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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Guangdong – Hong Kong Greater Bay Area Holdings Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**GUANGDONG – HONG KONG GREATER BAY AREA
HOLDINGS LIMITED**

粵 港 灣 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

**MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE TARGET INTERESTS
AND
POSSIBLE MAJOR TRANSACTION IN RELATION TO
THE PROVISION OF FINANCIAL ASSISTANCE
AFTER COMPLETION OF THE DISPOSAL**

Unless the context otherwise requires, all capitalized terms used on this cover page and in this circular have the meanings set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 4 to 17 this circular.

The transactions being the subject matter of this circular have been approved by written Shareholders’ approval pursuant to Rule 14.44 of the Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

19 March 2025

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Announcements”	the announcements of the Company dated 28 January 2025, 21 February 2025, 5 March 2025 and 17 March 2025 in relation to, amongst other things, the Share Transfer Agreement, the Disposal and the Provision of Collaterals;
“Board”	the board of Directors;
“BVI”	the British Virgin Islands;
“Company”/“Vendor”	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the main board of the Stock Exchange (stock code: 1396);
“Completion”	the completion of the Disposal in accordance with the terms and conditions of the Share Transfer Agreement;
“Completion Date”	the date of Completion;
“Conditions Precedent”	the conditions precedent as set out in the Share Transfer Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the total consideration for the Disposal pursuant to the Share Transfer Agreement;
“Directors”	the directors of the Company;
“Disposal”	the sale of the Target Interests by the Vendor to the Purchaser pursuant to the terms of the Share Transfer Agreement;
“Group”	the Company and its subsidiaries;
“Group’s Bank Loans”	the existing bank facilities obtained by certain subsidiaries of the Group and secured by the Received Financial Assistance;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (defined as Listing Rules);
“Latest Practicable Date”	17 March 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	210 days after entering into the Share Transfer Agreement;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding the Macao Special Administrative Region of the PRC, Hong Kong and Taiwan);
“Property”	such target property interests with their value appraised by the Valuer and located in the PRC (details of which are disclosed in Appendix III of this circular);
“Provision of Collaterals”	the pledging of the assets by the Group in favour of the bank providing the Target Group’s Bank Loans;
“Purchaser”	Guotai Cinda Investment Management Ltd., a company incorporated in the BVI with limited liability principally engaged in assets management and is ultimately and beneficially owned by Mr. Zhao Chuan (a PRC resident and a merchant) as at the Latest Practicable Date. To the best of knowledge, information and belief of the Directors and after making all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties;
“Received Financial Assistance”	the pledging of the assets by the Target Group in favour of the bank providing the Group’s Bank Loans;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong);

DEFINITIONS

“Share(s)”	the ordinary shares with nominal value of HK\$0.1 each of the Company;
“Share Transfer Agreement”	the share transfer agreement dated 28 January 2025 entered into between the Purchaser and the Company (as the Vendor) in relation to the Disposal;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Zhuo Ying Limited, a company incorporated in the BVI with limited liability and principally engaged in investment holding, and the direct wholly-owned subsidiary of the Company as at the date of this circular;
“Target Group”	Target Company and its subsidiaries;
“Target Group’s Bank Loans”	the existing bank facilities obtained by certain subsidiaries of the Target Group and secured by the Provision of Collaterals;
“Target Interests”	the entire issued share capital in the Target Company and the equity interests in the subsidiaries owned by the Target Company;
“Valuer”	Moore Transaction Services Limited, an Independent Third Party, engaged by the Company as the independent valuer for the purpose of appraisal of the value of Target Interests and the Property; and
“%”	per cent.

For the purpose of this circular, the exchange rate of RMB1.00 to HK\$1.07 have been used for currency translation, where applicable. Such exchange rate has been used, where applicable, for illustrative purposes only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.



**GUANGDONG – HONG KONG GREATER BAY AREA
HOLDINGS LIMITED**

粵 港 灣 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1396)

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Hong Kong

19 March 2025

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE TARGET INTERESTS
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LETTER FROM THE BOARD

INTRODUCTION

References are made to the Announcements in relation to, amongst other things, the Share Transfer Agreement, the Disposal and the Provision of Collaterals.

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal; (ii) details of the Provision of Collaterals; (iii) the valuation report of the Target Company; (iv) the valuation report of the Property; and (v) other information as required under the Listing Rules.

THE DISPOSAL

Introduction

On 28 January 2025 (after trading hours of the Stock Exchange), the Company (as the Vendor) and the Purchaser entered into the Share Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell the Target Interests, at the total Consideration of HK\$130.0 million.

Upon the Completion, the Group will no longer hold any equity interest in the Target Company. The Target Group will cease to be accounted as subsidiaries of the Group and the financial results of the Target Group will cease to be consolidated into the financial results of the Group.

The Share Transfer Agreement

The principal terms of the Share Transfer Agreement are summarised as follows:

Date: 28 January 2025

Parties: (i) the Company (as the Vendor); and
(ii) the Purchaser

Subject assets to be disposed

Pursuant to the Share Transfer Agreement, the Purchaser has conditionally agreed to acquire and the Company has conditionally agreed to sell the Target Interests, which represented the entire issued share capital of the Target Company and the equity interests in the subsidiaries owned by the Target Company.

Consideration

The total Consideration for the Target Interests is HK\$130.0 million.

LETTER FROM THE BOARD

The Consideration was arrived at after arm's length commercial negotiations between the Company and the Purchaser and on normal commercial terms, taking into consideration, without limitation, (i) the business information and the financial information of the Target Group for the years ended 2022, 2023 and 2024; (ii) the valuation of the Target Interests using asset-based approach as conducted by the Valuer in the amount of RMB121.0 million (equivalent to approximately HK\$129.47 million) as at 31 December 2024 and the valuation of the Property using market and income approach as conducted by the Valuer in the amount of RMB2,098 million (equivalent to approximately HK\$2,244.86 million) as at 31 December 2024; and (iii) the benefits that will be brought to the Group by the Disposal as set out in the paragraph headed "Reasons for and Benefits of the Disposal".

The Consideration is to be paid as follows:

- (a) as to HK\$13.0 million to be paid by the Purchaser to the Vendor in cash as the deposit (the "**Security Deposit**") within one month upon entering into the Share Transfer Agreement, which shall be equivalent to 10% of the Consideration;
- (b) as to HK\$26.0 million to be paid by the Purchaser to the Vendor in cash within four months upon entering into the Share Transfer Agreement, which shall be equivalent to 20% of the Consideration. The Security Deposit shall automatically be converted as part of the Consideration;
- (c) as to HK\$39.0 million to be paid by the Purchaser to the Vendor in cash within seven months upon entering into the Share Transfer Agreement, which shall be equivalent to 30% of the Consideration; and
- (d) as to HK\$52.0 million to be paid by the Purchaser to the Vendor in cash within one year upon entering into the Share Transfer Agreement, which shall be equivalent to 40% of the Consideration.

With respect to the above and the unaudited consolidated net assets of the Target Group attributable to the Company being approximately RMB105.53 million (equivalent to approximately HK\$112.91 million) as at 31 December 2024, the excess of the consideration of the Target Interests over (i) the unaudited net asset value of the Target Group as at 31 December 2024 is approximately HK\$17.09 million; and (ii) the appraised value of the Target Interests as at 31 December 2024 is approximately HK\$0.53 million.

Conditions Precedent

Completion shall be conditional upon and subject to the fulfillment and satisfaction of the following Conditions Precedent:

- (a) the Purchaser having completed and being satisfied with the due diligence on the Target Group;

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- (b) the Purchaser having paid at least 50% of the Consideration;
- (c) the Purchaser having registered as the owner of the Target Interests;
- (d) the Vendor, the Purchaser and the Target Group completing their respective legal procedures for the Disposal, including but not limited to obtaining resolutions approving the Share Transfer Agreement, the Disposal and the transactions contemplated thereunder in compliance with (i) the relevant laws, rules and regulations; and (ii) their respective articles of association; and
- (e) any warranties given by the Vendor and the Purchaser remaining true, accurate and not misleading up to the date of Completion.

The Vendor and the Purchaser shall use their respective reasonable endeavours to ensure that the Conditions Precedent above shall be fulfilled on or before the Long Stop Date. If the Conditions Precedent have not been satisfied or waived (as the case may be) on or before the Long Stop Date (or a postponed date as may be agreed in writing among the Vendor and the Purchaser), the Share Transfer Agreement shall be automatically terminated, save and except for certain provisions which shall remain in full force and effect including provisions on confidentiality, liability for breach of contract, liability of taxes and expenses, applicable laws and dispute resolution.

If it is the Vendor's failure to fulfill any of the Conditions Precedent above and it leads to the termination taken place as abovementioned, the Security Deposit shall be refunded in full without interest by the Vendor to the Purchaser, and alternatively, if it is the Purchaser's failure, the Security Deposit shall be forfeited by the Vendor as damages.

As at the Latest Practicable Date, save and except for the Conditions Precedent set out under sub-paragraphs (b), (c) and (e) above, all other Conditions Precedent have been fulfilled. Furthermore, it is, in any event, not the intention of the parties to the Share Transfer Agreement to serve written notice to the other party to waive any of the above Conditions Precedent.

Undertaking and Counter Guarantee

Pursuant to the Share Transfer Agreement, the Purchaser undertakes to procure the Target Group to (i) repay in full the remaining principal amount together with interest accrued with respect to the Target Group's Bank Loans; and (ii) cause the release and discharge of the collaterals pledged to secure the Target Group's Bank Loans upon its maturity. Additionally, the Purchaser and the Target Group shall, on a joint and several basis, provide a counter guarantee in favour of the Group, pursuant to which the Purchaser and the Target Group shall jointly and severally indemnify in full the Vendor's loss, damages and obligations which may be suffered by the Group in connection with the collaterals pledged to secure the Target Group's Bank Loans being enforced in the event of default, until such collaterals are fully released and discharged.

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For details of the Target Group's Bank Loans, please refer to the paragraph headed "Background – The Target Group's Bank Loans" below.

Completion

The Completion is expected to take place after the fulfillment of the Conditions Precedent and shall be no later than the Long Stop Date.

Upon Completion, the Company will cease to hold any interest in the Target Group and the Target Company will cease to be a subsidiary of the Company. Accordingly, the financial results of the Target Group will no longer be consolidated into the consolidated financial statements of the Group.

Information of the Parties to Disposal

The Purchaser

The Purchaser is a company incorporated in the BVI with limited liability which is principally engaged in the business of assets management. To the best knowledge, information and belief of the Directors and after making all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

The Company (as the Vendor) and The Group

The Company is a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange. The Group is principally engaged in the development, sales and operation of residential properties, commercial trade and logistics centers in the PRC.

The Target Company and the Target Group

The Target Company is a company incorporated in the BVI with limited liability and principally engaged in investment holding. The Target Interests represent the entire issued share capital of the Target Company and the equity interests in the subsidiaries owned by the Target Company. As at the date of this circular and prior to the Completion, the Target Company is a direct wholly-owned subsidiary of the Company.

The Target Group is principally engaged in the business of property development and sales in the PRC. As at the date of the Share Transfer Agreement and the Latest Practicable Date, the Property (held by the Target Group) comprised mainly (i) the investment properties situated in the city of Shenzhen of Guangdong Province, PRC and the city of Yulin of Guangxi province, PRC; and (ii) inventory with the inclusion of undeveloped lands, completed properties and construction-in-progress properties in the PRC. Further details are set out in appendices II and III to this circular.

LETTER FROM THE BOARD

Financial Information of The Target Group

Set out below is the financial information of the Target Group as extracted from its unaudited consolidated financial statements for the three financial years ended 31 December 2022, 2023 and 2024:

	For the year ended 31 December 2024 <i>RMB'000</i> <i>(approximately)</i> <i>(unaudited)</i>	For the year ended 31 December 2023 <i>RMB'000</i> <i>(approximately)</i> <i>(unaudited)</i>	For the year ended 31 December 2022 <i>RMB'000</i> <i>(approximately)</i> <i>(unaudited)</i>
Revenue	40,267	43,454	91,009
Loss before tax	1,018,190	288,861	559,521
Loss after tax	1,303,536	193,965	489,626

Based on the unaudited consolidated financial statements of the Target Group for the year ended 31 December 2024, the unaudited consolidated net assets of the Target Group attributable to the Company was approximately RMB105.53 million (equivalent to approximately HK\$112.91 million) as at 31 December 2024.

