

Valuation Report Considering the Market Value of 35 Percent Equity Interest in Guangdong AEON Teem Co., Ltd.

Client : AEON Stores (Hong Kong) Co., Ltd.
Report Date : 29 April 2026
Valuation Date : 31 December 2025
Ref. No. : CON102587947



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29 April 2026

The Board of Directors
AEON Stores (Hong Kong) Co., Ltd.
Units 07-11, 26/F, CDW Building
388 Castle Peak Road,
Tsuen Wan, New Territories, Hong Kong

Dear Sirs,

In accordance with the instructions received from AEON Stores (Hong Kong) Co., Ltd. (“**HKA**” or the “**Company**”), Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**”) has undertaken a valuation exercise which requires us to express an independent opinion on the market value of 35 Percent Equity Interest in Guangdong AEON Teem Co., Ltd. (“**广东永旺天河城商业有限公司**”, “**AEON GD**” or the “**Target**”) as at 31 December 2025 (the “**Valuation Date**”). The report which follows is dated 29 April 2026 (the “**Report Date**”).

The purpose of this valuation is for internal reference by the Company and inclusion in its public disclosure.

Our valuation was carried out on a market value basis. Market value is defined as “*the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion*”.

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

The conclusion of value is based on the accepted valuation procedures and practices that rely substantially on our use of numerous assumptions and our consideration of various factors that are relevant to the operation of the Target. We have also considered various risks and uncertainties that have potential impact on the Target.

We do not intend to express any opinion in matters which require legal or other specialised expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.



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Based on the results of our investigations and analyses outlined in this report, we are of the opinion that the market value of 35 Percent Equity Interest in the Target as at the Valuation Date is **RMB 170,269,000**.

The following pages outline the factors considered, methodology and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

A handwritten signature in black ink, appearing to be "Simon M.K. Chan", written over a horizontal line.

Simon M.K. Chan
Executive Director



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TABLE OF CONTENTS

INTRODUCTION.....	1
PURPOSE OF VALUATION.....	1
BASIS OF OPINION.....	1
BACKGROUND.....	1
APPROACH AND METHODOLOGY.....	3
ASSUMPTIONS.....	5
CALCULATION OF VALUATION RESULT.....	10
VALUATION COMMENTS.....	10
OPINION OF VALUE.....	12
LIMITING CONDITIONS.....	13
VALUERS' PROFESSIONAL DECLARATION.....	16

INTRODUCTION

In accordance with the instructions received from AEON Stores (Hong Kong) Co., Ltd. (“**HKA**” or the “**Company**”), Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**”) has undertaken a valuation exercise which requires us to express an independent opinion on the market value of 35 percent equity interest in Guangdong AEON Teem Co., Ltd. (“**广东永旺天河城商业有限公司**”, “**AEON GD**” or the “**Target**”) as at 31 December 2025 (the “**Valuation Date**”). The report which follows is dated 29 April 2026 (the “**Report Date**”).

PURPOSE OF VALUATION

The purpose of this valuation is for internal reference by the Company and inclusion in its public disclosure.

BASIS OF OPINION

Our valuation was carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have conducted our valuation with reference to the International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject assets. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

BACKGROUND

Guangdong Aeon Teem Co., Ltd. (“**AEON GD**” or the “**Target**”), is a sino-foreign equity joint venture established in the PRC by the Company and 广东粤海天河城百货发展有限公司 (“**Teemall Department Stores**”, a subsidiary of 广东粤海天河城(集团)股份有限公司) pursuant to a joint venture agreement between the parties.

AEON GD has been operating the retail businesses in the Guangdong Province since 1995, which has successfully accumulated a substantial and valuable customer base, and achieved satisfactory business results. As the first Japanese retail enterprise to enter the Guangdong market, it took the lead in introducing the advanced foreign GMS (comprehensive department



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store) business model and launched the SM (food supermarket) business model in 2010. The businesses it has carried out include GMS business, SM business, and small SM business.

