and Kualapuu, Molokai, Hawaii

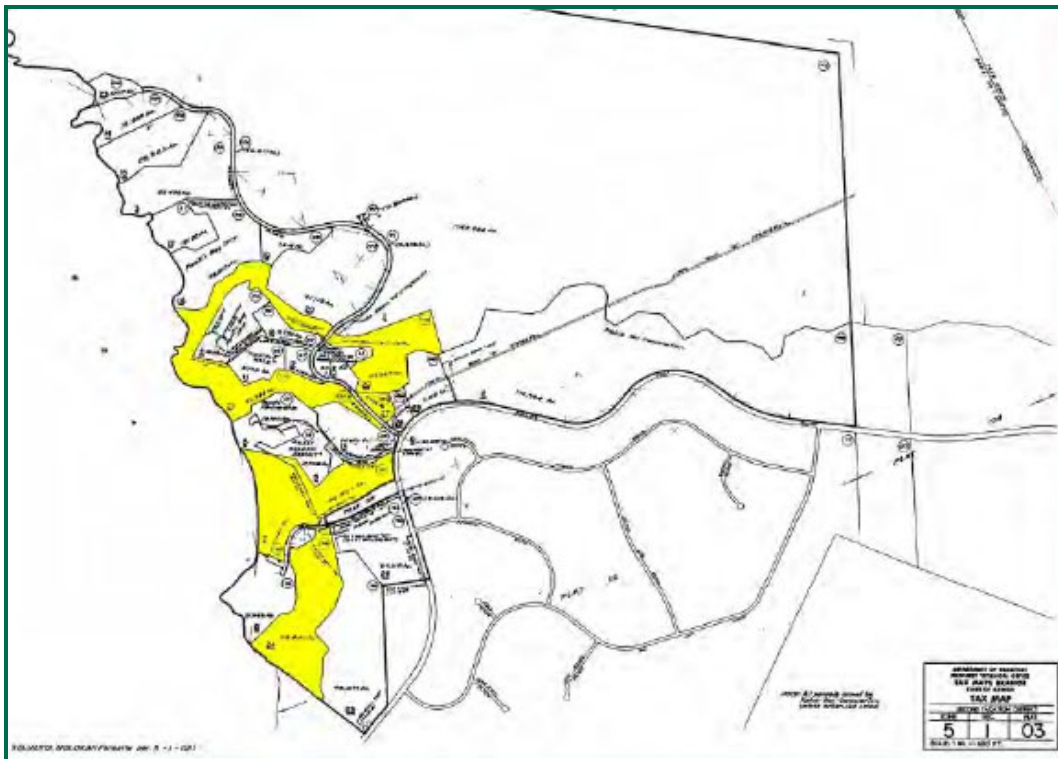
The abandoned Kaluakoi Golf Course (TMK 5-1-3-7, 21, 22, 24, and 27; 5-1-8-76) was an 18-hole oceanfront facility located in the Kaluakoi Resort on the west side of Molokai. The property no longer resembles a golf course and is presently overgrown.

Located in Kualapuu, the Ironwoods Golf Course is currently a nine-hole layout leased on a month-to-month basis to a private operator.

Aerial and Tax Maps



Aerial of Kaluakoi Golf Course Acreage



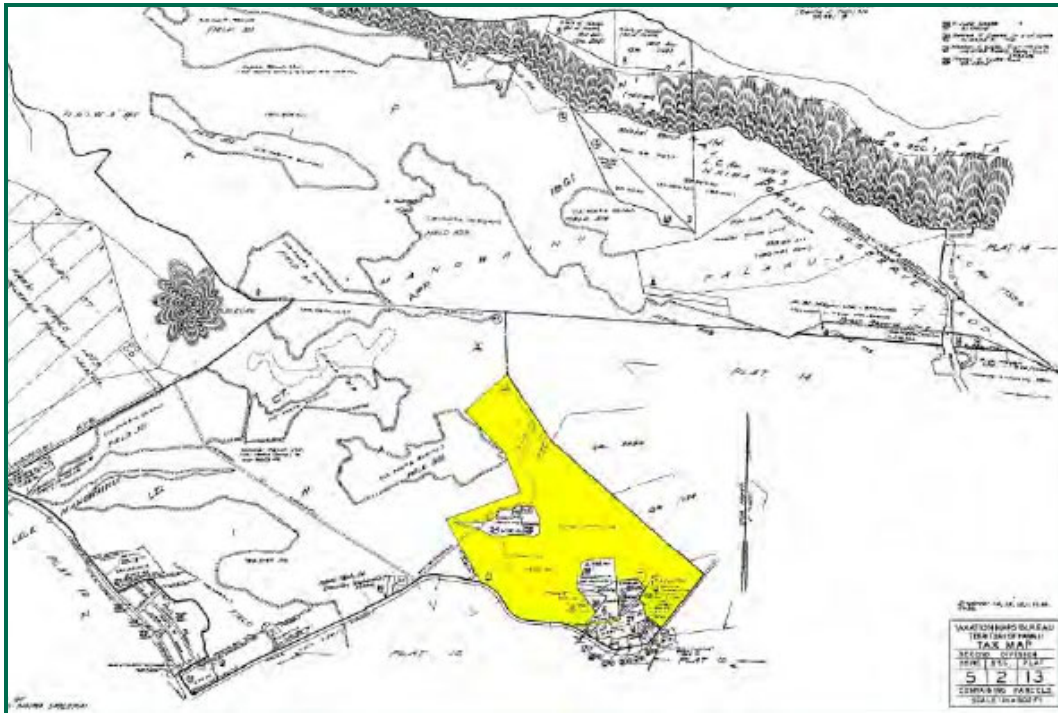
TMK (2) 5-1, Plat 3 (Kaluakoi Golf Course)



TMK (2) 5-1, Plat 6 (Portion of Kaluakoi Golf Course)



Aerial of Ironwood Golf Course



TMK (2) 5-2-13, Parcel 21 (por.)

PROPERTY DATA AND DESCRIPTION

Physical Description

The Kaluakoi Golf Course was an 18-hole seaside championship layout designed by Ted Robinson Sr. Situated between Kepuhi and Papohaku Beaches, the course played to a par 72 and a distance of 6,187 yards from the regular tees. The course featured well-placed bunkers and water hazards, and good views of the ocean from most of the holes. Now abandoned, the course is overgrown and does not resemble a golf course.

The Ironwoods Golf Course was constructed in 1938 by pineapple plantation workers to serve as a recreational amenity. The nine-hole par 35 course plays to a distance of 2,850 yards and is positioned in a forested area in the hills above Kualapuu. Hilly terrain, narrow fairways, heavily wooded surrounding, and small greens contribute to the challenge of this course. Access to the golf course is over a dirt roadway.

Improvement Description

The abandoned Kaluakoi Golf Course is improved with a small wood frame pro shop, two wooden comfort stations, driving range, and a maintenance complex off of Kaiaka Road (built in 1976-1985). We were unable to observe many of the structures because of the current overgrown condition.

The Ironwoods Golf Course has no substantial permanent structures. There is no clubhouse at this facility and a trailer serves as the pro shop.

Photographs

The following photographs depict the general appearance of selected subject lands as of our site visit on July 8, 2020.



Looking northwest across Ironwoods course.



View of Kaluakoi Course

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Golf course and site with golf course development potential.

Specific Value Considerations

The Kaluakoi Golf Course has no longer been considered a golf course and has been valued as resort expansion land.

The Ironwood Golf Course is leased to a private operator on a month-to-month basis. There is no long-term lease to consider and the property has been appraised as if fee simple.

Valuation Approach Utilized

A sales comparison approach was utilized to value the Ironwood Golf Course on a price per hole basis, accounting for differences in market conditions, location, course quality, and special circumstances. The golf course market is complex and convoluted as it involves a variety of seller and buyer motivations, and varying degrees of additional developable land. The best available transactions were employed in our sales comparison analysis.