Reasons for and benefits of the Disposal

It has been the Group's primary goal to achieve resource optimisation so as to improve its financial position. One manner of reaching such goal is to streamline the Group's structure with periodic assessment of its assets and businesses such that it may consider divestiture as and when there are suitable offers.

Generally, the real estates market of the PRC continues to decline despite the frequent implementation of housing support policies since 2023. The continuous drop of property price and prolonged capital recovery cycle in the domestic market has also presented severe challenges to all aspects of the local real estate industry, leading to the poor financial performance of the Target Group. As the Target Group currently owns a certain number of unsold properties, combining with the effect of current sales prices falling below cost and a prolonged sell-through cycle, the Target Group has been unable to generate net operating cash flow on its own and recorded unaudited losses for the past three financial years. For the aforesaid period, it had required the Group to continuously inject funds to maintain the normal operation of the Target Group, straining the Group's cash flow situation, and this situation has been worsened over the year ended 31 December 2024 owing to the fact that the costs and expenses incurred for the maintenance of the unsold properties have been steadily increasing.

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In view of the dismal business prospect of the Target Group, and with prudent assessments on the above, the Disposal represents a good opportunity for the Company to realise its investment in the Target Group with the recovery of cash so as to improve the Group's liquidity, and given that subsequent to the Disposal, the Group will no longer record the operating losses of the Target Group, the overall financial performance and position of the Group is anticipated to improve.

Having considered the above, the Directors are of the view that the terms of the Share Transfer Agreement are on normal commercial terms and are fair and reasonable, and the Disposal is in the interests of the Company and the Shareholders as a whole.

Financial Impact of the Disposal and Use of Proceeds

Upon the Completion, it is estimated that the Group will record a gain of disposal of subsidiaries approximately RMB15.97 million (equivalent to approximately HK\$17.09 million). Such gain is estimated based on the difference between (i) the Consideration; and (ii) the unaudited total net assets of the Target Group in the amount of approximately RMB105.53 million (equivalent to approximately HK\$112.91 million) as at 31 December 2024.

The actual amount of gain or loss of disposal of subsidiaries to be recorded by the Group will be subject to the review by the auditor of the Company.

After deducting the expenses relating to the Disposal, it is expected that there will be net proceeds in the amount of approximately HK\$129.20 million from the Disposal.

For net proceeds in the amount of approximately HK\$129.20 million, (i) approximately 60% of such net proceeds shall be utilised for the ongoing construction costs of the properties; (ii) approximately 20% of such net proceeds shall be utilised for repayment of the bank borrowings and loans; and (iii) the remaining balance will be utilised for general working capital of the Group including staff cost, administrative expenses and other office overhead of the Group.

The timely delivery of properties to the purchasers is a target which the Group placed utmost importance. In order to achieve such target for the construction projects of the Group, it is important for the Group to pay the ongoing construction costs recognised throughout the construction period of the properties (including but not limited to material costs, sub-contracting fees and other costs incurred from engaging suppliers and sub-contractors of the Group at the commencement of the construction of properties). Furthermore, a portion of the net proceeds aforementioned will be utilised for the repayment of the bank borrowings and loans to reduce the ongoing interest expenses of the Company.

LETTER FROM THE BOARD

THE POSSIBLE FINANCIAL ASSISTANCE

Background – The Target Group’s Bank Loans

In respect of the Target Group’s Bank Loans, it comprises two existing secured bank loans with the aggregate remaining principal amount of approximately RMB1,164.91 million (equivalent to approximately HK\$1,246.45 million) as at the Latest Practicable Date, detailed as follows:

- (a) one of the existing secured bank loans under the Target Group’s Bank Loans, with remaining principal amount of approximately RMB416.96 million (equivalent to approximately HK\$446.15 million), is maturing in February 2026, and secured by properties with a gross floor area of approximately 51,378 m² located in the city of Jining in Shandong province of the PRC; and
- (b) another one of the existing secured bank loans under the Target Group’s Bank Loans, with remaining principal amount of approximately RMB747.95 million (equivalent to approximately HK\$800.30 million), is maturing in September 2026, and secured by (i) Right of Immovable Property* (不動產權) over pieces of land in the gross area of approximately 365,021 m² located in the county of Yuzhong in Gansu province of the PRC; and (ii) properties with a gross floor area of approximately 24,575 m² located in the city of Jining in Shandong province of the PRC.

In addition to the Group’s pledging of the above assets with an unaudited value of approximately RMB578.52 million (equivalent to approximately HK\$619.02 million) in aggregate as at 30 June 2024 in favour of the bank as collaterals to the Target Group’s Bank Loans, the Target Group’s own assets have also been charged to the bank as security.

The bank providing the Target Group’s Bank Loans is a licensed bank in the PRC and provides financial products and services to corporate and personal banking customers. To the best of knowledge, information and belief of the Directors and after making all reasonable enquiries, the bank and its ultimate beneficial owner(s) are Independent Third Parties.

Upon Completion, with the Target Group ceases to be accounted as subsidiaries of the Group, the continuation of the Provision of Collaterals after Completion will constitute provision of financial assistance by the Group to a third party under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, it is anticipated that none of the Target Group’s Bank Loans will be extended at their respective maturity, and accordingly, the collaterals contemplated under the Provision of Collaterals will be released and discharged. In the unlikely event that (i) any of these Target Group’s Bank Loan(s) is extended; and (ii) the relevant collaterals under the Provision of Collaterals or any other asset(s) of the Group are being secured for such extended bank loans, the Company will, as and when appropriate and in accordance with the Listing Rules, make the applicable disclosure.

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Background – The Group’s Bank Loans

In respect of the Group’s Bank Loans, it comprises two existing secured bank loans with the aggregate remaining principal amount of approximately RMB182.95 million (equivalent to approximately HK\$195.76 million) as at the Latest Practicable Date, detailed as follows:

- (a) one of the existing secured bank loans under the Group’s Bank Loans, with remaining principal amount of approximately RMB18.85 million (equivalent to approximately HK\$20.17 million), is maturing in October 2025, and secured by properties with a gross floor area of approximately 10,133 m² located in the county of city of Yantai in Shandong province of the PRC; and
- (b) another one of the existing secured bank loans under the Group’s Bank Loans, with remaining principal amount of approximately RMB164.10 million (equivalent to approximately HK\$175.59 million), is maturing in December 2025, and secured by properties with a gross floor area of approximately 48,478 m² located in the city of Yulin in Guangxi province of the PRC.

The Target Group’s pledging of the above assets carried an unaudited value of approximately RMB236.51 million (equivalent to approximately HK\$253.07 million) in aggregate as at 30 June 2024 in favour of the bank as collaterals to the Group’s Bank Loans.

The bank providing the Group’s Bank Loans is a licensed bank in the PRC and provides financial products and services to corporate and personal banking customers. To the best of knowledge, information and belief of the Directors and after making all reasonable enquiries, the bank and its ultimate beneficial owner(s) are Independent Third Parties.

Consideration

The Group will receive an annual guarantee fee (payable by the Target Group on a pro-rata basis) in the amount of RMB11.57 million (equivalent to approximately HK\$12.38 million) for the period from the date of the Share Transfer Agreement up to the maturity date of the bank loans as consideration of the Provision of the Collaterals. Such annual guarantee fee receivable for each calendar year shall be calculated and prepaid in December of the previous calendar year.

The Group will pay an annual guarantee fee (payable by the Group on a pro-rata basis) in the amount of RMB4.73 million (equivalent to approximately HK\$5.06 million) for the period from the date of the Share Transfer Agreement up to the maturity date of the bank loans as consideration of the Received Financial Assistance. Such annual guarantee fee payable for each calendar year shall be calculated and prepaid in December of the previous calendar year.

The said consideration (as annual guarantee fee) was arrived at after arm’s length negotiations between the Company and the Purchaser and on normal commercial terms, taking into consideration, (i) the total value of the collaterals under the Provision of Collaterals; (ii) the

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combined benefit of the Purchaser's undertaking to procure for the repayment of the Target Group's Bank Loans and such counter guarantee in favour of the Group to be given by the Purchaser and the Target Group as elaborated under the paragraph headed "The Purchaser's (i) Assessment; and (ii) Undertaking and Counter Guarantee under the Share Transfer Agreement"; (iii) the credit assessment made in respect of the Target Group as stated in the paragraph headed "Credit Assessment of the Target Group"; and (iv) the benefits derived to the Group by the Provision of Collaterals as set out in the paragraph headed "Reasons for and Benefits of the Provision of Collaterals".

The Purchaser's (i) Assessment; and (ii) Undertaking and Counter Guarantee under the Share Transfer Agreement

Pursuant to the Share Transfer Agreement, the Purchaser undertakes to procure the Target Group to (i) repay in full the remaining principal amount together with interest accrued with respect to the Target Group's Bank Loans; and (ii) cause the release and discharge of the collaterals pledged to secure the Target Group's Bank Loans upon its maturity.

Additionally, pursuant to the Share Transfer Agreement, the Purchaser and the Target Group shall, on a joint and several basis, provide a counter guarantee in favour of the Group, pursuant to which the Purchaser and the Target Group will jointly and severally indemnify in full the Vendor's loss, damages and obligations which may be suffered by the Group in connection with the collaterals pledged to secure the Target Group's Bank Loans being enforced in the event of default, until such collaterals are fully released and discharged.

For the avoidance of doubt, such right of full indemnification under the counter guarantee (i) is solely enjoyed by the Vendor; and (ii) can be exercised independently without the consent of the other party of the Share Transfer Agreement.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, the Company is given the understanding that the Purchaser and its ultimate beneficial owner are capable to fulfil the aforementioned undertaking and counter guarantee in view of the securities invested and owned by the Purchaser and/or its ultimate beneficial owner are valued in the amount of approximately RMB1.10 billion (equivalent to approximately HK\$1.17 billion).

Credit Assessment of the Target Group

In respect of the Target Group's Bank Loans, to safeguard the interest of the Group in relation to the Provision of Collaterals, the Directors have assessed the credit risks by looking into financial position of the Target Group. Based on the unaudited consolidated financial statements of the Target Group for the year ended 31 December 2024, (i) the unaudited consolidated current assets of the Target Group was approximately RMB3,866.07 million (equivalent to approximately HK\$4,136.70 million) as at 31 December 2024; (ii) the modified unaudited consolidated current assets of the Target Group (with the amount under inventory excluded) amounted to approximately RMB1,896.79 million (equivalent to approximately

LETTER FROM THE BOARD

HK\$2,029.57 million) as at 31 December 2024; and (iii) the unaudited consolidated net current assets of the Target Group was approximately RMB689.24 million (equivalent to approximately HK\$737.49 million) as at 31 December 2024.

As such, the Directors are of the view that, with reference to the modified unaudited consolidated current assets of the Target Group which comprises a relatively more liquid portion in the calculation of the current assets, since such value is approximately 328% of the value of the collaterals contemplated under the Provision of Collaterals, the financial position of the Target Group should be sufficient to cover its own potential risk of default in relation to the Target Group's Bank Loans, leaving a highly restrictive financial exposure against the Group's collaterals.

In connection with the Provision of Collaterals and the Received Financial Assistance, both parties to the Share Transfer Agreement agree to pay to each other an annual guarantee fee equivalent to 2% of the value of the collaterals. Such fee is to provide a basic level of protection as insurance premium reducing the risk of loss in the event of a default under the Target Group's Bank Loans and the Group's Bank Loans. The Board contemplated that the rate of 2% of such fee being fair and reasonable and in the interests of the Company since (i) the ratio of the value of collaterals contemplated under the Provision of Collaterals to the modified unaudited consolidated current assets of the Target Group as at 31 December 2024 mentioned above is approximately 30.50%, such relatively low ratio reflects a highly limited financial exposure against the Group's collaterals; and (ii) strike a balance by offering basic protection against the risks of default without imposing unnecessarily heavy burden to both parties to the Share Transfer Agreement on the payment of the annual guarantee fee.