As at the Valuation Date, the Company and Teemall Department Stores hold 65 percent and 35 percent equity interest in AEON GD respectively. According to the Company's introduction, as Teemall Department Stores, a PRC state-owned company, intends to exit part of its investment in AEON GD through public tender, the Company is intended to purchase the 35 percent equity interest of AEON GD from Teemall Department Stores. Upon completion of the Proposed Acquisition, assuming that the Company is successful in the Public Tender, the Company will increase its equity interest in AEON GD from 65% to 100%

FINANCIAL INFORMATION OF THE TARGET

Key financial information of the Target for the last three financial years ended 31 December are set out as below:

Reporting Period for the Year Ended	31 December 2023	31 December 2024	31 December 2025
(Amounts in RMB'000)	(Audited)	(Audited)	(Audited)
Revenue	3,471,508	3,477,927	3,456,207
Net profit (Loss)	2,205	(6,912)	(77,749)
EBTIDA	30,965	55,384	140,153
Non-current Assets	1,099,273	1,061,479	1,326,581
Net Assets	275,054	267,161	189,412

Over the three-year period from 2023 to 2025, AEON GD's financial performance exhibited a mixed trend. Revenue remained relatively stable at approximately RMB3.5 billion, increasing slightly by 0.2% from 2023 to 2024, before declining by 0.6% to RMB3,456.2 million in 2025. This revenue stability reflects the challenging retail environment in Mainland China, characterized by weak consumer sentiment, deflationary pressures, and intensified competition from e-commerce platforms.

Profitability deteriorated significantly over the period. Net profit declined from a modest profit of RMB2.2 million in 2023 to a loss of RMB6.9 million in 2024, and further widened to a substantial loss of RMB77.7 million in 2025. This downward trajectory was primarily attributable to rising operating expenses, increased lease liabilities, and impairment losses on property, plant and equipment.

Notably, EBITDA demonstrated strong growth, increasing from RMB31.0 million in 2023 to RMB55.4 million in 2024, and surging to RMB140.2 million in 2025, representing a 353% increase over the three-year period. This improvement in operational cash generation capability reflects management's efforts in cost optimization and operational efficiency enhancement.

From a balance sheet perspective, net assets declined by 31.1% from RMB275.1 million in 2023 to RMB189.4 million in 2025, primarily due to accumulated losses. Non-current assets



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increased by 20.7% to RMB1,326.6 million, driven by expansion in the store network and related right-of-use assets under new lease agreements, demonstrating the Company's commitment to strategic growth in the Greater Bay Area despite near-term profitability challenges.

SOURCE OF INFORMATION

This report was compiled after consideration of all relevant information obtained from the Company and other public sources. Documents received include, but were not limited to:

- Background information of the Target;
- Legal documents related to the Target;
- Historical financial information of the Target for the financial years ended 31 December 2023, 2024, and 2025; and
- Other operating and market information in relation to the business of the Target.

We conducted interviews and held discussions with the management of the Company. We have relied to a considerable extent on information provided in arriving at our opinion of value. We believe that the information provided by the Company is reasonable and reliable. In addition, we also conducted research using various sources including government statistics and other publications.

APPROACH AND METHODOLOGY

In arriving the market value of 35 percent equity interest in the Target, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

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

Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used.

However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition of the assets appraised in accordance with current market prices for similar assets, with allowance for

accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market.

Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

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

This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Selection of Valuation Approach and Methodology

To select the most appropriate approach, we have considered the purpose of the valuation engagement and the resulting basis of value as well as the availability and reliability of information provided to us to perform an analysis. We have also considered the relative advantages and disadvantages of each approach to the nature and circumstances of the Target. In our opinion, the cost approach is inappropriate for valuing the Target, as it does not directly incorporate information about the economic benefits contributed by the Target. The income approach is not the most optimal approach as it involves long-term financial projections and the adoption of numerous assumptions, not all of which can be easily quantified or ascertained. On the other hand, the market approach relies on market data from comparable companies or transactions, reflecting what investors are currently willing to pay for similar equity interests. Given that there are sufficient publicly listed companies that are comparable to the Target Company in terms of industry relevance and geographic focus, we have adopted the market approach in this valuation.

There are two common methods under market approach, namely, guideline public company method and guideline transaction method. Guideline public company method requires identifying suitable guideline public companies and selection of appropriate trading multiples, while guideline transaction method takes reference to recent mergers and acquisitions transaction between unrelated parties and ratio of transaction price to Target's financial metrics.

In this exercise, the market value of equity interest in the Target was developed through the guideline public company method. The guideline transaction method is not adopted due to lack of sufficient recent market transactions with similar nature as the Target. The guideline public company method requires the research of comparable companies' benchmark

multiples and selection of an appropriate multiple. In this valuation, we have considered the following commonly used benchmark multiples:

Benchmark multiple	Abbreviation	Analysis
Price to earnings	P/E	Not used. P/E is not selected as it does not capture the financial leverage and other related risk feature across the companies.
Price to book	P/B	Not used. P/B multiple is not selected as P/B fails to capture the intangible company-specific competencies and advantages so in general, the equity's book value has little bearing with its fair value.
Price to sales & Enterprise Value to Sales	P/S & EV/S	Not used. P/S & EV/S are not used in the valuation as P/S & EV/S do not take into account a company's profitability.
Enterprise Value to EBITDA	EV/EBITDA	Adopted. EV/EBITDA is considered the most appropriate multiple for comparing companies with different financial leverage (debt) since it is less likely to be distorted by noncash items such as depreciation and amortisation and incorporates both the Target Company's profitability and future earnings expectations, providing a clear benchmark against the other Comparable Companies.