The abandoned Kaluakoi Golf Course has been valued as resort expansion land by sales comparison analysis.

IRONWOOD GOLF COURSE

Comparables Examined

Golf Course Comparables G-1 (Mui Nui Golf Course), G-2 (Pukalani Golf Course), and G-3 (Bayview Golf Course) were employed. The transactions are located on the islands of Oahu and Maui.

Compensating Adjustments

The transactions all occurred between August 2014 and May 2019 and no adjustment for market conditions was deemed necessary. The general locations of all transactions were rated superior in varying degrees to the Molokai location of the subject golf course. In terms of course quality, the Bay View Executive Golf Course was judged to be comparable. The course quality of the other comparables were rated superior in varying degrees to the subject course.

The adjustment for special circumstances accounted for the existence of a clubhouse at the time of sale and inclusion of additional developable land. For the Ironwood Golf Course, adjusted values ranged from \$128,889 to \$291,667 per hole, with a mean of \$184,074 and a weighted value of \$187,111. The value of the nine-hole Ironwoods Golf Course was concluded to be \$185,000 per hole, resulting in a total value of \$1,665,000.

ABANDONED KALUAKOI GOLF COURSE

Comparables Examined

Urban expansion Transactions U-1 through U-5 were employed in valuing the 154.327-acre abandoned Kaluakoi Golf Course site.

Compensating Adjustments

No adjustment was required market conditions. As described in an earlier section, comparisons of median product sales prices between Molokai and the respective locations of the comparables resulted in general location adjustments of negative 50 and 60 percent. For access/frontage, Transaction U-3, which has no direct frontage but has nearby vehicular access, was adjusted upward by 15 percent.

The subject property is zoned PK-4/GC, Open, Interim, and Ag, thus requiring an upward adjustment to Transactions U-1, U-2 and U-3 for their protective, cemetery conservation, and limited/protected subzones, respectively, which are considered inferior to the subject. A conservation easement on Transaction U-2 and U-3 was considered inferior so an upward adjustment was made. Additionally, Transaction U-2 had superior flood zoning so was adjusted downward. Similarly, the physical characteristic of wetlands and submerged land in Transaction U-1 and U-3, respectively, were considered inferior. The configuration and undulation of this former golf course site was deemed inferior to comparables U-2 and U-4.

After compensating for size differences, the adjusted values ranged from \$4,714 to \$17,596 per acre, with a mean of \$9,504 and a weighted value of \$11,123. The value of the 154.327-acre

abandoned Kaluakoi Golf Course site was concluded at \$11,100 per acre, or a total value of \$1,715,000.

Concluded Market Value in the Existing State

As shown on the following table, the aggregate value of the Kaluakoi and Ironwoods Golf Courses was estimated to be \$3,380,000 as of February 1, 2021.

KALUAKOI AND IRONWOOD GOLF COURSES VALUE CONCLUSION						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Classification Held For	Concluded Value	Reasonable Exposure Time
2-5-1-3-7	42.497	Fee Simple	Abandoned Golf Course	Owner Occupancy	\$1,715,000	1 to 2 Years
2-5-1-3-21	45.332	Fee Simple	Abandoned Golf Course	Owner Occupancy	Included above	1 to 2 Years
2-5-1-3-22	24.069	Fee Simple	Abandoned Golf Course	Owner Occupancy	Included above	1 to 2 Years
2-5-1-3-24	36.860	Fee Simple	Abandoned Golf Course	Owner Occupancy	Included above	1 to 2 Years
2-5-1-3-27	3.238	Fee Simple	Abandoned Golf Course	Owner Occupancy	Included above	1 to 2 Years
2-5-1-6-76	2.331	Fee Simple	Abandoned Golf Course	Owner Occupancy	Included above	1 to 2 Years
2-5-2-13-21 (por.)	68.000	Fee Simple	Golf Course	Owner Occupancy	\$1,665,000	1 to 2 Years
Aggregate	222.327		Rounded		\$3,380,000	

Compiled by CBRE

Infill Lots

IDENTIFICATION

INFILL LOTS						
Molokai Properties Limited Real Property Assets						
Second Division Tax Map Key	Land Area (Sq. Ft.)	Interest Valued	Existing Use	Classification Held For	Zoning / Land Use	Ownership
5-1-2-17	42,013	Fee Simple	Church	Interim/Park	Interim / Urban	Molokai Properties Limited
5-2-13-12	13,634	Fee Simple	Vacant	Single Family	Interim / Urban	Cooke Land Company, Inc.
5-3-11-38	27,276	Fee Simple	Vacant	Interim	Interim / Urban	Molokai Properties Limited
Aggregate	82,923 1.904	Sq. Ft. Acres				

