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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a 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 Beijing Properties (Holdings) Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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BEIJING PROPERTIES (HOLDINGS) LIMITED

北京建設（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 925)

PROPOSED MANDATE IN RELATION TO THE POTENTIAL VERY SUBSTANTIAL DISPOSAL THROUGH PUBLIC TENDER AND NOTICE OF SPECIAL GENERAL MEETING

Capitalised terms used on this cover page have the same meaning as defined in the section headed “Definitions” in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 9 to 30 of this circular.

A notice convening the SGM to be held with a combination of a physical meeting at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and virtual meeting at 11:00 a.m. on 23 August 2022, Tuesday is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for the SGM is also enclosed. Whether or not you intend to attend the SGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the form of proxy will be deposited before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the form of proxy will be deposited on or after 15 August 2022) or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof (as the case may be). The completion and return of a form of proxy will not preclude you from attending and voting at the SGM in person should you so wish.

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

To safeguard the health and safety of shareholders of the Company and to prevent the spreading of the novel coronavirus disease (COVID-19) pandemic, the following precautionary measures will be implemented at the special general meeting:

- (1) Limiting the number of the SGM attendees to avoid over-crowding
- (2) Maintaining an appropriate social distancing between seats
- (3) Compulsory body temperature screening/checks
- (4) Compulsory wearing of surgical face mask
- (5) No provision of food or beverages and no distribution of gifts

For the health and safety of shareholders of the Company, the Company would strongly encourage shareholders of the Company to exercise their right to vote at the special general meeting by appointing the chairman of the special general meeting as their proxy and to return their forms of proxy by the time specified above, instead of attending the special general meeting in person.

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DEFINITIONS

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

“Advance Wit”	Advance Wit Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Aggregate Minimum Consideration”	the total sum of the minimum consideration for Target Groups as set out in the section headed “The Proposed Disposals Through Public Tender” in the Letter from the Board
“Asset Transaction Agreement(s)”	asset transaction agreement(s)(產權交易合同) to be entered into between each of the Transferors and the successful bidder(s) of the Public Tender in respect of each of the Target Groups, according to the rules and regulations of CBEX
“BE Group”	Beijing Enterprises Group Company Limited* (北京控股集團有限公司), a company incorporated in the PRC with limited liability and the ultimate controlling shareholder of the Company
“Beijing Inland Port”	Beijing Inland Port Co., Ltd.* (北京北建通成國際物流有限公司), a joint venture established in the PRC with limited liability, owned as to 52% by New Concord, 24% by New Fine and 24% by other joint venture partner
“Beijing Inland Port Group”	the group of companies comprising New Concord, New Fine and Beijing Inland Port and these companies were disposed of by the Group on 6 June 2022 which was announced by the Company on the same date
“Beijing Properties (Shanghai)”	Beijing Properties (Shanghai) Warehouse Co., Ltd.* (北建(上海)倉儲有限公司), a company established in the PRC and a direct wholly-owned subsidiary of Phoenix Real Estate
“BG Finance”	Beijing Enterprises Group Finance Co., Ltd.* (北京控股集團財務有限公司), a company incorporated in the PRC with limited liability and is an associate of BE Group
“Board”	the board of Directors

DEFINITIONS

“CBEX”	China Beijing Equity Exchange
“China Logistics Warehouses”	China Logistics Warehouses (Holdings) Co., Ltd, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Company”	Beijing Properties (Holdings) Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 925)
“Completion”	the completion of the Proposed Disposals pursuant to the terms and conditions of the Asset Transaction Agreement
“Director(s)”	director(s) of the Company
“Final Consideration”	the final consideration for the sale and purchase of the Proposed Disposals
“Fubao Global”	Fubao Global Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hainan Datong”	Hainan Datong Warehouse Company Limited* (海南達通倉儲有限責任公司), a company established in the PRC and the equity interest of which is owned as to 80% by Mark Famous
“Hainan Property”	the land and the properties (including the buildings and structures erected above) and the corresponding land use rights, particulars of which are set out under such description in the section headed “The Properties” in the Letter from the Board
“High Broad”	Hong Kong High Broad International Investment Group Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Fubao Global