In this valuation, The EV/EBITDA Ratio is defined as the current enterprise value to the earnings before interest, tax, depreciation and amortization of the Target from 1 January 2025 to 31 December 2025. The EV/EBITDA Ratio is a capital structure neutral ratio since it takes into account the debt and earnings before interest expenses. It allows us to compare the Target against the comparable companies without being impacted by how each comparable company finances its operations.

ASSUMPTIONS

In this exercise, we have applied the following assumptions as at the Valuation Date in deriving the market value of the 35 Percent Equity Interest in the Target.

General Assumptions

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target;

- The operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- The facilities and systems proposed are sufficient for future expansion in order to realize the growth potential of the business and maintain a competitive edge; and
- We have assumed that there are no hidden or unexpected conditions associated with the Target that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date.

Market Multiple

AEON GD primarily engages in retail industry that mainly provide supermarket and general merchandise services. From FY2022 to FY2025, AEON GD derived almost 100% of its revenue from retail business according to the management. Additionally, AEON GD generated all its revenue in Mainland China.

Under guideline public company method, in determining the financial multiple, a list of comparable companies was identified. The selection criteria include the followings:

- The companies have been listed on HKEX, SZSE or SHSE for no fewer than 12 months;
- The primary industry of the companies is “Consumer Discretionary Distribution and Retail” or “Broadline Retail” or “Consumer Staples Distribution and Retail” or “Consumer Staples Merchandise Retail” under Global Industry Classification Standard, with keyword “supermarket” or “hypermarkets” included in its business description as extracted from S&P Capital IQ;
- The companies derive over 90% of its revenues from operation of supermarkets in China; and
- Sufficient data, including the EV/EBITDA ratio, on the comparable companies are available as at the Valuation Date;

The comparable companies satisfying the aforementioned criteria are:

Ticker	Name	Company Description	% of Revenue from retail business and supermarket operations ¹
SHSE:601116	Sanjiang Shopping Club Co.,Ltd.	Sanjiang Shopping Club Co.,Ltd operates a chain of food supermarkets in Zhejiang province, the People’s Republic of China. The company operates community stores, Hema stores, and neighborhood stores. he company was founded in 1995 and is headquartered in Ningbo, the People’s Republic of China.	approximately 100%

Ticker	Name	Company Description	% of Revenue from retail business and supermarket operations ¹
SEHK:6808	Sun Art Retail Group Limited	Sun Art Retail Group Limited, an investment holding company, operates brick-and-mortar stores and online sales channels in the People's Republic of China. The company operates hypermarkets, super stores, and membership stores under RT-Mart, RT-Super, and M-Club names. The company was founded in 1998 and is based in Shanghai, China.	approximately 100%
SHSE:605188	Jiangxi Guoguang Commercial Chains Co., Ltd.	Jiangxi Guoguang Commercial Chains Co., Ltd. operates a chain of supermarkets and department stores in China. Its stores fresh food and food as its core category. The company was founded in 2005 and is based in Ji'an, China. Jiangxi Guoguang Commercial Chains Co., Ltd. operates as a subsidiary of Jiangxi Guoguang Industrial Co., Ltd.	approximately 98%
SEHK:814	Beijing Jingkelong Company Limited	Beijing Jingkelong Company Limited engages in the retail and wholesale distribution of daily consumer products. It operates through three segments: Retailing, Wholesaling, and Others. The company is involved in the operation of hypermarkets, supermarkets, convenience stores, and department stores. The company was founded in 1994 and is based in Beijing, China.	approximately 100%
SHSE:603708	Jiajiayue Group Co., Ltd.	Jiajiayue Group Co., Ltd. engages in the operation of supermarkets chains in the People's Republic of China. The company was founded in 1981 and is based in Weihai, the People's Republic of China.	approximately 97%

Note:

1. The percentage of revenue generated from retail business and supermarket operations is directly extracted from or calculated using the annual reports of the comparable companies.
2. The list of Comparable Companies is exhaustive based on the selection criteria and our understanding of the Target and the Comparable Companies.