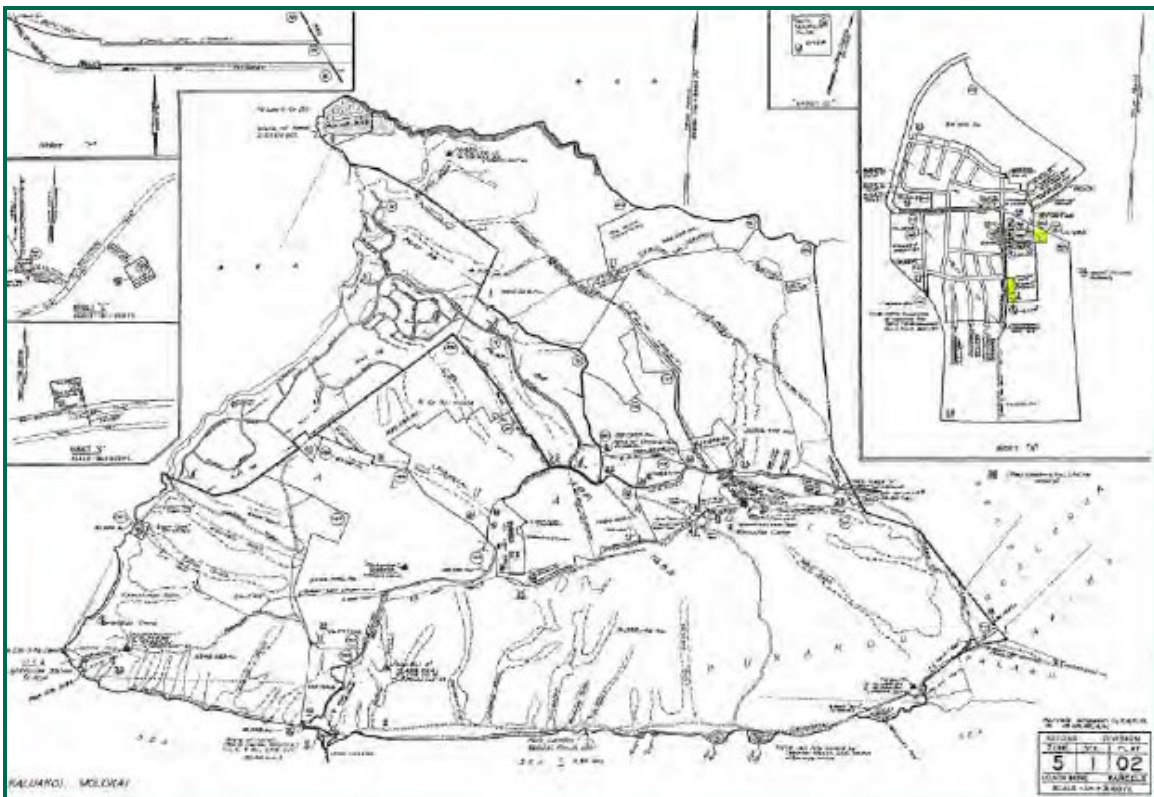
Compiled by CBRE

Location

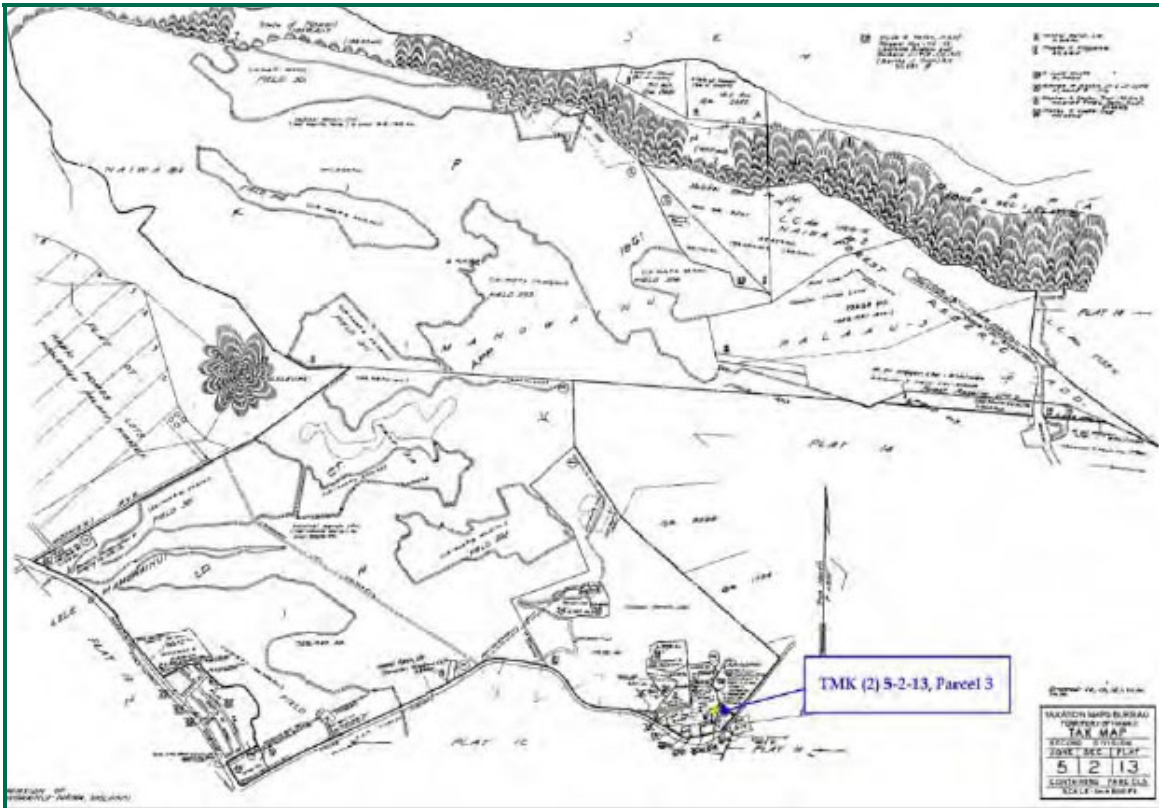
Maunaloa, Kualapuu, and Kaunakakai, Molokai, Hawaii

The infill lots are located along the east side of Maunaloa Village, in Kualapuu adjacent to the Ironwoods Golf Course, and in the Ranch Camp subdivision in Kaunakakai, Molokai, Hawaii.

Tax Maps



Maunaloa Village Infill Lot TMK 5-1-2, Parcel 17



Manowainui – Naiwa Infill Lot TMK (2) 5-2-13, Parcel 12



Kaunakakai Infill Lot TMK (2) 5-3-11, Parcel 38

PROPERTY DATA AND DESCRIPTION

Physical Description

TMK 5-1-2, Parcel 17 is an elongated generally level site with extensive frontage along Maunaloa Road. TMK 5-2-13, Parcel 12 in Kualapuu in an irregular shaped, slightly sloping site that is overgrown with trees and shrubs. Access is available via an unimproved roadway. Located in the Ranch Camp subdivision in Kaunakakai, TMK 5-3-11, Parcel 38 is a triangularly shaped vacant site situated at the east terminus of Kakalahale Street.

Improvement Description

TMK 5-1-2, Parcel 17 is improved with an old church building and two other small structures. All other parcels are vacant of significant structural improvements.

VALUATION ANALYSIS

Rights Appraised

Fee simple interest.

Highest and Best Use

Residential use.

Specific Value Considerations

TMK 5-1-2, Parcel 17 is improved with a church which is leased at nominal rent. Considering the current surplus of residential lots and expansion areas in Maunaloa, the existing church use is judged the highest and best use of the property. As such, we have added an allowance of \$100,000 as the contributory value of the improvements.

Valuation Approach Utilized

Having adequate transactions by geographical location, separate sales comparison analyses were utilized to value the three infill lots. Adjustments have been made for market conditions, location, corner/frontage, view, development potential, physical characteristics, and size.

MAUNALOA INFILL LOTS

Comparables Examined

Five transactions were selected for comparison with TMK 5-1-02, Parcel 17. These have been identified as R-1 through R-5 and represent Maunaloa lots that were acquired for single family residential purposes.

Compensating Adjustments

No adjustment for market conditions was employed as all transactions are current and the Maunaloa residential lot market is stable. Located in Maunaloa North, Transactions R-2 to R-5 were rated superior to the subject lot for location. The subject's Park Community Plan designation

and Interim/Park zoning was rated inferior to all transactions. Transaction R-2 was adjusted downward for its double lot potential.

After adjusting for variation in size, the comparables had a mean of \$94,075 and a weighted value of \$93,795. We conclude a value of \$94,000 for the 42,013-square-foot TMK 5-1-2, Parcel 17 site. With the \$100,000 allowance for the church improvements, the concluded property value is \$194,000.

KUALAPUU INFILL LOT

Comparables Examined

Transactions M-1 through M-3 were selected for comparison with the subject lot. Transactions M-1 and M-3 are rectangular shaped lots and Transaction M-2 is slightly irregular. Transactions M-2 and M-3 are located in close proximity to the subject in the Kalae House lots subdivision north of the subject. Transaction M-1 is a rectangular shaped lot situated south of the subject fronting Farrington Avenue.

Compensating Adjustments

The methodology and adjustment rationale is similar to that of the Maunaloa infill lots. This analysis employed a two percent per annum market conditions allowance through March 2020. Having unimproved roadway access, the subject was rated inferior to all transactions. The irregular shape and slightly sloping topography of the subject was rated inferior to Transactions M-1 and M-3.

After all adjustments including a size allowance, the values ranged from \$56,450 to \$77,096 per lot, with a mean of \$63,840 and a weighted value of \$61,993.

We conclude a value of \$62,000 for the 13,634-square-foot TMK 5-2-13, Parcel 12.

KAUNAKAKAI INFILL LOT

Comparables Examined

Valuation of the triangular shaped infill lot in Kaunakakai employed Transactions M-4, to M-7. Transaction M-4 is in the Kaunakakai Homesteads subdivision on Makaena Place in Kaunakakai. Transactions M-5 to M-7 are located north of Kaunakakai town on Kaiwi and Kikipua Streets and Ala Malama Avenue, respectively.

Compensating Adjustments

An allowance of two percent per annum through March 2020 was applied for market conditions. Due to its large size, offering subdivision possibilities, the subject was rated superior to all transactions for development potential. The triangular shape of the subject was deemed inferior to all transactions. The size adjusted values ranged from \$106,328 to \$145,120 per lot, with a mean of \$125,212 and a weighted value of \$127,962.

We conclude a value of \$128,000 for the 27,276-square-foot TMK 5-3-11, Parcel 38.

Concluded Market Value in the Existing State

As summarized on the following table, the aggregate value of the infill parcels was estimated at \$384,000 as of February 1, 2021.