Additionally, prior to the entry of the Share Transfer Agreement, the Board has also further assessed the fairness and reasonableness of the rate of annual guarantee fee at 2% per annum. The Board has reviewed the market information as provided by the management of the Group and the relevant market practice, and it is noted that the guarantee fee rate of 2% has been adopted guarantees provided by financing companies which principally engages in providing guarantee in the PRC.

Based on the above, such annual guarantee fee's implementation at the rate of 2% is in line with market practice and are considered by the Directors that it is determined after arm's length negotiations between the Vendor and the Purchaser, is fair, reasonable on normal commercial terms and in the interests of the Company and its shareholders as a whole.

Reasons for and benefits of the Provision of Collaterals

For the Target Group's Bank Loans, to the best of the Directors' knowledge and information, it is noted that the Purchaser would like to continue with the businesses and operations of the Target Group, and therefore, the continuation of such loans (and its security by the Provision of Collaterals) has become a crucial concern for the Purchaser, and the Provision of Collaterals facilitates the agreement to be reached between the Vendor and the Purchaser on the Disposal.

LETTER FROM THE BOARD

Moreover, the Group will receive an annual guarantee fee payable by the Target Group for its Provision of Collaterals which will generate additional revenue and increase cash flows for the Group (in the net amount of RMB6.84 million (equivalent to approximately HK\$7.32 million)), such monetary benefit has only been associated with the minimal risks in light of the positive countering effect by (i) the Purchaser's undertaking to procure for the repayment of the Target Group's Bank Loans and such joint and several counter guarantee of the Purchaser and the Target Group for full indemnification over the Vendor's loss and damages; and (ii) the limited financial exposure owing to the low ratio of the value of collaterals contemplated under the Provision of Collaterals to the modified unaudited consolidated current assets of the Target Group as at 31 December 2024.

Last but not least, as a result of the Provision of Collaterals, the Group can maintain the Group's Bank Loans with the retaining of the Received Financial Assistance by the Target Group, such loans will allow the necessary loan capital in support of its daily business operations and working capital needs upon Completion.

For the collaterals contemplated under the Provision of Collaterals, it is, as at the Latest Practicable Date, the intention of the parties to the Share Transfer Agreement to release and discharge such collaterals upon the maturity of the Target Group's Bank Loans.

Having considered the above, the Directors are of the view that the Provision of Collaterals after Completion (together with the arrangement and terms of the annual guarantee fee) is on normal commercial terms, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiry, there has been, no material loan arrangement between:

- (a) the Purchaser, its directors and legal representatives and any ultimate beneficial owner(s) of the Purchaser who can exert influence on the transaction; and
- (b) the Company, any connected person at the Company's level, and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction),

(i) as at the Latest Practicable Date; and (ii) in the twelve months prior to the Latest Practicable Date.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Disposal as calculated under Rule 14.07 of the Listing Rules exceed 25% but are less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios in respect of the Provision of Collaterals as calculated under Rule 14.07 of the Listing Rules exceed 25%, the Provision of Collaterals, as financial assistance to third party upon Completion, will constitute a major transaction for the Company under Chapter 14 of the Listing Rules and will be subject to the reporting, announcement, circular and Shareholders' approval requirements under the Chapter 14 Listing Rules.

WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, in lieu of resolutions to be passed at a general meeting of the Company, written Shareholders' approval for (i) the Disposal; and (ii) the Provision of Collaterals upon Completion has been obtained from the controlling Shareholder, China Guangdong – Hong Kong Greater Bay Area Holdings Limited, which is holding 414,665,566 Shares, representing approximately 50.94% of the issued share capital of the Company as at the Latest Practicable Date. Moreover, to the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders has any material interest in the Disposal and the Provision of Collaterals and therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the Disposal and the Provision of Collaterals. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Disposal and the Provision of Collaterals.

RECOMMENDATION

If the Company were to convene an extraordinary general meeting for the approval of the Disposal and the Provision of Collaterals and voting was required, the Directors would recommend the Shareholders to vote in favour of the Disposal and the Provision of Collaterals, since they are of the view that the terms of the Share Transfer Agreement, the transactions contemplated thereunder and the Provision of Collaterals upon Completion have been negotiated on an arm's length basis and on commercial terms which are fair and reasonable, and are in the interests of the Shareholders and the Company as a whole.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

LETTER FROM THE BOARD

Completion is conditional upon the satisfaction of the conditions precedent set out in the Share Transfer Agreement. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise cautions when dealing in the securities of the Company and, if in any doubt, are recommended to consult their professional adviser(s).

By order of the Board

Guangdong – Hong Kong Greater Bay Area Holdings Limited

LUO Jieping

Chairman and Executive Director

* *for identification purpose only*

FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements for each of the three years ended 31 December 2021, 2022 and 2023 and the unaudited consolidated financial statements for the six months ended 30 June 2024 of the Company together with relevant notes thereto are disclosed in the following documents which have been published on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.youngogroup.com>). Please refer to the hyperlinks as stated below:

- pages 64 to 228 of the annual report of the Company for the year ended 31 December 2021 published on 29 April 2022

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0429/2022042904607.pdf>

- pages 68 to 236 of the annual report of the Company for the year ended 31 December 2022 published on 28 April 2023

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042802765.pdf>

- pages 116 to 278 of the annual report of the Company for the year ended 31 December 2023 published on 19 April 2024

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041902264.pdf>

- pages 22 to 60 of the interim report of the Company for the 6 months ended 30 June 2024 published on 29 August 2024 (“**2024 Interim Report**”)

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0829/2024082900017.pdf>

INDEBTEDNESS STATEMENT

As at the close of business on 31 January 2024, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had approximately RMB5,843.75 million outstanding indebtedness comprising:

RMB'000

Current**Secured**

– short-term bank loans and other borrowings	47,403
– current portion of non-current bank loans and other borrowings	848,448

Unsecured

US\$ senior notes due in 2023	113,290
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Non-current**Secured**

bank loans and other borrowing	
– repayable after 1 year but within 2 years	1,317,007
– repayable after 2 years but within 5 years	68,286
– repayable after 5 years	74,457

Unsecured

US\$ senior notes due in 2029	3,374,861
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Total**5,843,753**

As at 31 January 2024, the above bank loans and other borrowings and US\$ senior notes with an aggregate amount of approximately RMB5,849.1 million are guaranteed indebtedness of the Group.

Contingent Liabilities

As at 31 January 2024, the Group had contingent liabilities relating to guarantees in respect of mortgage facilities provided by domestic banks to its customers amounting to approximately RMB2,891.4 million.

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Group, as at 31 January 2024, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other than normal trade bills)), acceptance credits, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other contingent liabilities or guarantees.

WORKING CAPITAL STATEMENT

The Directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the Group's internal resources, available credit facilities and the estimated net proceeds from the Disposal, the Group has sufficient working capital for its requirements for at least twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since 31 December 2023 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Although local governments of many cities provide supporting policies on the demand side to boost buying sentiment and gradually loosen the supply side restrictions, the management believes it takes time to restore the confidence of creditors and home buyers. In the short term, the pressure of deleveraging inventories still exists and the suppressed buying sentiments will take time to recover. Delivery of properties on time is the priority target of the Group at this stage. The Group will work relentlessly to achieve “three guarantees” (“guarantee delivery of properties”, “guarantee sales” and “guarantee repayment”) and strive for long-term “survival”.

The Group will continue to implement a strict construction progress supervision system and utilize the precious financial resources for construction amount payment to ensure that the sold property projects are delivered on schedule.

Although the current sales environment is still weak, the Group will continue to (i) adopt all marketing strategies required to promote sales; (ii) increase its efforts on sales; and (iii) accelerate the Group's collection of its sales receivables. Furthermore, the Group will continue to strive and find ways to realize cash inflow to meet the Company's debt repayment obligations, including the promotion of sales, the increased collections of other receivables, and the seeking of debt refinancing and project sales, etc., so as to fulfill its debt repayment obligations and enable the Group to operate stably.

The following is the text of a report prepared for the purpose of incorporation in this circular received from Moore Transaction Services Limited, an independent valuer, in connection with its valuation as at 31 December 2024 of the market value of the 100% equity interest in Zhuo Ying Limited.



Moore Transaction Services Limited
1013, North Tower, World Finance Centre
Harbour City, 19 Canton Road
Tsim Sha Tsui, Kowloon, Hong Kong

19 March 2025

The Directors

Guangdong – Hong Kong Greater Bay Area Holdings Limited

Unit 916, 9/F, China Merchants Tower
Shun Tak Centre, 168–200 Connaught Road Central
Hong Kong

Dear Sirs or Madams,

Re: Valuation of the Market Value of 100% Equity Interest in Zhuo Ying Limited (卓盈有限公司)

1. EXECUTIVE SUMMARY

1.1. Introduction

We have been engaged by the Management to provide our opinion on the market value of 100% equity interest in Zhuo Ying Limited (卓盈有限公司, the “Target Company”) as at 31 December 2024 for your disposal reference purpose.

1.2. Scope of Valuation

Our scope of services covers the Valuation of the market value of 100% equity interest in the Target Company as at the Valuation Date.

Our valuation work was primarily based on the information provided by the Management, which is assumed to be true, faithful and complete.

1.3. Purpose of Valuation

The purpose of our Valuation is for your disposal reference purpose only. The Valuation and this report are not prepared for the use of any other purposes such as but not limited to accounting and/or fundraising.

1.4. Date of Valuation

The Valuation Date is 31 December 2024.

1.5. Scope of Work

As part of our tasks of completing the Valuation, we have carried out the following:

- Perform physical inspection(s) of the investment properties and the inventories of the Target Company to be valued;
- Discussions with the Management in relation to the historical and future development, operations and other relevant information of the Target Company;
- Review of relevant information and other relevant data concerning the Target Company provided to us by the Management;
- Performing market research and relevant statistical figures from public sources in relation to the Valuation of the Target Company; and
- Preparation of a valuation model to derive the market value of the Target Company and this Valuation Report.

On the other hand, our scope of work did not cover the following:

- Performance of any structural survey or provision of any opinions concerning any structural defects of any of the properties of the Target Company;
- Comment on the accounting treatment of any assets/liabilities being valued/reviewed, wherever and whenever relevant;
- Assessments of and comment on the operational, legal, regulatory, country and other risks that are associated with the existing and future operations of the Target Company;
- Performance of any identifications or valuations on any off-balance sheets assets/liabilities of the Target Company nor factor them in the Valuation;

- Performance of any legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work which should be carried out by the relevant experts to be appointed by the Company, if necessary;
- Provision or review of, without limitation, professional advice other than valuation advice, such as advices on legal, regulatory, accounting, or taxation matters; and
- Conducting or providing environmental liability assessments of any kind, nor reflecting any actual or contingent environmental liabilities, wherever applicable.

2. BACKGROUND

2.1 Background of the Company

The Company is an investment holding company listed on the Main Board of the Hong Kong Exchange with stock code 1396.HK.