Below are the financial details and the unadjusted EV/EBITDA multiples of the comparable companies:

Ticker	Name	EV/EBITDA ratio before adjustment ¹
SHSE:601116	Sanjiang Shopping Club Co.,Ltd	22.88
SEHK:6808	Sun Art Retail Group Limited.	2.69
SHSE:605188	Jiangxi Guoguang Commercial Chains Co., Ltd.	69.33
SEHK:814	Beijing Jingkelong Company Limited	13.15
SHSE:603708	Jiajiayue Group Co., Ltd.	7.04

Note:

1. Data sourced from S&P Capital IQ. The EV/EBITDA data of the comparable companies are based on the latest financial data of the comparable companies available as of the Valuation Date.



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The comparable companies are often of significantly different size from the Target. Larger companies are generally perceived as less risky in relation to business operation and financial performance, and thus the expected returns are lower and resulting in higher multiples. Similarly, smaller companies implied higher business risk, resulting in lower valuation multiple. Therefore, the base multiples were adjusted to reflect the difference in size between the comparable companies and the Target.

The adjusted EV/EBITDA Ratios were calculated using the following formula:

$$\text{Adjusted EV/EBITDA Ratio} = 1/((1/M) + \alpha * \varepsilon * \theta)$$

Where:

M = The Base EV/EBITDA Ratio

α = The scale factor, which converts the base measure of the benefits to an alternative measure of benefits for the comparable companies

ε = The ratio of the equity value to the enterprise value of the comparable company

θ = Required adjustment in the equity discount rate for difference in size

M is the base EV/EBITDA ratio and we take the reciprocal of M to come up with 1/M. The logic behind the pricing multiple adjustments is that the reciprocal of the base multiple represents a capitalization rate. In this valuation, the reciprocal of the base EV/EBITDA multiple represents a capitalization rate of the enterprise value.

For the parameter *θ*, it was used as a desired adjustment to reflect the difference in natures between the comparable companies and the target. With reference to the 2024 SBBI® Yearbook published by Kroll Inc. (previously Duff & Phelps), size premium differentials of 0.00%-1.64% were adopted to capture how much the market capitalization of each of the comparable companies is larger than the market value of the target.

The ratio of the market capitalization to enterprise value *ε* was adopted as a weighting factor. As aforesaid, the logic behind this formula is that a pricing multiple is the reciprocal of the capitalization rate. In the case of an enterprise value multiple, the capitalization rate is driven by the weighted average cost of capital (“WACC”) of the valuation subject. Since the size and country risk premium differentials “*θ*” are applicable only to the equity portion (for a listed company, market capitalization represents the market value of its equity) but not to the debt portion of the WACC, we only adjust the equity portion of the capitalization rate in this pricing multiple adjustment formula. The ratio *ε* was used to apply an appropriate weighting on the parameter *θ* so that the capitalization rate was adjusted only to the extent of its equity portion. In other words, the ratio *ε* takes into account of the varying capital structures among the comparable companies. Market capitalization and enterprise value of comparable companies are obtained from Capital IQ.

The ratio of EBITDA to net operating profit after tax (“NOPAT”) was used as a scale factor *α*, which is applied in the adjustment of the EV/EBITDA multiple. It is considered that the base

measure of the benefits for enterprise value to be NOPAT (Hitchner, 2017), which is a financial measure that shows how well a company performed through its core operations net of taxes and it excludes tax savings from existing debt and one-time losses or charges. As EV/EBITDA was adopted as the pricing multiple in this valuation, EBITDA becomes an alternative measure of the benefits for enterprise value in the pricing multiple adjustment formula. Hence, α was used as a scale factor for the alternative measure of benefit. EBITDA and NOPAT of comparable companies are obtained from Capital IQ.

The details of the adjustments and Adjusted EV/EBITDA Ratios of the comparable companies are as follows:

Ticker	Name	Total Adjustment ($\alpha * \epsilon * \theta$)	Adjusted EV/EBITDA Ratio
SHSE:601116	Sanjiang Shopping Club Co.,Ltd	5.15%	10.50
SEHK:6808	Sun Art Retail Group Limited.	11.74%	2.05
SHSE:605188	Jiangxi Guoguang Commercial Chains Co., Ltd.	10.63%	8.29
SEHK:814	Beijing Jingkelong Company Limited	0.00%	13.15
SHSE:603708	Jiajiayue Group Co., Ltd.	7.25%	4.66

The median of the adjusted EV/EBITDA Ratio is calculated at **8.29** and is adopted as the EV/EBITDA Ratio for the valuation on the market value of the equity interest in the Target.