INFILL LOTS VALUE CONCLUSION					
Molokai Properties Limited Real Property Assets					
Second Division Tax Map Key	Land Area (Sq. Ft.)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
2-5-1-2-17	42,013	Fee Simple	Church	\$194,000	12 to 24 Months
2-5-2-13-12	13,634	Fee Simple	Vacant	\$62,000	12 to 24 Months
2-5-3-11-38	27,276	Fee Simple	Vacant	\$128,000	12 to 24 Months
Aggregate	82,923 1.904	Sq. Ft. Acres		\$384,000	

Compiled by CBRE

Contributory Value of Telecommunications Licenses and Other Leases

IDENTIFICATION

CONTRIBUTORY VALUE OF TELECOMMUNICATIONS LICENSES AND OTHER LEASES			
Molokai Properties Limited Real Property Assets			
Tenant or License	Lease Term	Annual Rent	Rent Changes
SprintCom, Inc.	01/01/2017 - 12/31/2021	\$42,000	Assume extend for 10 yrs. CPI
Ikehu Molokai	08/13/2015 - 08/13/2047	\$68,734	CPI
Cooke Estate	01/01/2016 - 12/31/2050	\$11,227	CPI
Aeronautical Radio	05/01/1983 - 04/30/2023	\$225,638	Assume extend for 10 yrs. CPI
Hawaiian Telcom Puunana	01/01/2018 - 12/31/2022	\$58,117	Assume extend for 10 yrs. CPI
Oceanic Time Warner Cable	09/01/1993 - 12/31/2023	\$43,132	Assume extend for 8 yrs. CPI
Maui Electric	09/16/1989 - 09/15/2039	\$12,000	Fixed for entire term
Cellco Partnership (Verizon)	05/01/2008 - 04/30/2058	\$29,899	CPI
Crown Castle	02/15/1994 - 10/31/2023	\$39,761	CPI
State of Hawaii (DLNR)	07/01/2004 - 06/30/2024	\$50,000	Automatic 10-year extension

Compiled by CBRE

Location

Aeronautical Radio has sites on portions of TMK 5-1-2, Parcels 1, 4 and 35.

Crown Castle, SprintCom, Inc., Oceanic, Maui Electric, and State of Hawaii have sites situated on portions of TMK 5-1-2, Parcel 4.

Cellco Partnership Maunaloa is located on a portion of TMK 5-1-9, Parcel 118.

Hawaiian Telcom Puunana is located on TMK 5-1-2, Parcel 13.

Robert Cooke Estate is located on TMK 52-13-21.

Ikehu Molokai LLC is for a portion of TMK 5-2-11-29.

PROPERTY DESCRIPTION

Beneficial Interest

The beneficial interest of the telecommunications licenses are held by Molokai Properties Limited.

Recent Subject Property Market Activity

None known.

Physical Description

The telecommunications facilities consist of a variety of towers, antennas, satellite dishes, and small shelter buildings situated along the Puunana ridgeline and other strategically located sites on Molokai. Additional cash flows are generated by leases for residential and energy uses.

VALUATION ANALYSIS

Rights Appraised

Present value of income stream.

Highest and Best Use

Telecommunications, residential, and energy.

Specific Value Considerations

The underlying land parcels have been valued with other asset groups thus resulting in no reversionary interest being added to the present value of the periodic income streams.

Valuation Approach Utilized

Income capitalization analysis has been employed to value the revenue generated by these telecommunications, residential, and energy facilities. The lease term, annual rent, and method of rent escalation are summarized in the table above. Pertinent assumptions of our cash flow analysis are summarized below:

- The annual compound rate of change in Consumer Price Index (CPI) over the past 30 years averages 2.45 percent. Therefore, we have employed a CPI of 3.0 percent per annum for those licenses requiring annual CPI escalations.
- The telecommunications facilities are significant and integral components of the entire network of communication and transmission for these licensees. Therefore, there is a high likelihood of continued demand for these sites. As such, we have assumed all licenses and leases expiring in the near term (less than five years) will continue at least for ten years after their upcoming expiration.
- The income stream from the telecommunications facilities are considered highly reliable thus reducing the associated risks and resulting in the selection of a ten percent discount rate. The same rate was employed for the residential and energy leases as they were also judged highly reliable.

Concluded Market Value in the Existing State

As summarized on the following table, the aggregate contributory present value of the telecommunications revenues and income from the residential and energy leases was estimated to be \$5,314,000 as of February 1, 2021.

CONTRIBUTORY VALUE OF TELECOMMUNICATIONS LICENSES AND OTHER LEASES
Molokai Properties Limited Real Property Assets

Tenant or License	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
SprintCom, Inc.	P.V. of Cash Flow	Telecommunications	\$318,000	N.A.
Ikehu Molokai	P.V. of Cash Flow	N.A.	\$831,000	N.A.
Cooke Estate	P.V. of Cash Flow	Residential	\$152,000	N.A.
Aeronautical Radio	P.V. of Cash Flow	Telecommunications	\$1,990,000	N.A.
Hawaiian Telcom Puunana	P.V. of Cash Flow	Telecommunications	\$466,000	N.A.
Oceanic Time Warner Cable	P.V. of Cash Flow	Telecommunications	\$326,000	N.A.
Maui Electric	P.V. of Cash Flow	Telecommunications	\$100,000	N.A.
Cellco Partnership (Verizon)	P.V. of Cash Flow	Telecommunications	\$400,000	N.A.
Crown Castle	P.V. of Cash Flow	Telecommunications	\$334,000	N.A.
State of Hawaii (DLNR)	P.V. of Cash Flow	Telecommunications	\$397,000	N.A.
Aggregate			\$5,314,000	

Compiled by CBRE

Contributory Value of The Gas Company Lease

IDENTIFICATION

CONTRIBUTORY VALUE OF THE GAS COMPANY LEASE			
Molokai Properties Limited Real Property Assets			
Tenant	Lease Term	Annual Rent	Rent Changes
The Gas Company (*)	Interim/Park	\$10,656	6 to 9 Months
(*) Assumes lease extended for two, five year periods consistent with extending the lease for at least ten years beyond the upcoming expiration.			
Compiled by CBRE			

Location

The Gas Company is located on TMK 5-2-11, Parcel 29 (por.) and 24 adjacent to the Molokai Industrial Park.

PROPERTY DESCRIPTION

Beneficial Interest

The beneficial interest of these lease agreements is held by Molokai Properties Limited.

Recent Subject Property Market Activity

None known.

Physical Description

The Gas Company lease encumbers 15,000-square feet and is minimally improved with lessee constructed improvements.

VALUATION ANALYSIS

Rights Appraised

Present value of income stream.

Highest and Best Use

Industrial.

Specific Value Considerations

The underlying land parcel has been valued with other asset groups thus resulting in no reversionary interest being added to the present value of the periodic income streams.

Valuation Approach Utilized

Income capitalization analysis has been employed to value the revenue generated by these lease agreements. The lease term, annual rent, and method of rent escalation are summarized in the table above. Pertinent assumptions of our cash flow analysis are summarized below:

- The fee simple interest in the 15,000-square-foot Gas Company site was valued for rent reopening purposes at \$157,000. Annual rent was estimated at eight percent of the fee simple value of the site.
- According to documents provided, it appears that the Gas Company renegotiated the lease rent for the five-year period commencing April 1, 2017 at \$10,656 per annum.
- The income stream from this lease is considered highly reliable thus reducing the associated risks and resulting in the selection of a ten percent discount rate.

Concluded Market Value in the Existing State

As summarized on the following table, the aggregate contributory present value of the lease revenues was estimated to be \$90,000 as of February 1, 2021.

CONTRIBUTORY VALUE OF THE GAS COMPANY LEASE				
Molokai Properties Limited Real Property Assets				
Tenant	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
The Gas Company	Present Value of Cash Flow	Baseyard	\$90,000	N.A.

Compiled by CBRE

Properties With No Market Value

Properties that are estimated to not have a market include various roadways, remnant lots, utilities, greenbelts, and parks. These components are typically considered nonmarketable assets that enhance the value of other lands but have no market value in and of themselves. The following table summarizes the Molokai Ranch holdings with no market value.