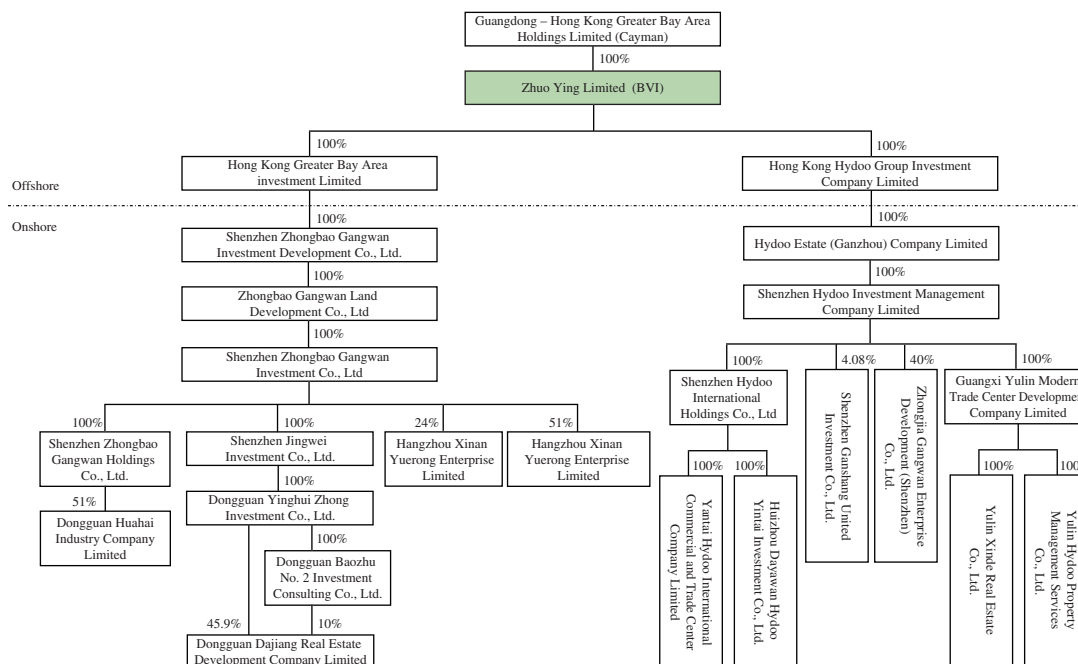
The Company is principally engaged in the development of residential and urban renewal projects in the Greater Bay Area in the PRC.

2.2 Background of the Target Company

The Target Company (together with its subsidiaries and associates, the “Target Group”) is a private company incorporated in the BVI and principally engaged in investment holding. As at the Valuation Date, the Target Company is a wholly-owned subsidiary of the Company.

The Target Group is principally engaged in the business of real estate development and operation in the PRC with a focus on both residential and commercial projects.

The organization structure of the Target Group as at the Valuation Date is presented as below:



Source: The Management

2.3. Historical Financial Review

The Target Company's key income statement and balance sheet items as of the Valuation Date are shown in the following table:

Financials (RMB)	FY24U	FY23U	FY22U
Net Revenue	40,267,201	43,454,166	91,008,703
Gross Profit (Loss)	(760,711,413)	(42,991,119)	(177,825,409)
Net Profit (Loss)	(1,303,535,755)	(193,964,525)	(489,626,305)
Total Asset	4,262,695,925	N/A	N/A
Net Assets (Liabilities)			
attributable to the Company	105,525,578	N/A	N/A

Source: The Management

The unaudited financial statements as of 31 December 2024 are the latest available financial information provided to us. For the year ended 31 December 2024, the Target Company recorded a net revenue of approximately RMB40.27 million and a net loss of RMB1.30 billion. This implies a deterioration in profitability compared to FY23U, during which the Target Company recorded a net revenue of approximately RMB43.45 million and a net loss of RMB193.96 million. In FY22U, the Target Company recorded a net revenue of

approximately RMB91.00 million, a gross loss of RMB177.83 million, and a net loss of RMB489.63 million. This reflected a downward trend in both revenue and profitability over the past three years.

As of 31 December 2024, the Target Company reported total assets of RMB4.26 billion and net assets attributable to the Company of RMB105.53 million.

2.4. Major Risk Factors and Mitigation Measures

As discussed with the Management, the Target Company faces several risk factors, which include but not limited to the following:

- **Regulatory Risk:** The PRC has a complex regulatory environment, and property management companies must comply with various laws and regulations. Non-compliance can lead to fines, legal action, and reputational damage;
- **Market Risk:** The property market in the PRC is volatile and can be affected by various factors such as economic conditions, government policies, and social trends;
- **Operation Risk:** The Target Company faces operational risks such as employee fraud, data breaches, and natural disasters; and
- **Competition Risk:** the increasing competition may lead to lower market share and profit margins of the Target Company.

According to the Management, they are aware of the risk factors abovementioned and will take appropriate actions such as regularly conducting market analysis to keep abreast of market trends and technological development; conducting competitive analysis and carrying out effective and consistent compliance management, and closely monitoring the macroeconomic environment to attempt to mitigate these and other possible risks.

3. BASIS AND METHODOLOGY

3.1. Basis of Valuation

In valuing the Target Company, we have prepared our Valuation on the basis of “market value” as defined in International Valuation Standards 2025, i.e., “*the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion*”.

3.2. Professional Valuation Standards

Our Valuation has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

Our valuation also has been prepared in accordance with the RICS Valuation, Global Standards (the “Red Book”) published by the Royal Institution of Chartered Surveyors.

3.3. Sources of Information

The primary sources of information that we have relied on in the preparation of this report, include:

- Unaudited FY22U–FY24U financial statements, including income statements and balance sheet of the Target Company;
- Discussions with the Management regarding the background and other relevant information of the Target Company; and
- Other public sources of market data

We have not attempted to verify any of the information provided to us or contained in this report. We also have no reason to believe that any material fact has been withheld from us. Moreover, we do not warrant that our investigations have revealed all of the matters which an audit or more extensive examination might disclose.

We hereby reserve our rights to revise this Valuation Report, if required and appropriate, should any updated information or other details become available to us that we consider to be relevant to the Valuation.

3.4. Limiting Conditions and Assumptions

Our Valuation has been primarily based on the unaudited income statements and balance sheets provided by the Management and a number of limiting conditions and assumptions, as set out in section 6.1 Limiting Conditions and 6.2. Assumptions.

It is noted that only the unaudited financial statements have been provided to us for the Valuation. In the event any of the information, figures, or accounts we have relied upon have been misstated or actual events do not accord with one or more of the assumptions, the resulting valuations of the Target Company may vary substantially from the figures as set out in this report.

You are advised not to rely on the Valuation unless you have read carefully and fully understood the limiting conditions and assumptions.

3.5. Valuation Approach

3.5.1. *Generally Accepted Approaches*

We have considered three generally accepted approaches, including the Income Approach, Market Approach and Asset-based Approach in the Valuation:

- **Income Approach:** The Income Approach measures the value of an asset by the present value of its future economic benefits. These benefits can include earnings, cost savings, tax deductions, and proceeds from its disposition.
- **Market Approach:** The Market Approach is a valuation technique based on the principle of substitution. For the valuation of a company, public companies in the same general industry as the subject company are selected to provide valuation guidelines, i.e., valuation multiples for such guideline companies are then determined and analysed. On the other hand, valuation multiples indicated in merger and acquisition transactions of private companies may also be considered.
- **Asset-based Approach:** The Asset-based Approach, also known as the cost approach, provides an indication of value based on the principle that the assets and liabilities as a whole represent the value of a company. The assumption is that when each of the elements of working capital, tangible and intangible assets, is individually valued, their sum represents the value of a company and equals the value of its invested capital.

Please note these three valuation approaches are fundamentally different and may generate substantially different valuation results.

3.5.2. *Selected Approach*

Among the abovementioned valuation approaches, the selection of a valuation approach is based on, among other criteria, the quantity and quality of the information provided, access to available data, supply of relevant market transactions, type and nature of the subject asset, the valuation purpose, and the application of professional judgment and technical expertise. The Asset-based Approach was considered to be the most appropriate due to the following reasons:

The Income Approach was not adopted as it heavily relies on subjective assumptions adopted in the long-term financial projections of the Target Company. The market value is sensitive to the inputs in the financial forecast, which could significantly impact the market value. As per Management, there was uncertainty on the Target Company's future business plans, limiting its ability to formulate reasonable and reliable forecasts. Therefore, the Income Approach was not adopted.

The Market Approach was not adopted as it may not adequately capture the specific characteristics and value drivers of the Target Company's business. The Target Company is in net-loss status, and there is no reliable projection of economic stream in the future periods available. Therefore, it would be challenging, if not impossible, to identify comparable companies with similar business status, and find useful financial multiples to compare with the representative industry benchmarks. Therefore, we concluded that the Market Approach is not appropriate in arriving at the market value of the Target Company.

After discussion with the Management, we understood that there is a high degree of uncertainty regarding the future economic benefits or any ongoing business of the Target Company. Therefore, the Asset-based Approach was adopted in valuing the Target Company.

3.5.3. Valuation Methodology for Each Individual Asset and Liabilities

We arrived our valuation opinion based on adjusted net asset value method under Asset-based Approach, with the summation of the values of the Target Company being appraised and by employing the "assets minus liabilities".

Investment Properties

The property has been appraised based on its market value using either the market approach or discounted cash flow method under the income approach. The market approach assuming sales in its existing state with the benefit of vacant possession and by referring to comparable sales evidence available in the relevant market. Appropriate adjustments have been made to account for the differences between the property and the comparables in terms of time, size, location, and other relevant factors.

Under the income approach, the appraisal is derived by taking into account the current passing rents of the constituent units of the properties being held under existing tenancies and the reversionary potential of the tenancies if they have been or would be let to tenants.

The details of the investment properties are summarized in the following table:

Property/Address	Description and tenure	Particulars of occupancy
40–43/F, Block E China Resources Land Tower	The properties are for commercial use.	As of the Valuation Date, the property was leased to third parties for office use.
No. 18 Dachong First Road Nanshan District Shenzhen City Guangdong Province PRC	<p>The property includes 14 office units located on floors 40 to 43 of China Resources Land Building. The property was completed in 2015.</p> <p>According to the information provided by Management, the total gross floor area of the property is approximately 6,748.22 sq.m..</p> <p>The land use rights of the property have been granted to the Target Company for commercial office purposes, expiring on 28 September 2052.</p>	

Property/Address	Description and tenure	Particulars of occupancy
Hall No. 5 of Yide International Business and Trade City	The properties are for commercial use.	As at the Valuation Date, the property is operated and managed by the Target Company
South side of Erhuan North Road West side of Qingning Road Yuzhou District Yulin City Guangxi Zhuang Autonomous Region PRC	The property is part of the first and second floors of a 3-story commercial center (named “Yulin Yide International Business & Trade City Building No. 5”). According to the information provided by Management, the building occupies an area of approximately 28,233.46 sq.m.. The land use rights of the property have been granted to the Company, with land use rights expiring on 30 July 2061, for warehousing, wholesale and retail purposes.	

Source: The Management

Inventory

The inventory of the Target Company comprises undeveloped lands, completed properties and construction-in-progress properties in the PRC.

For those parts of the inventory which mainly comprised construction-in-progress properties and accounted for 93.1% of the total inventory net book value, the residual method was used to determine the market value, through analyzing the potential available after a scenario of exploitation, after considering the construction cost of the normal development of the building and professional fees, interest, profit, tax and other expenses related to the

construction and sale of the properties. Such method is the standard method of valuation for assessing the value of development land and development projects that are in the course of construction. The general formula of residual method is shown as below:

$$\text{Residual Value} = \text{Net development value} - (\text{Development costs} + \text{Finance costs} + \text{Developer's profit})$$

Based on the expected completion time, the residual value is then discounted back to the valuation date to derive the market value. An upward adjustment of RMB27.6 million was made accordingly.

For those parts of the inventory mainly comprised of undeveloped lands and completed properties, accounted for 6.9% of the total inventory net book value, they have been valued on a market basis by the market approach assuming sale in its existing state with the benefit of vacant possession and by referring to comparable sales evidence available in the relevant market or its historical sales records. The comparable properties were chosen based upon location, date of transaction and similarity of use, while appropriate adjustments to the adopted unit rate have been made to account for the differences between the properties and the comparables in terms of time, size, location, and other relevant factors. A downward adjustment of RMB12.6 million was made accordingly.

As a result, the net impact of upward adjustment of RMB15.0 million was made to the net book value to arrive the fair value of the inventory as at the Valuation Date. As at the Valuation Date, the market value of the inventory of the Target Company comprising undeveloped lands, completed properties and construction-in-progress properties in the PRC, amounted to approximately RMB1.98 billion with (i) the appraised value of RMB1.75 billion and (ii) a consolidated adjustment of RMB0.23 billion advised by the Company (without further adjustment).

Remaining Assets and Liabilities

For the remaining tangible assets and liabilities, based on confirmation from the Management and considering the nature of these items, it has been assumed that their net book values reasonably represent their market values as of the Valuation Date.