Discount for Lack of Marketability (DLOM)

A factor to be considered in valuing closely held companies such as the Target is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers of interests in privately-held companies, because there is no established market of readily-available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private-held company is worth less because no established market exists.

The 2024 Stout Restricted Stock Study is a widely used and authoritative empirical database that supports valuation professionals in determining marketability discount. It includes over 750 carefully screened restricted stock transactions, providing detailed data to compare with subject companies. This resource is recognized for its rigor, reliability, and industry acceptance, enabling professionals to make defensible and tailored discount determinations. In this case, we have made reference to the 2024 Edition Stout Restricted Stock Study of 779 private placement transactions of unregistered common stock issued by publicly traded

companies. Among these, the companies are categorized by industry based on these case studies. The discount was calculated by dividing the difference between the private placement price and the market reference price by the market reference price, and the DLOM for retail trade industry is arrived at overall median discount of 13.20%.

CALCULATION OF VALUATION RESULT

Under the guideline public company method, the market value depends on the market multiples of the comparable companies derived from S&P Capital IQ as at the Valuation Date. We have also taken into account of DLOM. The calculation of the market value of the 35 Percent equity interest in the Target as at the Valuation Date is as follows:

	As at 31 December 2025 <i>(RMB '000)</i>
Trailing 12 months EBITDA of the Target*	140,593
Adjusted EV/EBITDA Ratio	8.29
Enterprise Value	1,161,185
<i>Add:</i> Cash and Cash Equivalents*	528,531
<i>Less:</i> Minority Interest*	-
<i>Less:</i> Debt and Lease Liabilities*	1,129,253
100 Percent Equity Interest in Target (marketable, non-controlling)	560,463
Less: Discount for Lack of Marketability (13.20%)	73,981
100 Percent Equity Interest in Target (non-marketable, non-controlling)	486,482
35 Percent Equity Interest in Target (non-marketable, non-controlling)	170,269

Note: *The trailing 12 months EBITDA of the Target and the figures of Cash and Cash Equivalents, which includes total cash, short-term investments, term deposits and pledged bank deposits (if applicable), Minority Interest, Debt and Lease Liabilities were extracted from the financial statements of the Target for the years ended 31 December 2025 as provided by the Company.

VALUATION COMMENTS

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target, the Company and JLL.



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We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This report is issued subject to our Limiting Conditions as attached.



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OPINION OF VALUE

Based on the results of our investigations and analyses outlined in this report, we are of the opinion that the market value of 35 Percent Equity Interest in the Target as at the Valuation Date is reasonably stated as at the amount of **RMB 170,269,000**.

LIMITING CONDITIONS

This report and opinion of value are subject to our Limiting Conditions as attached.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

A handwritten signature in black ink, appearing to read 'Simon M.K. Chan', written over a horizontal line.

Simon M.K. Chan

Executive Director

Note: Mr. Simon M.K. Chan is a fellow (FCPA) of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS). He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.

LIMITING CONDITIONS

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our reports were used as part of the Company's/engagement parties' analysis in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the subject property rests solely with the Company/engagement parties.
2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.
3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.
4. The management and the Board of the Company/engagement parties have reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.
5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.
6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.
7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.
8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.
9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation/Reference Date. We cannot provide assurance on the achievability of the results forecasted by the Company/engagement parties (if any) because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results (if any) is dependent on actions, plans and assumptions of management.



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10. This report has been prepared solely for internal use purpose. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. Even with our prior written consent for such, we are not liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.
11. This report is confidential to the client and the calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the Valuation / Reference Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.
12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation.
13. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.
14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.
15. This exercise is premised in part on the historical financial information and future forecast (if any) provided by the management of the Company/engagement parties and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.
16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Company/engagement parties and other sources. Actual transactions involving the subject assets / business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.



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17. The management or staff of the Company/engagement parties and/or its representatives have confirmed to us that the transaction or themselves or the parties involved in the pertained assets or transaction are independent to our firm and Jones Lang LaSalle Corporate Appraisal and Advisory Limited in this valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independency in our work, the Company/engagement parties and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

VALUERS' PROFESSIONAL DECLARATION

The following valuers certify, to the best of their knowledge and belief, that:

- Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.
- The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.
- The reported analyses, opinions, and conclusions are independent and objective.
- The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.
- The valuers' compensation is not contingent upon the quantum of the value assessed, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.
- The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Council.
- The under mentioned persons provided professional assistance in the compilation of this report.

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