MOLOKAI RANCH HOLDINGS WITH NO MARKET VALUE					
Second Division Tax Map Key	Land Area (Acres)	Interest Valued	Existing Use	Concluded Value	Reasonable Exposure Time
5-1-002-021	44.363	Fee Simple	Roadway	\$0	N.A.
5-1-003-009	20.158	Fee Simple	Roadway	\$0	N.A.
5-1-004-018	2.001	Fee Simple	Utility	\$0	N.A.
5-1-004-036	2.562	Fee Simple	Utility	\$0	N.A.
5-1-006-157	58.442	Fee Simple	Roadway	\$0	N.A.
5-1-009-109	0.286	Fee Simple	Greenbelt	\$0	N.A.
5-1-009-116	1.168	Fee Simple	Park	\$0	N.A.
5-1-009-119	9.029	Fee Simple	Roadway	\$0	N.A.
5-1-010-133	1.658	Fee Simple	Park	\$0	N.A.
5-1-010-135	0.081	Fee Simple	Roadway	\$0	N.A.
5-1-010-136	0.079	Fee Simple	Roadway	\$0	N.A.
5-1-010-137	10.551	Fee Simple	Roadway	\$0	N.A.
5-2-011-008	0.534	Fee Simple	Roadway	\$0	N.A.
5-2-012-025	0.004	Fee Simple	Roadway	\$0	N.A.
5-2-012-035	0.980	Fee Simple	Roadway	\$0	N.A.
5-2-028-108	0.018	Fee Simple	Roadway	\$0	N.A.
5-2-029-060	0.280	Fee Simple	Roadway	\$0	N.A.
5-2-031-023	1.726	Fee Simple	Roadway	\$0	N.A.
5-3-002-094	0.242	Fee Simple	Park	\$0	N.A.
5-3-002-097	5.457	Fee Simple	Park	\$0	N.A.
5-3-002-105	0.264	Fee Simple	Park	\$0	N.A.
5-3-002-131	0.099	Fee Simple	Roadway	\$0	N.A.
5-3-002-161	0.002	Fee Simple	Remnant	\$0	N.A.
5-3-002-163	0.002	Fee Simple	Remnant	\$0	N.A.
5-3-002-164	0.002	Fee Simple	Remnant	\$0	N.A.
5-3-002-167	5.411	Fee Simple	Park	\$0	N.A.
5-3-006-041	0.003	Fee Simple	Remnant	\$0	N.A.
5-3-008-023	0.042	Fee Simple	Utility	\$0	N.A.
5-3-010-016	0.231	Fee Simple	Roadway	\$0	N.A.
5-3-011-130	0.372	Fee Simple	Roadway	\$0	N.A.
Aggregate	166.047			\$0	

Compiled by CBRE

Previously discussed, in addition to the above, Kaiaka Rock, was also judged not marketable.

Portfolio Bulk Discount

When estimating the overall market value of a portfolio, a premium or a discount is considered based on overall magnitude (both dollar volume and number of properties) and homogeneity or diversity of the comprising real property interests. While in certain instances, increased cash flows resulting from management and operating efficiencies for similar type assets may result in a premium, or a premium may be paid to acquire an investment grade in-tact portfolio for the time and cost savings of not having to build a portfolio through individual property acquisitions; these are circumstances that rarely exist in Hawaii due to its limited market offerings. More frequently, real estate portfolios sell and/or are valued at a discount to the aggregate individual asset retail values. A portfolio requires a discount when the depth of demand for the individual assets exceeds the depth of demand for the bulk holding. A portfolio that has been created over time as an assemblage of holdings can be extremely diverse in terms of geographic location, asset class, ownership tenure, quality, age, and an amalgamation of vacant, underdeveloped and fully improved structural components in varying degrees of occupancy status. Additionally, the sheer size of a portfolio in terms of number of components, particularly one that is highly diverse, or has a total aggregate value that exceeds the purchasing capacity of typical investors, will require a discount. Such is the case given the attributes of the properties presented in this Molokai Ranch portfolio.

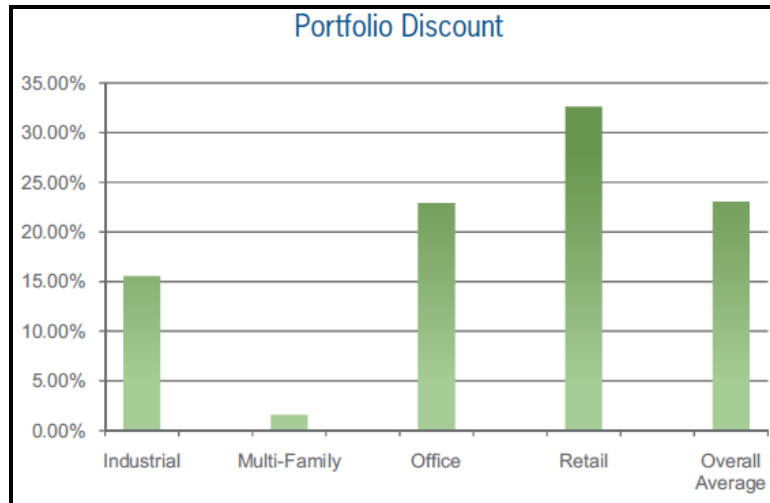
The Molokai Ranch holdings consist of approximately 270 properties located across the Island of Molokai but concentrated at its western half. Geographically, the holdings range from urban areas such as Kaunakakai to more rural areas of Kualapuu and Maunaloa Village.

The assets are overly diverse relative to the traditional “portfolio” consisting of, for example, bank branches, apartment buildings, fast food restaurants, or a chain of leased retail stores. By contrast, Molokai Ranch property type examples include: vacant residential house lots, improved single family homes, two closed hotel properties, hundreds of acres of resort expansion lands, vacant industrial and commercial lots, numerous shuttered older wood-constructed commercial buildings including a restaurant, theater, and hotels, two golf courses, one of which is abandoned, ground leased fee interests in single family homes and an affordable housing village, numerous multiple-acre ranch lots, an oceanfront residential lot, various infill and residential expansion lands, and over 50,000 acres of agricultural and conservation land – as a sampling. The assets range from full occupancy to vacant and are in varying states of repair and physical life and condition.

The definition of market value emphasizes a willing buyer and a willing seller. We have thus evaluated what minimum discount would be needed and appropriate to render the entirety of the Molokai Ranch portfolio marketable to a single buyer (or even a small group of simultaneous buyers) within a reasonable exposure time.

National Homogeneous Portfolio Sales

A national analysis of 200 portfolio sales in comparison to over 4,600 individual property sales conducted by Stout Risius and Ross demonstrated the following homogeneous asset class portfolio discounts.⁷



Source: <https://www.srr.com/article/alternative-techniques-valuing-real-estate-portfolios>

The property types above are *all* income producing and single asset type portfolios -- as opposed to the Molokai Ranch portfolio, which is populated by numerous asset types including non-income producing and redevelopment opportunity properties.

Smaller Hawaii Homogeneous Portfolio Sales

For perspective, we cite the following local Hawaii examples of bulk transaction discounts for real estate that is significantly smaller and sharing near identical consistent highest and best use potentials:

- In May 2014, 46 relatively new industrial condominium units located in the Waipio Business Center on Oahu sold in bulk for \$21,900,000. Of the units, 34 were encumbered by short term tenant leases and 12 were vacant. Based on an appraised value of the individual retail value of the units, the bulk sale of these near identical assets represented a circa **19%** discount.
- In September 2013, Alexander and Baldwin purchased 27 lots on Kahala Avenue and three additional lots in December 2013 for a total investment of \$128 million. The transaction represented a **17%** discount off of the sum of the (conservative) assessor's market value on the individual assets.

⁷ <https://www.srr.com/article/alternative-techniques-valuing-real-estate-portfolios>. Article published in Fall 2010. Sales occurred from January 2007 to June 2010. Email communication with the author Joseph L. Torzewski, MAI confirmed that the discounts are largely similar when using recent individual property and portfolio sales.