3.5.4. Valuation Summary

The overall valuation of the Target Company is presented below:

Item (in RMB)	Book Value	Adjustments	Market Value
Assets			
Cash and Cash Equivalent	87,250,914	—	87,250,914
Account Receivable	4,862,949	—	4,862,949
Prepayment	215,965,468	—	215,965,468
Other Receivables (net)	1,515,848,142	—	1,515,848,142
Inventory	1,969,283,361	14,965,626	1,984,248,987
Other Current Asset	72,862,798	—	72,862,798
Investment Properties	343,065,737	(65,737)	343,000,000
Fixed Asset	318,855	—	318,855
Intangible Asset	4,328,119	—	4,328,119
Deferred Tax Asset	48,909,583	—	48,909,583
Total Assets	4,262,695,925	14,899,889	4,277,595,815
Liabilities			
Short-term Loan	(5,000,000)	—	(5,000,000)
Notes Payable	(2,804)	—	(2,804)
Accounts Payable	(207,414,273)	—	(207,414,273)
Receipt in Advance	(697,583,088)	—	(697,583,088)
Other Payable	(2,047,950,617)	—	(2,047,950,617)
Interest Payable	(9,000,000)	—	(9,000,000)
Salary Payable	(772,577)	—	(772,577)
Tax Payable	(95,015,940)	—	(95,015,940)
Contract Liability	(278,241)	—	(278,241)
Current Portion of			
Non-current Liability	(113,817,257)	—	(113,817,257)
Long-term Loan	(1,230,984,686)	—	(1,230,984,686)
Deferred Tax Liabilities	(27,293,041)	—	(27,293,041)
Total Liabilities	(4,435,112,524)	—	(4,435,112,524)
Net Asset	(172,416,598)	14,899,889	(157,516,709)
Minority Interest	(277,942,177)	(324,542)	(278,266,719)
Net Asset attributed to the Company	105,525,578	15,224,431	120,750,010

4. OPINION OF VALUE

Based on our analysis above, our opinion on the market value of 100% equity interest in the Target Company as of 31 December 2024 (i.e., the Valuation Date), was reasonably stated as RMB121,000,000 (**RENMINBI ONE HUNDRED AND TWENTY ONE MILLION ONLY**).

REMARKS

Neither the whole nor any part of this report, or any reference thereto, may be included in any document, circular, or statement nor published in any way without our written approval of the form and context in which it will appear.

Finally, and in accordance with our standard practice, we must state that this report is for the use only of the party to whom it is addressed and for the purpose stated herein. No responsibility is accepted to any third party for the whole or any part of its contents.

We hereby certify that we have neither any present nor any prospective interest in the Company, the Target Company, its subsidiaries, or its associated companies, nor in the value reported herein.

Unless otherwise stated, all monetary amounts stated in this valuation report are in Renminbi (RMB).

Yours faithfully,
For and on behalf of
Moore Transaction Services Limited
Kenneth Ma
Managing Director
CFA, MRICS, Registered RICS Valuer

Note: Mr. Kenneth Ma is a Registered Valuer member of the Royal Institute of Chartered Surveyors who has over 5 years' experience in valuations of real estate properties and over 10 years' experience in business valuations in Hong Kong and PRC.

5. GLOSSARY OF TERMS

Term	Meaning
BVI	The British Virgin Islands
CAGR	Compound annual growth rate
Company, GDHK, you, yours	Guangdong – Hong Kong Greater Bay Area Holdings Limited, a company listed on the Main Board of the Hong Kong Exchange with stock code: 1396.HK
FYXXU	Unaudited financial statements for the year ended 31 December 20XX
GFA	Gross floor area
HKEX	Hong Kong Exchanges and Clearing Limited
LTM	Last twelve months
M, mil	Million
Management	The management of the Company, the Target Company, and/or their representatives
Moore, we, our, us	Moore Transaction Services Limited
PRC	The People's Republic of China
RMB	Renminbi, the official currency of the PRC
Sq.m.	Square meter
Target Company	Zhuo Ying Limited (卓盈有限公司), a private company incorporated in the BVI with limited liability, together with its subsidiaries and/or associates
Target Group	Target Company and its subsidiaries and/or associates
Valuation	A valuation of the market value of the Target Company as at the Valuation Date as presented in this Valuation Report
Valuation Date	31 December 2024
Valuation Report	This valuation report

6. APPENDICES

6.1. Limiting Conditions

The limiting conditions pertaining to the valuation conclusions stated in this Valuation Report are summarised below:

- To the best of our knowledge, all data and statements of facts set forth in this report, upon which the data, opinions, analysis, estimates and conclusions expressed are based, are true and correct. Information, estimates and opinions furnished to us and contained in this Valuation Report or utilised in the formation of the value conclusions were obtained from sources considered reliable and believed to be true and correct.

We have also considered published market data and other public information, where appropriate. Such information was obtained from sources such as publicly available industry reports and websites.

However, we did not independently verify the abovementioned information and no representation, liability or warranty for the accuracy of such items is assumed by or imposed on us, and we reserve the right to alter the Valuation, if any inaccurate information may have been provided to us.

- We have relied on information and estimates provided by the Management to a considerable extent in arriving at our opinion of value. This includes but not limited to the business affairs as well as the outlook for the business. It should be noted that the financial statements provided to us are unaudited, and there may be potential for incorrectness or incompleteness. We have requested audited financial statements, which were not available at the time of our assessment.

We have not conducted any further investigations concerning whether all data have been provided to us for our assessment and we have no reason to believe that any material data have been withheld from us.

The procedures and enquiries undertaken by us in preparing this report do not include any verification work of the information provided by the Management, the Target Company and their associates, nor do they constitute an examination made in accordance with generally accepted auditing standards. As such, we do not express an opinion or offer any forms of assurance regarding the accuracy, reasonableness, completeness or reliability of these information we are based.

- The Valuation was prepared solely for the purpose, function and party identified in this report. This report may not be reproduced, in whole or in part, and the findings of this Valuation Report may not be utilised by any third party for any

purpose, with our express written consent. We will not accept any responsibility or liability to any third party to whom in respect of, or arising out of, the contents of this report may be shown.

Neither all nor any part of the contents of this Valuation Report shall be disseminated or referred to the public through advertising, public relations, news or sales media, or any other public means of communication or referenced in any publication, including any private or public offerings, without the prior written consent and approval of and review by us.

- Good and marketable title to the business interests and assets being appraised is assumed. We are not qualified to render an “opinion of title,” and no responsibility is assumed or accepted for matters of a legal nature affecting the business being appraised. We render no opinion as to ownership of the business or condition of its title.
- The Valuation reflects facts, conditions and expectations existing at the Valuation Date. We take no responsibilities for any events, conditions or circumstances affecting our opinion of value that take place subsequent to Valuation Date.
- The results of our work are dependent on the information of the Target Company. However, because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibilities for the achievement of predicted results.
- Our conclusion of the value was derived from generally accepted valuation procedures and practices that rely substantially on the use of various assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.
- By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgment. Hence, there is no single indisputable range and generally we cannot provide absolute assurance on a valuation.
- The title of this report shall not pass to the Company until all professional fees have been paid in full.

6.2. Assumptions

In conducting our valuation work, the following assumptions have been adopted in order to sufficiently support our conclusion of value, including, but not limited to:

- The principal businesses of the Target Company will not change significantly in the foreseeable future.
- The financial statements (audited or unaudited) furnished to us presented fairly the Target's results of operations, cash flows and financial condition for the periods indicated and were prepared in conformity with the generally accepted accounting principles consistently applied.
- There will be no major changes in the political, legal, fiscal, technological, economic and market conditions in the localities in which the Target Company operates or intends to operate, which would adversely affect the revenues attributable to and profitability of the Target Company.
- There will be no major changes in the current taxation laws in the localities in which the Target Company operates or intends to operate and that the rates of tax payable shall remain unchanged and that all applicable laws and regulations will be complied with.
- There will be no material changes in the relevant market return, market risk, interest rates and exchange rates that would impact the Target Company's business operation.
- The market data, industrial information and statistical figures obtained from publicly available sources are true and accurate.
- The Target Company has obtained all necessary permits, business certificates, licenses and legal approvals to operate the business and all relevant permits, business certificates, licenses and legal approvals to operate the business in the localities in which the Target Company operates or intends to operate would be officially obtained and renewable upon expiry.
- The core operation of the Target Company will not differ materially from those of present or expected.
- The information and estimates provided and the representations made by the Management regarding the Target Company's financial and business affairs are accurate and reliable.

- There are neither undisclosed assets/liabilities or unusual obligations/substantial commitments, other than normal business courses as reflected in financial statements of the Target Company, nor any litigation issues pending or threatened as of the Valuation Date, would have significant impact on the values of the Target Company.
- The Target Company has acquired, or will acquire, adequate financial capital for the investments in projected capital expenditure and working capital from time to time, and any scheduled interest or repayment of loan and payable will be paid on time.
- The Management has sufficient knowledge and experience in respect of the operation of the Target Company, and the turnover of any director, management or key person will not affect the operation of the Target Company.
- The Management of the Target Company has adopted reasonable and appropriate contingency measures against any human disruption such as fraud, corruption and strike, and the occurrence of any human disruption will not affect the operation of the Target Company.
- The Management of the Target Company has adopted reasonable and appropriate contingency measures against any natural disaster such as fire, flood and hurricane, and the occurrence of any natural disaster will not affect the operation of the Target Company.
- The intellectual property of the Target Company will not be infringed upon in a manner which would materially affect the economic benefits attributable to the Target Company.
- We assume you will appoint relevant experts to perform appropriate legal, commercial, financial/audit, tax, operational due diligence work or other types of due diligence work, which is outside our scope of work.
- Inspection of the properties owned by the Target Group was conducted in January 2025. We have inspected the exterior and wherever possible, the interior of the properties. However, we have not inspected those parts of the properties which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition.
- No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

- We have not carried out detailed on-site measurements to verify the correctness of the floor area in respect of the properties but have assumed that the floor area shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Management and are therefore only approximations.
- We have no reason to doubt the truth and accuracy of the information provided to us by the Management and we have relied on your confirmation that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.
- No allowance has been made in our valuation for any charges, mortgages or amounts owing on the properties or for any expenses or taxation, which may be incurred in effecting a sale.
- Unless we have been informed to the contrary we have assumed that no tenants are in arrears.

The following is the text of a report prepared for the purpose of incorporation in this circular received from Moore Transaction Services Limited, an independent valuer, in connection with its valuation as at 31 December 2024 of the market value of the Target Properties located in the PRC.



Moore Transaction Services Limited
1013, North Tower, World Finance Centre
Harbour City, 19 Canton Road
Tsim Sha Tsui, Kowloon, Hong Kong

19 March 2025

The Board of Directors

Guangdong – Hong Kong Greater Bay Area Holdings Limited

Unit 916, 9/F, China Merchants Tower

Shun Tak Centre, 168–200 Connaught Road Central

Hong Kong

Dear Sirs,

Re: Market Value of properties located in the People’s Republic of China (the “Target Properties”)

INSTRUCTIONS

We refer to the instruction from Guangdong – Hong Kong Greater Bay Area Holdings Limited (the “**Company**”, together with its subsidiaries as the “**Group**”) to value the Target Properties in the People’s Republic of China (“**PRC**”) held by the Group as at the Valuation Date. We confirm that we have carried out inspection of the Target Properties, made relevant enquiries and obtained such further information as we consider necessary for providing you with our opinion of the market value of the Target Properties as at 31 December 2024 (the “**Valuation Date**”) for public disclosure purposes. The Target Properties are listed as below:

1. The portion of Hall No. 5 in Yide International Business and Trade City, south side of Erhuan North Road, west side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區玉林市玉州區二環北路南側、清寧路西側毅德國際商貿城5號館的部分物業).
2. 14 Office Units, 40th to 43rd Floors, Block E, China Resources Land Tower, No. 18 Dachong First Road, Nanshan District, Shenzhen City, Guangdong Province, the PRC (廣東省深圳市南山區大沖一路18號華潤置地大廈E座40至43層的若干辦公單元).
3. Yuegangwan Huatang No. 8 Tangxia Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市塘廈鎮粵港灣華堂8號華海住宅及商業物業項目).