- In July 2013, 70 house lots located at Ke Ola Pokai Bay in Waianae on Oahu transacted for \$6,600,000. The acquisition price represented a circa **40%** discount off of the appraised aggregate retail value of the lots.
- We are aware of multiple bulk sales at resort neighborhoods on the Big Island and Kauai over the past ten years, primarily vacant home sites, though some sales included improved homes, at discounts ranging from **30% to 50%**.
- In appraisals of a typical residential condominium development with a stable absorption forecast, it is common for a bulk discount to be **30% or greater**, depending on the time required to sell-out. Even a nearly sold out residential condominium tower results in an upon completion value discount (bulk value) of **5% to 10%** of the aggregate retail value, when nearly all of the units are under binding contracts and the risk is largely mitigated to contract fall-out.

In addition to our market observations, we conducted exploratory interviews with savvy real estate professionals locally and on the mainland as to their insights and experience with bulk discount rates for large portfolio holdings – although most had never experienced a conglomeration of properties as diverse as the subject portfolio. It was the general consensus that due to the wide diversity of the subject holdings, a material discount would be needed to achieve a market value to a single or simultaneous group of buyers. Participants shared that because of the size and assortment of property types, conditions, and ownership interests, a bulk buyer would likely subsequently work to sell off the assets in smaller portfolios, and it could take years for some of the less desirable properties to be successfully marketed. The time value of money and the marketing and sales cost were the immediately identified significant deducts, followed by the price reductions needed to get single buyers to purchase several assets at a time over time. A particularly knowledgeable participant with national portfolio experience stated that there are limited buyers with deep enough pockets to acquire such a vast portfolio and it may be necessary to break up the portfolio to entice buyers as it may not be marketable as is.

Lanai Portfolio Sale

The discounts stated above assume that the potential buyer is investment minded and is not seeking to acquire the diverse holding for personal use, land banking, or as trophy. A local example of such is Larry Ellison's June 2012 purchase of about 98% of the island of Lanai. Molokai and Lanai share many similar physical characteristics, particularly as it relates to large agricultural land for pasture and ranching use.

The Lanai asset includes approximately 88,000 acres of feral agricultural and conservation land, portions of Lanai City, and urban expansion and resort development that includes the Koele and Manele Bay hotels (both Four Seasons branded) and golf courses. Lanai's agricultural lands alone comprise about 43,259 acres, which is on par with Molokai Ranch.

Based on our most recent confirmation with knowledgeable parties, we understand the confidential June 2012 bulk purchase price by Mr. Ellison is fairly represented at approximately \$300,000,000, which was meaningfully less than the aggregate value of the assets of \$500 to \$600 million commonly referenced in the media. If media reports are to be believed, the bulk sale to a single buyer reflects a **40% to 50% discount** from the aggregate.

Local Market Participant Interviews

Discussions with local landowners and market participants with experience in bulk sales and who have familiarity with Molokai Ranch, including Harry Saunders of Castle & Cooke, Jeff Pauker of A&B, and Andy Albano of CBRE, generated the following comments regarding its probable bulk discount and associate value:

- The discount would be “fairly substantial”. The bulk price would be no more than half of the price for Lanai. **Most likely 25% to 30% of Lanai’s value.** (This equates to a **55% to 63% discount** for Molokai Ranch.) In addition to the circa 83,000 acres of land, Lanai was superior and included 2 operating hotels, 3 golf courses, 200 homes, commercial businesses, a water company, and substantial equipment.
- Even with the price paid for Lanai, Mr. Ellison likely has invested nearly the same amount in carrying costs, infrastructure and hotel improvement upgrades. It is far from a positive investment for him.
- It would be acquired as a trophy property, but unlike Lanai, the buyer would not have control of the island and the holdings are more fragmented. The buyer would still be at the mercy of Maui County zoning, local politics, and opposition from vocal groups on the island.
- On Molokai there is limited water (west side), business, population growth, and no intent to change.
- One of the first questions asked was, “Is it cash flow positive?” and “What are the total holding costs/expenses?” (While the yearly profit and loss for the holding was not provided for this appraisal, we note that real property taxes alone are circa \$450,000 annually.)
- With any cash flow negative business of this size, it would take at least 10 years to figure out how to dispose of it.
- In modeling a disposition cash flow, considering the years it will take to sell off the pieces and interim expenses from the negative cash flow assets (hopefully decreasing over time), and a 25% annual discount rate, a realistic bulk discount for Molokai Ranch would be in the **range of 75% to 90%.**
- To truly understand the value of the holding, you need to do an intensive due diligence study to understand the entitlements, limitations, status, required infrastructure, and cost

to resolve any problems and achieve the highest and best use for each parcel. It is only with his understanding of each parcel and their aggregate value can you begin to consider what the value in bulk would be.

- Without doing intensive due diligence, the property might not sell.
- Molokai ranch is a diverse and complicated holding, with different uses, water problems, un-honored promises from the County and State, and a very vocal opposition. Adding to the challenge, Molokai is not tourist oriented, lacks good shipping channels for agriculture and produce, and does not have the population to support growth.
- The two ways to go about determining the bulk value is through comparables like Lanai, which is superior for many reasons, or through a development analysis involving prepping each parcel and selling them off over time.
- The appropriate bulk discount for Molokai Ranch is anybody's guess, but most factors indicate it will be significant.
- If a large percent of the total asset value is within a single property type, a buyer may apply the discount only to the remainder.

For example: Agriculture and Conservation land comprise only 50% of the total aggregate value and 96+% of the total acreage. The values of these agricultural and conservation lands already reflect bulk values. Focusing on the remainder of the portfolio, if the entitlements and up-zoning of this remainder were to be lost, unwound, or ignored, i.e., if the portfolio was indefinitely land banked with no pursuit or consideration of its entitlements, it would be the same as if all the portfolio's land reverted back to agricultural land status. In such case, the previously entitled land would effectively share the same \$2,000 per acre unit value as the portfolio's bulk agricultural land. At this unit value, Molokai Ranch's portfolio's value would be circa \$104 million, maximum. As such, acquiring the portfolio in bulk to land bank it would require a **minimum 48% discount** from the aggregate.

BULK DISCOUNT CONCLUSION

The uniqueness and diversity of the portfolio has the potential to attract a range of potential buyers, including 1) Investors who would attempt to sell-off the various lots and asset groups over time for a profit, 2) Wealthy individuals who would acquire the portfolio as a trophy property, have the bragging rights of owning one-third of a major Hawaiian island, and oversee its management as a pet project, 3) Visionary investors who would endeavor to revitalize the ranch, camps, hotel, and golf operations for long-term stability and growth, 4) Ranchers and farmers to whom the 50,000+ acres of agricultural and conservation land appeal as an untapped resource, and 5) Those who would land bank the property waiting for a change in the market cycle, the island's economic climate, and local sentiment. The challenges and opportunities awaiting a

potential buyer were echoed in the variety of market participant responses and opinions we received relative to a conceptual bulk sale of the portfolio. There is wide range of potential buyers with a diversity of motivations and investment criteria.