4. Yuegangwan Huatang No. 1 Tangxia Town, Dongguan City, Guangdong Province, the PRC (中國廣東省東莞市塘廈鎮粵港灣華堂1號大江住宅及商業物業項目).
5. The portion of Yantai Yide International Business and Trade City, Yantai City, Zhifu District, Shandong Province, the PRC (中國山東省煙台市芝罘區煙台毅德國際商貿城部分物業).
6. The parcel of land located at south side of Erhuan North Road, west side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區玉林市二環路北路南側、清寧路西側的地塊).
7. The portion of Yide International Business and Trade City, South Side of Erhuan North Road, West Side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC (中國廣西壯族自治區玉林市玉州區二環路北路南側、清寧路西側毅德國際商貿城部分物業).

BASIS OF VALUATION

Our valuation is our opinion of market value of the Target Properties which is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”. Market value is the best price reasonably obtainable in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer.

This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement(s), special consideration or concession granted by anyone associated with the sale, or any element of special value(s). The market value of a property is also estimated without regard to cost(s) of sale and purchase, and without offset for any associated tax(es).

Market value is also understood as the estimated exchange price of an asset without regard to the seller’s costs of sale or the buyer’s costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

VALUATION STANDARDS

Our valuation has been prepared in accordance with “The RICS Valuation, Global Standards” (the “**Red Book**”, effective from 31 January 2025) published by the Royal Institution of Chartered Surveyors (“**RICS**”) and the International Valuation Standards (“**IVS**”) published by the International Valuation Standards Council (effective from 31 January 2025). In valuing the Target Properties, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEx**”).

VALUATION METHODOLOGY

In valuing the properties which have completed construction, we have adopted the Market Approach assuming sale in its existing state with the benefit of vacant possession and by making reference to its historical sales records or comparable sales evidence as available in the relevant market. Appropriate adjustments have been made to account for the differences between the Target Properties and the comparables in terms of location, accessibility, size and other relevant factors. Where appropriate, we have also adopted Income Approach by taking into account the current passing rents of the constituent units of the Target Properties being held under existing tenancies and the reversionary potential of the tenancies if they have been or would be let to tenants.

For those construction-in-progress properties, we have valued the properties in accordance with the latest development proposal provided to us and have assumed that the properties will be developed in accordance with such proposal. We have firstly assessed the market value as if completed (the gross development value) of the property. The gross development value represents our opinion of the market value of the proposed development at the property assuming it were fully completed at the Date of Valuation. In arriving at our valuation of the properties, we have also taken into consideration the development cost incurred and the costs that will be incurred to complete the proposed development. In assessing the gross development value, we have adopted the direct comparison method by making reference to historical sales records or comparable transactions as available in the relevant markets.

TITLE INVESTIGATION

We have been provided with copies of extracts of title documents relating to the Target Properties. However, we have not conducted land searches on the Target Properties and we have not inspected the original documents to verify ownership or to verify any amendments which may not appear on the copies handed to us. No responsibility is assumed for legal matters in nature and no investigation has been made to the title of or any liabilities against the Target Properties appraised. In this valuation, it is presumed that the Target Properties' titles are good and marketable, and there are no encumbrances on the Target Properties which cannot be cleared through normal processes. For the purpose of titles establishment, it is advised to seek an opinion from competence legal consultants.

SOURCES OF INFORMATION

We have relied to a considerable extent on the information provided by the Group and have accepted advice on such matters as tenure, particulars of occupancy, net internal areas, interest attributable to the Group and all relevant materials regarding the Target Properties.

We have relied on these areas and have not checked them on site. We have assumed that the areas supplied to us have been measured in accordance with the RICS Code of Measuring Practice.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the Target Properties are sold in the market in its existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the Target Properties.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the Target Properties and no forced sale situation in any manner is assumed in our valuation.

VALUATION CONSIDERATIONS

Inspection of the Target Properties was conducted by our staff, namely Stella Zhang, Chelsea Zhong, Blue Huang and Alistair Zhu, under the supervision of Mr. Kenneth Ma Chi Kin, Managing Director of our firm in January 2025. We have inspected the exterior and wherever possible, the interior of the Target Properties. However, we have not inspected those parts of the Target Properties which were covered, unexposed or inaccessible and such parts have been assumed to be in reasonable condition.

No structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the Target Properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

In the course of our valuation, we have relied to a considerable extent on the information given by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identification of the Target Properties and other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the floor area in respect of the Target Properties but have assumed that the floor area shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Group and we have relied on your confirmation that no material facts have been omitted from the information provided. We consider that we have been provided with sufficient information for us to reach an informed view.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Target Properties or for any expenses or taxation, which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that the Target Properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

CURRENCY

Unless otherwise stated, all money amounts stated herein are in Renminbi (“**RMB**”) and no allowances have been made for any exchange transfers.

CONFIRMATION OF INDEPENDENCE

We hereby certify that we neither have any present nor any prospective interest in the Group or the appraised Target Properties or the value reported. We confirm that we do not have any material connection or involvement giving rise to a conflict of interest and are providing an objective and unbiased valuation.

Our summary of value and the valuation certificate are attached herewith.

Yours faithfully,
For and on behalf of
Moore Transaction Services Limited
Kenneth Ma
MRICS, Registered Valuer
Managing Director

Note: Mr. Kenneth Ma is a member of the Royal Institution of Chartered Surveyors who has over 5 years’ experience in valuations of properties in Hong Kong, the People’s Republic of China and the United Kingdom.

SUMMARY OF VALUE

Target Properties held by the Group located in the PRC

No. Property	Market value in existing state as at 31 December 2024 RMB
1. The portion of Hall No. 5 in Yide International Business and Trade City, south side of Erhuan North Road, west side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區玉林市玉州區二環北路南側、清寧路西側毅德國際商貿城5號館的部分物業	87,000,000
2. 14 Office Units, 40th to 43rd Floors, Block E, China Resources Land Tower, No. 18 Dachong First Road, Nanshan District, Shenzhen City, Guangdong Province, the PRC 中國廣東省深圳市南山區大沖一路18號華潤置地大廈E座40至43層的14個辦公單元	256,000,000
3. Yuegangwan Huatang No. 8 Tangxia Town, Dongguan City, Guangdong Province, the PRC 中國廣東省東莞市塘廈鎮粵港灣華堂8號	306,000,000
4. The portion of Yuegangwan Huatang No. 1 Tangxia Town, Dongguan City, Guangdong Province, the PRC 中國廣東省東莞市塘廈鎮粵港灣華堂1號部分物業	1,326,000,000
5. Yantai Yide International Business and Trade City, Yantai City, Zhifu District, Shandong Province, the PRC 中國山東省煙台市芝罘區煙台毅德國際商貿城	30,000,000
6. The parcel of land located at south side of Erhuan North Road, west side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區玉林市二環路北路南側、清寧路西側的地塊	32,000,000
7. The portion of Yide International Business and Trade City, South Side of Erhuan North Road, west Side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區玉林市玉州區二環北路南側、清寧路西側毅德國際商貿城部分物業	61,000,000
Total:	2,098,000,000

VALUATION CERTIFICATE

Target Properties held by the Group located in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
1	The portion of Hall No.5 in Yide International Business and Trade City, South Side of Erhuan North Road, West Side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區玉林市 玉州區二環北路南側、清寧路西側毅德國際商貿城5號館的部分物業	The property comprises portions of the 1st and 2nd floors of a 3-story building (named “ Hall No. 5 in Yide International Business and Trade City ”) completed in 2017. According to the information provided by the Group, the total gross floor area of the property is approximately 28,233.46 sq.m.. The land use rights of the property have been granted to Yulin Modern Logistics City, with the land use rights set to expire on 30 July 2061, for warehousing, wholesale and retail purposes.	As advised, the property was held for lease and operation by Yulin Modern Logistics City as at the Valuation Date.	RMB87,000,000 (100% interest attributable to the Group)

Notes:

- Pursuant to a Certificate of Real Estate Ownership, Gui (2016) Yulin City Real Estate Ownership No. 0000239 (桂(2016)玉林市不動產權第0000239號), the land use rights for a site area of approximately 33,334.70 sq.m. (including the land use rights for the property) have been granted to Yulin Modern Logistics City. The land use rights are set to expire on 30 July 2061 for warehousing, wholesale and retail purposes.
- According to the information provided by the Group, the total gross floor area of the property is approximately 28,233.46 sq.m.
- According to the information provided by the Group, the total leasable area of the property is approximately 28,233.46 sq.m. as of the Valuation Date.
- Pursuant to sets of tenancy agreements provided by the Group, a total gross floor area of approximately 22,429 sq.m. of the property has been leased to various parties for commercial use with the latest term expiring on 31 July 2027 at a total monthly rental of RMB420,000 as at the Valuation Date.
- Our valuation has been undertaken using appropriate valuation methodology and our professional judgement. We have valued the property primarily by using the Income Approach. In the course of the valuation, we have considered the actual passing rents ranging from RMB5.0 to RMB5.5 per sq.m./month in the existing tenancy agreements of the property and also those rental asking offers with similar developments which are located in the similar areas as the property, for the calculation of market rent in considering the reversionary rental income after the expiry of the existing leases for occupied area, and the rental income of vacant area.

We have made reference to rental comparables in the vicinity.

Property	Floor	Use	Floor Area (sq.m.)	Date	Unit Rent per month (per sq.m.)
Yulin District street shop -Yulin Aoyuan Plaza	G/F	Commercial	58.0	January 2025	RMB27.0
Yulin District street shop – Yuzhou Nanjiang Fuyunji Restaurant	G/F	Commercial	200.0	January 2025	RMB28.50
Yulin District street shop -Yuzhou Mingshan Square East Road	G/F	Commercial	118.0	January 2025	RMB23.73

In our valuation, adjusted market rents adopted by us ranged from RMB11.7 to RMB26.0 per sq.m./month to different floors of the property, in which an average market rent of the Target Property is approximately of RMB22.3 per sq. m./month. The unit rate adopted by us is consistent with the mentioned rental asking comparables. Due adjustments to those rental comparables have been made to reflect factors including but not limited to location, floor, size, building quality in arriving at our opinion of value.

Based on our research on commercial markets in the surrounding area of the property, the market yield we have adopted is 5.5% for the property.

6. Our valuation relies on the relevant information and data provided by the Group and is based on the following assumptions:
- (a) The owner of the property holds valid land use rights and building ownership. The property can be freely transferred, leased, mortgaged, or disposed of in any other legal manner without the need to pay land premium or any other onerous fees (excluding relevant transaction taxes and fees);
 - (b) The lease agreements signed between the property owner and the relevant tenants are legal, valid, and binding on both parties;
 - (c) The property will be properly managed during the remaining term to maintain its quality and standards; and
 - (d) Whether as a whole or on strata basis, the property can be freely transferred to local or overseas purchasers.

No	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
2	14 Office Units, 40th to 43rd Floors, Block E China Resources Land Tower No. 18 Dachong First Road, Nanshan District, Shenzhen City Guangdong Province, China 中國廣東省深圳市南山區大沖一路18號華潤置地大廈E座40至43層的14個辦公單元	The property comprises 14 office units located on the 40th to 43rd floors of China Resources Land Tower. The property was completed in 2015. According to the information provided by the Group, the total gross floor area of the property is approximately 6,748.22 sq.m.. The land use rights of the property have been granted for office purposes, expiring on 28 September 2052.	The property has been partially leased to third parties for office use as at the Valuation Date.	RMB256,000,000 (100% interest attributable to the Group)

Notes:

1. Pursuant to 14 sets of Certificate of Real Estate Ownership registered on 27 November 2014, the ownership of the 14 office units in the property with a total gross floor area of approximately 6,748.22 sq.m. is vested in 深圳市毅德投資管理有限公司 (unofficial translation being Shenzhen Yide Investment Management Co., Ltd., hereinafter referred to as “**Shenzhen Yide**”).
2. According to a lease agreement, the total gross floor area of approximately 6,191.88 square meters has been leased to various parties for office use with the latest term expiring on 31 May 2037 at a total monthly rental of RMB822,000 as at the Valuation Date.
3. Our valuation relies on the relevant information and data provided by the Group and is based on the following assumptions:
 - (a) The owner of the property holds valid building ownership. The property can be freely transferred, leased, mortgaged, or disposed of in any other legal manner without the need to pay land premium or any other onerous fees (excluding relevant transaction taxes and fees);
 - (b) The lease agreements signed between the property owner and the relevant tenants are legal, valid, and binding on both parties;
 - (c) The property will be properly managed during the remaining term to maintain its quality and standards; and
 - (d) Whether as a whole or on strata basis, the property can be freely transferred to local or overseas purchasers.

4. We have valued the property primarily by using the Market Approach. In the course of our valuation of the property, we have referred to asking offers of the same office buildings. The market comparables are shown below:

Property	Tenure	Floor Area <i>(sq.m.)</i>	Price <i>(RMB)</i>	Date	Unit Rate <i>(RMB per sq.m.)</i>
China Resources Land Tower	Freehold	334	12,000,000	January 2025	35,000
China Resources Land Tower	Freehold	454	19,000,000	January 2025	42,000
China Resources Land Tower	Freehold	2,000	7,000,000	January 2025	35,000
China Resources Land Tower	Freehold	3,800	139,000,000	January 2025	37,000

The market comparables are about RMB35,000 to RMB42,000 per sq.m.. The unit rate adopted by us is consistent with the above price comparables after due adjustments have been made on floor and size.

We are of the opinion that the market value of the property based on the Market Approach at RMB256,000,000 or represented a unit rate of RMB38,000 per sq.m. with total gross floor area of 6,748 sq.m. is fair and reasonable and falls within the approximate unit rates of the market comparables.

No	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
3	Yuegangwan Huatang No. 8 Tangxia Town, Dongguan City, Guangdong Province, the PRC 中國廣東省東莞市 塘廈鎮粵港灣華堂8 號	Yuegangwan Huatang No. 8 is mixed commercial and residential development erected on a site with a site area of approximately 15,280.70 sq.m. and comprising three blocks of high-rise residential building and two blocks of office buildings. The total gross floor area of the property is approximately 43,788.08 sq.m. (471,330.97 sq.ft.). The land use rights of the property have been granted for residential uses for a term of 70 years expiring on 10 January 2091 and for commercial uses for a term of 40 years expiring on 10 January 2061.	The property is currently under construction. Completion of the construction works is estimated in about mid-2025.	RMB306,000,000 (100% interest attributable to the Group)

Notes:

- Pursuant to a set of Certificate of State-owned Land Use 粵(2021)東莞不動產權第0170897號 (Yue (2021) Dongguan Budongchanquan No. 0170897) dated on 20 June 2021 issued by 東莞市自然資源局 (Dongguan Municipal Bureau of Natural Resources), the land use rights of the property with a site area of 15,280.70 sq.m. have been granted to 東莞市華海實業投資有限公司 (unofficial translation being Dongguan Huahai Industrial Investment Co., Ltd., hereinafter referred to as “**Huahai**”) for residential uses for a term of 70 years expiring on 10 January 2091 and for commercial uses for a term of 40 years expiring on 10 January 2061.

2. Pursuant to 5 sets of Pre-sale Permit for Commodity Property issued by Dongguan Municipal Bureau of Housing and Urban Rural Development, approval for presale in the proposed development has been granted. Details of the said certificates are summarized as follows:

Certificate No.	Date	Description	Gross Floor Area	No. of Units
東莞商房預證字第202200080號 (Dongguan Shangfang Yuzhenzi No. 202200080)	11 April 2022	Residential Block 1	9,963.14 sq.m.	115
東莞商房預證字第202200318號 (Dongguan Shangfang Yuzhenzi No. 202200318)	13 September 2022	Residential Block 2	10,370.88 sq.m.	120
東莞商房預證字第202200319 號 (Dongguan Shangfang Yuzhenzi No. 202200319)	13 September 2022	Residential Block 3	10,388.16 sq.m.	120
東莞商房預證字第202300119號 (Dongguan Shangfang Yuzhenzi No. 202300119)	26 April 2023	Commercial and Office Block 4	6,658.11 sq.m.	181
東莞商房預證字第202300118號 (Dongguan Shangfang Yuzhenzi No. 202300118)	26 April 2023	Commercial and Office Block 5	6,407.79 sq.m.	176

3. According to the information provided by the Group, as at the Valuation Date, a total 106 residential units with a total gross floor area of approximately 9,271.4 sq.m. have been agreed to be sold to 3rd party purchasers at an aggregate contract sum of approximately RMB152,068,665. In the course of our valuation, we have taken into account the aggregate contract sum.
4. We have valued the property in accordance with the latest development proposal provided to us and have assumed that the property will be developed in accordance with such proposal. We have firstly assessed the market value as if completed (the gross development value) of the property. In arriving at our valuation of the properties, we have also taken into consideration the development cost incurred and the costs that will be incurred to complete the proposed development.
5. In assessing the gross development value of the residential units, we have referenced the historical sales records of the property itself with a range from RMB12,700 per sq.m. to RMB20,300 per sq.m. provided by the Company. In our valuation, the adjusted unit rate of RMB11,450 per sq.m. was adopted for the unsold residential units with an area of approximately 21,451 sq.m., referencing the historical sales records of the property, after making due adjustments for time and size.

6. In our valuation, the adjusted unit rate of RMB 9,000 per sq.m. was adopted for the commercial units, with an area of 13,066 sq.m.. We have referred to asking offers from similar developments which are located in the similar areas as the property. The market comparables are shown below:

Property	Floor Area (sq.m.)	Price (RMB)	Date	Unit Rate (RMB per sq.m.)
Feng Gang Zhong Xin	393	4,090,000	January 2025	10,400
Hu Jing 12	42.5	450,500	January 2025	10,600
Ying Guo Mao Zhong Xin	215	213,000	January 2025	9,907

The unit rate adopted by us is consistent with the above price comparables after due adjustments have been made on various factors including location, time and size.

7. To derive the market value of the property, the costs that will be incurred to complete the property has been considered in our valuation. We have been advised by the Company that the outstanding construction cost to be incurred to complete the property is estimated to be approximately RMB110,000,000 as at the Valuation Date.
8. Based on our research on the property market in the PRC, the market yield we have adopted is 5.1% for the property.
9. We have been instructed by the Group to perform our valuation based on the following assumptions:
- The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - All land premium and other costs of ancillary utility services have been settled in full;
 - The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and
 - Whether as a whole or on strata basis, the property can be freely transferred to local or overseas purchasers.

No	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
4	Yuegangwan Huatang No. 1 Tangxia Town, Dongguan City, Guangdong Province, the PRC 中國廣東省東莞市塘廈鎮粵港灣華堂1號	Yuegangwan Huatang No. 1 is mixed commercial and residential development erected on a site with a site area of approximately 25,744.08 sq.m. and comprising three blocks of high-rise residential building and two blocks of office buildings. The total gross floor area of the property is approximately 76,639.86 sq.m. (824,944.59 sq.ft.). The land use rights of the property have been granted for residential uses for a term of 70 years expiring on 10 January 2091 and for commercial uses for a term of 40 years expiring on 10 January 2061.	The property is currently under construction. Completion of the construction works is estimated in about mid-2025.	RMB1,326,000,000 (100% interest attributable to the Group)

Notes:

- Pursuant to a set of Certificate of State-owned Land Use 粵(2021)東莞不動產權第081082號 (Yue (2021) Dongguan Budongchanquan No. 081082) dated on 25 March 2021 issued by 東莞市自然資源局 (Dongguan Municipal Bureau of Natural Resources), the land use rights of the property with a site area of 25,744.08 sq.m. have been granted to 東莞市大江房地產開發有限公司 (unofficial translation being Dongguan Dajiang Real Estate Development Co., Ltd., hereinafter referred to as “**Dajiang**”) for residential uses for a term of 70 years expiring on 10 January 2091 and for commercial uses for a term of 40 years expiring on 10 January 2061.
- Pursuant to 6 sets of Pre-sale Permit for Commodity Property issued by Dongguan Municipal Bureau of Housing and Urban Rural Development, approval for presale in the proposed development has been granted. Details of the said certificates are summarized as follows:

Certificate No.	Date	Description	Gross Floor Area	No. of Units
東莞商房預證字第202400007號 (Dongguan Shangfang Yuzhenzi No. 202400007)	19 January 2024	Residential Block 2	13,552.89 sq.m.	93
東莞商房預證字第202400008號 (Dongguan Shangfang Yuzhenzi No. 202400008)	19 January 2024	Residential Block 8	13,552.89 sq.m.	93
東莞商房預證字第202400420號 (Dongguan Shangfang Yuzhenzi No. 202400420)	15 November 2022	Residential Block 7	13,548.55 sq.m.	124
東莞商房預證字第202300127號 (Dongguan Shangfang Yuzhenzi No. 202300127)	27 April 2023	Commercial and Office Block 6	11,213.0 sq.m.	69

Certificate No.	Date	Description	Gross Floor Area	No. of Units
東莞商房預證字第202300126號 (Dongguan Shangfang Yuzhenzi No. 202300126)	27 April 2023	Commercial and Office Block 5	11,223.98 sq.m.	73
東莞商房預證字第202200419號 (Dongguan Shangfang Yuzhenzi No. 202200419)	15 November 2022	Residential Block 3	13,548.55 sq.m.	124

3. According to the information provided by the Group, as at the Valuation Date, a total 219 residential units with a total gross floor area of approximately 25,989 sq.m. have been agreed to be sold to 3rd party purchasers at an aggregate contract sum of approximately RMB627,062,000. In the course of our valuation, we have taken into account the aggregate contract sum.
4. We have been advised by the Company that the outstanding construction cost to be incurred to complete the property is estimated to be nil as at the Valuation Date.
5. In our valuation, we adopted the adjusted average unit rates at RMB16,700 per sq.m., for the unsold residential units with an area of 48,374 sq.m., referencing the historical sales records of the property, after making due adjustments for location, time and size. According to the Company, the historical sales records of the residential property itself was ranging from RMB17,000 per sq.m. to RMB22,000 per sq.m..
6. In our valuation, the adjusted unit rate for the commercial units with an area of 2,277 sq.m. is approximately at RMB20,000 per sq.m.. We have referred to asking offers from similar developments which are located in the similar areas as the property. The market comparables are shown below:

Property	Floor Area (sq.m.)	Price (RMB)	Date	Unit Rate (RMB per sq.m.)
Tangxia District – Colorful Times Square shops	60	1,600,000	January 2025	26,700
Tangxia Excellent Chenguang Store 1	36	1,200,000	January 2025	33,000
Tangxia Excellent Chenguang Store 2	240	3,000,000	January 2025	12,500

The market comparables are about RMB12,500 to RMB33,000 per sq.m. The unit rate adopted by us is consistent with the above asking offers after due adjustments have been made on floor and size.

7. We have been instructed by the Group to perform our valuation based on the following assumptions:
 - a. The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - b. All land premium and other costs of ancillary utility services have been settled in full;
 - c. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and
 - d. Whether as a whole or on strata basis, the property can be freely transferred to local or overseas purchasers.