Given the diversity of the Molokai Ranch portfolio in terms of asset types, development status, operating performance history, limited marketability, and in some cases having far more assets in certain rural locales than the market can absorb over multiple years, and the size of the portfolio, but considering the common ownership, geographic proximity, and the bragging rights of owning circa 1/3 of a major Hawaiian island, **we conclude a bulk discount range for the Molokai Ranch portfolio of 50% to 75%** from the aggregate individual values for the Molokai Ranch portfolio to approach the definition of market value. This discount, applied to the individual retail values presented foregoing, results in a **bulk market value of the appraised portfolio assets of \$50,000,000 to \$100,000,000.**

MOLOKAI PROPERTIES LIMITED AGGREGATE PORTFOLIO VALUE
Island of Molokai, Hawaii

Asset Use Group	Land Area Acres	Concluded Aggregate Values
West Agricultural Lands	42,217.697	\$85,455,000
Central Agricultural Lands	2,590.268	\$5,181,000
Southeast Agricultural Lands	3,554.388	\$7,109,000
Independent Conservation Lands	4,116.740	\$2,881,700
Kaunakakai and Maunaloa Commercial Properties	28.825	\$8,681,000
Kualapuu and Maunaloa Industrial Properties	84.751	\$10,943,000
Maunaloa Residential Properties	21.502	\$4,358,000
Residential Potential Urban Expansion lands	294.992	\$10,035,000
Kaluakoi Interior Resort Lands	176.015	\$20,659,000
Kaluakoi Oceanfront Resort Land	100.575	\$12,050,000
Kaluakoi Interior Expansion Lands	38.807	\$440,000
Papohaku Ranch Lots and Kaupoa Beach Camp	841.959	\$10,510,000
Maunaloa and Kaluakoi Hotel Properties	28.924	\$13,870,000
Kaluakoi and Ironwood Golf Courses	222.327	\$3,380,000
Infill Lots	1.904	\$384,000
Contributory Value of Telecommunication Licenses	--	\$5,314,000
Contributory Value of of Other Lease Agreements	--	\$90,000
Properties with No Market Value	166.047	\$0
Aggregate Value of Individual Properties Reported in Asset Group	<u>54,485.721</u>	<u>\$201,340,700</u>
	Rounded	<u>\$201,000,000</u>
Concluded Portfolio Bulk Discount		50% to 75%
Concluded Bulk Value To A Single Purchaser		<u>\$50,000,000 to \$100,000,000</u>

Compiled by CBRE

Assumptions and Limiting Conditions

1. CBRE, Inc. through its appraiser (collectively, "CBRE") has inspected through reasonable observation the subject property. However, it is not possible or reasonably practicable to personally inspect conditions beneath the soil and the entire interior and exterior of the improvements on the subject property. Therefore, no representation is made as to such matters.
2. The report, including its conclusions and any portion of such report (the "Report"), is as of the date set forth in the letter of transmittal and based upon the information, market, economic, and property conditions and projected levels of operation existing as of such date. The dollar amount of any conclusion as to value in the Report is based upon the purchasing power of the U.S. Dollar on such date. The Report is subject to change as a result of fluctuations in any of the foregoing. CBRE has no obligation to revise the Report to reflect any such fluctuations or other events or conditions which occur subsequent to such date.
3. Unless otherwise expressly noted in the Report, CBRE has assumed that:
 - (i) Title to the subject property is clear and marketable and that there are no recorded or unrecorded matters or exceptions to title that would adversely affect marketability or value. CBRE has not examined title records (including without limitation liens, encumbrances, easements, deed restrictions, and other conditions that may affect the title or use of the subject property) and makes no representations regarding title or its limitations on the use of the subject property. Insurance against financial loss that may arise out of defects in title should be sought from a qualified title insurance company.
 - (ii) Existing improvements on the subject property conform to applicable local, state, and federal building codes and ordinances, are structurally sound and seismically safe, and have been built and repaired in a workmanlike manner according to standard practices; all building systems (mechanical/electrical, HVAC, elevator, plumbing, etc.) are in good working order with no major deferred maintenance or repair required; and the roof and exterior are in good condition and free from intrusion by the elements. CBRE has not retained independent structural, mechanical, electrical, or civil engineers in connection with this appraisal and, therefore, makes no representations relative to the condition of improvements. CBRE appraisers are not engineers and are not qualified to judge matters of an engineering nature, and furthermore structural problems or building system problems may not be visible. It is expressly assumed that any purchaser would, as a precondition to closing a sale, obtain a satisfactory engineering report relative to the structural integrity of the property and the integrity of building systems.
 - (iii) Any proposed improvements, on or off-site, as well as any alterations or repairs considered will be completed in a workmanlike manner according to standard practices.
 - (iv) Hazardous materials are not present on the subject property. CBRE is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, contaminated groundwater, mold, or other potentially hazardous materials may affect the value of the property.
 - (v) No mineral deposit or subsurface rights of value exist with respect to the subject property, whether gas, liquid, or solid, and no air or development rights of value may be transferred. CBRE has not considered any rights associated with extraction or exploration of any resources, unless otherwise expressly noted in the Report.
 - (vi) There are no contemplated public initiatives, governmental development controls, rent controls, or changes in the present zoning ordinances or regulations governing use, density, or shape that would significantly affect the value of the subject property.
 - (vii) All required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, nor national government or private entity or organization have been or can be readily obtained or renewed for any use on which the Report is based.
 - (viii) The subject property is managed and operated in a prudent and competent manner, neither inefficiently or super-efficiently.
 - (ix) The subject property and its use, management, and operation are in full compliance with all applicable federal, state, and local regulations, laws, and restrictions, including without limitation environmental laws, seismic hazards, flight patterns, decibel levels/noise envelopes, fire hazards, hillside ordinances, density, allowable uses, building codes, permits, and licenses.
 - (x) The subject property is in full compliance with the Americans with Disabilities Act (ADA). CBRE is not qualified to assess the subject property's compliance with the ADA, notwithstanding any discussion of possible readily achievable barrier removal construction items in the Report.

- (xi) All information regarding the areas and dimensions of the subject property furnished to CBRE are correct, and no encroachments exist. CBRE has neither undertaken any survey of the boundaries of the subject property nor reviewed or confirmed the accuracy of any legal description of the subject property.

Unless otherwise expressly noted in the Report, no issues regarding the foregoing were brought to CBRE's attention, and CBRE has no knowledge of any such facts affecting the subject property. If any information inconsistent with any of the foregoing assumptions is discovered, such information could have a substantial negative impact on the Report. Accordingly, if any such information is subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. CBRE assumes no responsibility for any conditions regarding the foregoing, or for any expertise or knowledge required to discover them. Any user of the Report is urged to retain an expert in the applicable field(s) for information regarding such conditions.

4. CBRE has assumed that all documents, data and information furnished by or behalf of the client, property owner, or owner's representative are accurate and correct, unless otherwise expressly noted in the Report. Such data and information include, without limitation, numerical street addresses, lot and block numbers, Assessor's Parcel Numbers, land dimensions, square footage area of the land, dimensions of the improvements, gross building areas, net rentable areas, usable areas, unit count, room count, rent schedules, income data, historical operating expenses, budgets, and related data. Any error in any of the above could have a substantial impact on the Report. Accordingly, if any such errors are subsequently made known to CBRE, CBRE reserves the right to amend the Report, which may include the conclusions of the Report. The client and intended user should carefully review all assumptions, data, relevant calculations, and conclusions of the Report and should immediately notify CBRE of any questions or errors within 30 days after the date of delivery of the Report.
5. CBRE assumes no responsibility (including any obligation to procure the same) for any documents, data or information not provided to CBRE, including without limitation any termite inspection, survey or occupancy permit.
6. All furnishings, equipment and business operations have been disregarded with only real property being considered in the Report, except as otherwise expressly stated and typically considered part of real property.
7. Any cash flows included in the analysis are forecasts of estimated future operating characteristics based upon the information and assumptions contained within the Report. Any projections of income, expenses and economic conditions utilized in the Report, including such cash flows, should be considered as only estimates of the expectations of future income and expenses as of the date of the Report and not predictions of the future. Actual results are affected by a number of factors outside the control of CBRE, including without limitation fluctuating economic, market, and property conditions. Actual results may ultimately differ from these projections, and CBRE does not warrant any such projections.
8. The Report contains professional opinions and is expressly not intended to serve as any warranty, assurance or guarantee of any particular value of the subject property. Other appraisers may reach different conclusions as to the value of the subject property. Furthermore, market value is highly related to exposure time, promotion effort, terms, motivation, and conclusions surrounding the offering of the subject property. The Report is for the sole purpose of providing the intended user with CBRE's independent professional opinion of the value of the subject property as of the date of the Report. Accordingly, CBRE shall not be liable for any losses that arise from any investment or lending decisions based upon the Report that the client, intended user, or any buyer, seller, investor, or lending institution may undertake related to the subject property, and CBRE has not been compensated to assume any of these risks. Nothing contained in the Report shall be construed as any direct or indirect recommendation of CBRE to buy, sell, hold, or finance the subject property.
9. No opinion is expressed on matters which may require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. Any user of the Report is advised to retain experts in areas that fall outside the scope of the real estate appraisal profession for such matters.
10. CBRE assumes no responsibility for any costs or consequences arising due to the need, or the lack of need, for flood hazard insurance. An agent for the Federal Flood Insurance Program should be contacted to determine the actual need for Flood Hazard Insurance.
11. Acceptance or use of the Report constitutes full acceptance of these Assumptions and Limiting Conditions and any special assumptions set forth in the Report. It is the responsibility of the user of the Report to read in full, comprehend and thus become aware of all such assumptions and limiting conditions. CBRE assumes no responsibility for any situation arising out of the user's failure to become familiar with and understand the same.
12. The Report applies to the property as a whole only, and any pro ration or division of the title into fractional interests will invalidate such conclusions, unless the Report expressly assumes such pro ration or division of interests.