No	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
5	The portion of Yantai Yide International Business and Trade City, Yantai City, Zhifu District, Shandong Province, the PRC 中國山東省煙台市芝罘區煙台毅德國際商貿城部分物業	Yantai Yide International Business and Trade City is mixed wholesale, retail, residential, restaurant, commercial development erected on a site with a site area of approximately 44,233.00 sq.m. The total gross floor area of the property for wholesale use is approximately 11,749 sq.m. The land use rights of the property have been granted for a term of 40 years expiring on 11 September 2053.	The property is either pre-sold or held for sale.	RMB30,000,000 (100% interest attributable to the Group)

Notes:

1. Pursuant to a set of Certificate of State-owned Land Use 煙國用(2014)第10005號 (Yan Guoyong (2014) No. 10005) dated on 3 January 2014 issued by 煙台市國土資源局 (Yantai Municipal Bureau of Land and Resources), the land use rights of the property with a site area of 44,233.00 sq.m. have been granted to 煙台毅德國際商貿城有限公司 (unofficial translation being Yantai Yide International Business and Trade City Co., Ltd., hereinafter referred to as “**Yantai**”) for wholesale, retail, residential, restaurant, commercial for a term of 40 years expiring on 11 September 2053.
2. According to the information provided by the Group, a total gross floor area of approximately 228,545.88 sq.m. in the proposed development has been approved for pre-sale. As of the Valuation Date, a total gross floor area of approximately 208,696.17 sq.m. have been contracted for sale to third-party purchasers for a total sum of approximately RMB1,287,000,000. In conducting our valuation, the adopted average unit rate of RMB2,550 per sq.m. has been made reference to the historical sales records of the development, after making due adjustments for time and size.
3. We have been instructed by the Group to perform our valuation based on the following assumptions:
 - a. The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - b. All land premium and other costs of ancillary utility services have been settled in full;
 - c. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and
 - d. Whether as a whole or on strata basis, the property can be freely transferred to local or overseas purchasers.

No	Property	Description and tenure	Particulars of occupancy	Market value
				in existing state as at 31 December 2024
6	The parcel of land located at south side of Erhuan North Road, west side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區玉林市 二環路北 路南側、清寧路西 側的地塊	According to the information provided by the Group, the total site area of two parcels of land is approximately 116,202 sq.m.. Based on a plot ratio of 2.5, the total plot ratio gross floor area is 290,505 sq.m. The land use rights of the property have been granted for warehousing, wholesale and retail purposes expiring on 30 July 2061.	The property is currently vacant. As of the Valuation Date, no construction work has been carried out.	RMB32,000,000 (100% interest attributable to the Group)

Notes:

- Pursuant to two sets of Certificate of State-owned Land Use 桂(2016)玉林市不動產權第0000240及0000242號, the land use rights of the property with site areas of 86,409.91 sq.m. and 108,088.71 sq.m. have been granted to Guangxi Yulin Modern Logistics City Development Co., Ltd., with the land use rights expiring on 30 July 2061, for wholesale and retail, as well as storage purposes.
- We have valued the property primarily by using the Market Approach. In the course of our valuation of the property, we have referred to 4 land sale transactions. The market comparables are located in Yulin City shown below:

Comparable						
No.	Tenure	Site Area (sq.m.)	Price (RMB)	Date	GFA (sq.m.)	Unit Rate (RMB per sq.m.)
1	50	160,378	60,150,000	2024-02-18	481,133	125
2	50	131,755	49,410,000	2024-02-18	395,266	125
3	50	48,310	12,930,000	2024-07-24	57,972	223
4	50	16,729	4,480,000	2024-06-19	20,075	223

The market comparables are about RMB125 to RMB223 per sq.m.. The unit rate of RMB165 per sq.m. has been adopted, which is consistent with the above sales transaction after total adjustment of -20% to 15% have been made on comparables in terms of location and size factors. In our valuation, discounting factor on the remaining land tenure is further considered. As a result, an adjusted unit rate of RMB112.0 per sq.m. has been adopted for the total plot ratio gross floor area is 290,505 sq.m..

3. We have been instructed by the Group to perform our valuation based on the following assumptions:
- a. The property is in possession of a proper legal title to the property and is entitled to let the property with its residual term of land use rights at no extra land premium or other onerous payment payable to the government;
 - b. All land premium and other costs of ancillary utility services have been settled in full;
 - c. The existing use of the property is in compliance with the local planning regulations and has been approved by the relevant government authorities; and
 - d. Whether as a whole or on strata basis, the property can be freely transferred to local or overseas purchasers.

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 December 2024
7	The portion of Yide International Business and Trade City, South Side of Erhuan North Road, West Side of Qingning Road, Yuzhou District, Yulin City, Guangxi Zhuang Autonomous Region, the PRC 中國廣西壯族自治區玉林市 玉州區二環北路南側、清寧路西側毅德國際商貿城部分物業	The property comprises portions of (1) an exhibition centre in a 3-story building (named “ Hall No. 5 ”); (2) 35,439.05 sq.m. for commercial use in “ Yide International Business and Trade City ”. According to the information provided by the Group, the total gross floor area of the property is approximately 39,684.16 sq.m.. The land use rights of the property have been granted to Yulin Modern Logistics City, with the land use rights set to expire on 30 July 2061, for warehousing, wholesale and retail purposes.	The property is either pre-sold or held for sale as at the Valuation Date.	RMB61,000,000 (100% interest attributable to the Group)

Notes:

- Pursuant to a Certificate of Real Estate Ownership, Gui (2016) Yulin City Real Estate Ownership No. 0000239 (桂(2016)玉林市不動產權第0000239號), the land use rights for a site area of approximately 33,334.70 sq.m. (including the land use rights for the property) have been granted to Yulin Modern Logistics City. The land use rights are set to expire on 30 July 2061 for warehousing, wholesale and retail purposes.
- According to the information provided by the Group, the total gross floor area of the property is approximately 39,684.16 sq.m., among which 20,245 sq.m. is the exhibition center and 35,439.05 sq.m. is area for commercial use.
- As of the Valuation Date, a total gross floor area of approximately 4,245.11 sq.m. have been contracted for sale to third-party purchasers for a total sum of approximately RMB7,015,000 or represented an average unit rate of RMB1,600 per sq.m.. In conducting our valuation, we have considered this aggregate contract sum.
- The adopted average unit rate of RMB1,500 per sq.m. for those unsold area has been made reference to the said historical sales records of the development, after making due adjustments for time and size.
- Our valuation relies on the relevant information and data provided by the Group and is based on the following assumptions:
 - The owner of the property holds valid land use rights and building ownership. The property can be freely transferred, leased, mortgaged, or disposed of in any other legal manner without the need to pay land premium or any other onerous fees (excluding relevant transaction taxes and fees);
 - The property will be properly managed during the remaining term to maintain its quality and standards; and
 - Whether as a whole or on strata basis, the property can be freely transferred to local or overseas purchasers.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of the Directors and the chief executive of the Company in the securities of the Company and its associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or as recorded in the register maintained by the Company under section 352 of the SFO, or as notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in the Listing Rules, were as follows:

(i) Long positions in Shares and underlying Shares of the Company as at the Latest Practicable Date

Name of Directors	Class of Shares/ underlying Shares	Capacity/ Nature of interest	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the Company's total issued share capital (Note 1)
Mr. Luo Jieping (an executive Director)	Ordinary Shares	Spousal interests (Note 2)	414,665,566	–	414,665,566	50.94
Mr. He Fei (an executive Director)	Ordinary Shares and share options	Beneficial owner	–	1,282,500	1,282,500 (Note 3)	0.16

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 814,103,100 Shares as at the Latest Practicable Date.
- (2) China Guangdong – Hong Kong Greater Bay Area Holdings Limited ("**China GBA Holdings**") is owned as to 84% by Ruixinhaide Holdings Limited, Ruixinhaide Holdings Limited ("**RXHD Holdings**") is owned as to 100% by Solid Wealth Holdings Limited ("**Solid Wealth**"), and Solid Wealth Holdings Limited is owned as to 90% by Rich Grain Investments Limited ("**Rich Grain**"), which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 414,665,566 Shares through the aforementioned holding companies, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan, Mr. Luo Jieping (an executive director of the Company) is deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.
- (3) As at the Latest Practicable Date, Mr. He Fei, an executive Director, holds 1,282,500 share options of the Company granted pursuant to the share option scheme approved and adopted by the Company on 30 May 2019.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as is known to the Directors and the chief executive, as at the Latest Practicable Date, the following person (not being Director or chief executive of the Company) had, or was deemed to have, interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

(i) Long positions in Shares and underlying Shares of the Company as at the Latest Practicable Date

Name of Shareholders	Capacity/Nature of interest	Number of Shares held	Number of underlying Shares	Total	Approximate percentage of the Company's total issued share capital (Note 1)
China GBA Holdings	Beneficial owner	414,665,566 (Note 2)	N/A	414,665,566	50.94
RXHD Holdings	Interest in controlled corporation	414,665,566	N/A	414,665,566	50.94
Solid Wealth	Interest in controlled corporation	414,665,566	N/A	414,665,566	50.94
Rich Grain	Interest in controlled corporation	414,665,566	N/A	414,665,566	50.94
Ms. Zeng Yan	Interest in controlled corporation	414,665,566	N/A	414,665,566	50.94

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 814,103,100 Shares as at the Latest Practicable Date.

- (2) China GBA Holdings is owned as to 84% by RXHD Holdings, RXHD Holdings is owned as to 100% by Solid Wealth, and Solid Wealth is owned as to 90% by Rich Grain, which is in turn wholly-owned by Ms. Zeng Yan. By virtue of Part XV of the SFO, Ms. Zeng Yan is deemed to be interested in the 414,665,566 Shares through China GBA Holdings, RXHD Holdings, Solid Wealth and Rich Grain, representing approximately 50.94% of the issued shares of the Company. Furthermore, the spouse of Ms. Zeng Yan, Mr. Luo Jieping (an executive director of the Company) is deemed to be interested in the Shares which Ms. Zeng Yan is interested in under Part XV of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group. Moreover, as at the Latest Practicable Date, save and except Ms. Wei Haiyan (an executive Director), who is the director of each of Solid Wealth and RXHD Holdings, the Directors were also not aware of any Director or proposed Director who is a director or employee of a company which has an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has entered or proposed to enter into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance was pending or threatened against the Company or any of its subsidiaries.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective close associates (as defined in the Listing Rules) was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTERESTS IN ASSETS AND CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, (i) none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31

December 2023, being the date to which the latest published audited financial statements of the Group were made up; and (ii) none of the Directors was materially interested in any contract or arrangement subsisting which is significant in relation to the business of the Group.

7. MATERIAL CONTRACTS

Save and except for the following agreements, no material contract(s) (not being contracts in the ordinary course of business) has been entered into by members of the Group within the two years preceding the date of the circular and up to the Latest Practicable Date and is or may be material:

- (a) the share transfer agreement dated 15 November 2023 entered into between an indirect wholly-owned subsidiary of the Company as vendor and Shenzhen Hong Zhan Investment Company Limited (深圳市弘展投資有限公司) as purchaser, in relation to the disposal of the entire equity interests in a target company;
- (b) the share purchase agreement dated 4 December 2024 entered into between the Company as vendor and Elegance Rich Global Limited as purchaser, in relation to the disposal of the entire equity interests in a target company; and
- (c) the Share Transfer Agreement.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has provided advice referred to or contained in this circular:

Name	Qualification
Moore Transaction Services Limited	Independent valuer

As at the Latest Practicable Date, the expert named above had no shareholding interest in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

The expert named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion of the text of its letters, reports, recommendations, opinion, and/or references to its name in the form and context in which it respectively appears.

As at the Latest Practicable Date, the expert named above did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023 (being the date to which the latest published audited financial statements of the Company were made up).

9. GENERAL

- (a) The registered office of the Company is PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands.
- (b) The principal place of business of the Company in Hong Kong is Unit 916, 9/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.
- (c) Ms. Liang Lina is the company secretary of the Company (“**Ms. Liang**”). Ms. Liang has extensive experience in auditing, financial management, offshore financing, investor relations, and corporate governance. Ms. Liang holds a bachelor degree in Accounting from the Central University of Finance and Economics, and a master degree in Finance from Peking University. Ms. Liang is currently a member of each of the Chinese Institute of Certified Public Accountants, the Hong Kong Institute of Certified Public Accountants, and the American Institute of Certified Public Accountants.
- (d) The principal share registrar of the Company is Maples Fund Services (Cayman) Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (e) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (f) In case of inconsistency, the English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be available on the website of the Stock Exchange (<http://www.hkexnews.hk>) and on the website of the Company (<http://www.youngogroup.com>) for a period of 14 days from the date of this circular:

- (a) the Share Transfer Agreement;
- (b) the valuation report on the Target Company, the text of which is set out in Appendix II to this circular;
- (c) the valuation report on the Property, the text of which is set out in Appendix III to this circular; and
- (d) the written consent referred to in the paragraph headed “8. Expert and Consent” in this appendix.