13. The allocations of the total value estimate in the Report between land and improvements apply only to the existing use of the subject property. The allocations of values for each of the land and improvements are not intended to be used with any other property or appraisal and are not valid for any such use.
14. The maps, plats, sketches, graphs, photographs, and exhibits included in this Report are for illustration purposes only and shall be utilized only to assist in visualizing matters discussed in the Report. No such items shall be removed, reproduced, or used apart from the Report.
15. The Report shall not be duplicated or provided to any unintended users in whole or in part without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Exempt from this restriction is duplication for the internal use of the intended user and its attorneys, accountants, or advisors for the sole benefit of the intended user. Also exempt from this restriction is transmission of the Report pursuant to any requirement of any court, governmental authority, or regulatory agency having jurisdiction over the intended user, provided that the Report and its contents shall not be published, in whole or in part, in any public document without the written consent of CBRE, which consent CBRE may withhold in its sole discretion. Finally, the Report shall not be made available to the public or otherwise used in any offering of the property or any security, as defined by applicable law. Any unintended user who may possess the Report is advised that it shall not rely upon the Report or its conclusions and that it should rely on its own appraisers, advisors and other consultants for any decision in connection with the subject property. CBRE shall have no liability or responsibility to any such unintended user.

Addendum A

QUALIFICATIONS

PROFESSIONAL QUALIFICATIONS OF JEFFREY K. HALLSTROM, MAI

Business Affiliation	Director	CBRE, Inc. Valuation & Advisory Services Hallstrom Group Team Honolulu, Hawaii (2015 - Present)
	Appraiser/Analyst	The Hallstrom Group, Inc. Honolulu, Hawaii (2002 - 2014)
	Financial Analyst Intern	Skywest Airlines St. George, Utah (2001)
National Designation and Membership		<ul style="list-style-type: none">• MAI Designation (2013) - Appraisal Institute• MRICS Designation (2015-2017)-Royal Institute of Chartered Surveyors
State of Hawaii Certification		Certified General Appraiser License No. CGA-817 (2007) Exp. Date: December 31, 2021
Expert Witness Testimony		Arbitration Proceedings
Valuation Experience		<ul style="list-style-type: none">• Subdivision Analyses• Hotels• Development & Agricultural Lands• Real Estate Portfolios• Multifamily Projects• Leased Fee Properties• Ground Rent Reopenings• Litigation / Arbitration Issues
Education		<ul style="list-style-type: none">• M.B.A. (Finance) 2002, Marriott School of Management, Brigham Young University, Utah• B.A. (International Studies, Global Economics, Magna Cum Laude) 1999, Brigham Young University, Utah• Numerous specialized real estate studies in qualifying for the MAI designation, and uninterrupted continuing education, including:
	Appraisal Institute Advanced Courses	<ul style="list-style-type: none">• Review Theory - General• Advanced Concepts & Case Studies• Advanced Income Capitalization• General Appraiser Market Analysis & Highest & Best Use• Conservation Easements
Association Membership		<ul style="list-style-type: none">• Beta Gamma Sigma Honor Society• Phi Kappa Phi Honor Society• Boy Scouts of America
Email Address		Jeffrey.Hallstrom@cbre.com

PROFESSIONAL QUALIFICATIONS OF NATHAN W. ALEXANDER, MAI, SRA

Business Affiliation	Managing Director	CBRE, Inc. Valuation & Advisory Services Honolulu, Hawaii (Oct. 2018)
	Director	CBRE, Inc. The Hallstrom Group Valuation & Advisory Services Honolulu, Hawaii (2015 - 2018)
	Appraiser/Analyst	The Hallstrom Group, Inc. Honolulu, Hawaii (2008 - 2014)
	Senior Investment Analyst	Brunsfeld International Group Kuala Lumpur, Malaysia (2013)
State of Hawaii Certification	Certified General Appraiser License No. CGA-1097 Exp. Date: December 31, 2021	
	Territory of Guam - Non-Resident Real Estate Certified Appraiser, License No. CA-19-59, Exp. Date February 21, 2021.	
Education	<ul style="list-style-type: none">• M.S. (Real Estate) 2012, Johns Hopkins University, Baltimore, Maryland• B.S. (International Business Management, Summa Cum Laude) 2008, Brigham Young University, Hawaii Johns Hopkins University Real Estate Course Work: <ul style="list-style-type: none">• Real Estate Development• Legal Issues in Real Estate• Financial Modeling and Real Estate Analysis• Site Planning and Building Design• Land Use Regulation• Financing Real Estate Projects• Managing Construction Projects• Real Estate Risk & Opportunities• Retail Development• Advanced Argus• Real Estate (Urban) Economics• Appraisal and Valuation• Real Estate Market Analysis• Managing Real Estate Portfolios• Real Estate Valuation and Analysis II	
Certifications	Argus DCF	
Professional Affiliations	MAI and SRA Designations (2015) - Appraisal Institute	
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PROFESSIONAL QUALIFICATIONS OF KODY K. MENTO

Business Affiliation	Valuation Associate	CBRE, Inc. Valuation and Advisory Services The Hallstrom Group Team Honolulu, Hawaii (2017-Current)
Education	Bachelors Degree 2017, Financial Services, Creighton University	<ul style="list-style-type: none">• National Uniform Standards of Professional Practice, 2017• Basic Appraisal Principles, 2017• Basic Appraisal Procedures, 2017• Supervisor Appraiser/Trainee Appraiser Course, 2017 <p>Experienced on Microsoft Windows Excel computer spreadsheets and Word. Development of software for the following applications: Leasehold and leased fee analysis, mortgage-equity income capitalization, discounted cash flow analysis of income producing property before tax, subdivision land residual analysis, and other real estate applications.</p>
Association Memberships		<ul style="list-style-type: none">• Practicing Affiliate - Appraisal Institute - 2018-Current
State of Hawaii		Hawaii Certified Appraiser Trainee #R180104001 Exp. Date: December 31, 2021
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PROFESSIONAL QUALIFICATIONS OF JAZMIN K. RODRIGUES

Business Affiliation	Sr. Valuation Associate	CBRE, Inc. Valuation & Advisory Services The Hallstrom Group Team Honolulu, Hawaii (2015 - Present)
	Appraiser/Analyst	The Hallstrom Group, Inc. Honolulu, Hawaii (2014)
State of Hawaii Certification	Appraiser Trainee License No. R160315003 (2016) Exp. Date: December 31, 2021	
Education	B.S.B.A. (Finance) 2013 – Hawaii Pacific University Honolulu, Hawaii	
Appraisal Institute	Basic Appraisal Principles Basic Appraisal Procedures 15-Hour National USPAP Equivalent Course General Market Analysis Highest and Best Use	
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