DEFINITIONS

“High Church”	Hong Kong High Church Group Limited, a company incorporated in Hong Kong and the issued shares of which are owned as to 70% by Hong Heng and 30% by Integral Success
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Heng”	Hong Heng Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Initial Minimum Consideration”	the initial minimum bid price for the Sale Shares, being RMB2,491,611,000
“Integral Success”	Integral Success Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Jade (Shanghai)”	Jade (Shanghai) Investments Company Ltd, a company established in the PRC and an indirect wholly-owned subsidiary of the Company
“Latest Practicable Date”	29 July 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mark Famous”	Mark Famous Investment Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of China Logistics Warehouses
“New Concord”	New Concord Properties Limited (新陽置業有限公司), a company incorporated in Hong Kong with limited liability
“New Fine”	New Fine International Development Limited (新輝國際發展有限公司), a company incorporated in Hong Kong with limited liability

DEFINITIONS

“Ocean Lord”	Ocean Lord Investment Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of China Logistics Warehouses
“Phoenix Real Estate”	Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Advance Wit
“PRC”	People’s Republic of China, for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“PRC Valuer”	Beijing Guorongxinghua Assets Appraisal Co., Ltd.* (北京國融興華資產評估有限責任公司), an independent valuer
“Proposed Disposals”	the proposed disposals of the entire issued share capital in each of the Target Companies and the term “Proposed Disposal” refers to the proposed disposal of the entire issued share capital in a certain Target Company
“Proposed Mandate”	a general mandate proposed to be granted in advance by the Shareholders at the SGM to the Directors to enter into and complete the Proposed Disposals through Public Tender
“Property Valuation Report”	the valuation report of the Properties as at 31 May 2022 issued by the Property Valuer, the text of which is set out in Appendix V to this circular
“Property Valuer”	CHFT Advisory and Appraisal Ltd, an independent valuer in Hong Kong in relation to valuation of the Properties
“Properties”	collectively, Transwell International Property, Transwealth Logistics Property, Shanghai Property, Tong Da Property, Hainan Property and Xiamen Property
“Public Tender”	the public tender for the Proposed Disposals through CBEX
“Publication Period”	the publication period for the Public Tender during which qualified bidders may submit to CBEX their applications for the bid

DEFINITIONS

“Purchaser”	the successful bidder of the Public Tender
“Related Party Loans”	the onshore and offshore related party loans between the Target Groups and the Remaining Group
“Remaining Group”	the Group, excluding the Target Groups and the Beijing Inland Port Group
“Revised Minimum Consideration”	the revised minimum bid price of the Sale Shares for Target Group (1), Target Group (2), Target Group (3), Target Group (4), Target Group (5) and Target Group (6), being a price not less than RMB1,949,312,900
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	100% equity interest in Shanghai Xinmu and 100% shareholdings in High Broad, High Church, Phoenix Real Estate, Tong Da (HK), Mark Famous and Ocean Lord
“SASAC”	the State-owned Assets Supervision and Administration Commission of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting to be convened and held by the Company for the Shareholders to consider and, if thought fit, approve the resolution(s) in relation to the grant of the Proposed Mandate
“Shanghai Property”	the land and the properties (including the buildings and structures erected above) and the corresponding land use rights, particulars of which are set out under such description in the section headed “The Properties” in the Letter from the Board
“Shanghai Xinmu”	Shanghai Xinmu Cooperation Management Consultancy Company Limited* (上海鑫穆企業管理諮詢有限公司), a company established in the PRC and a direct wholly-owned subsidiary of Jade (Shanghai)
“Shareholders”	holders of the share(s) of HK\$0.10 each in the share capital of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Superior Gain”	Superior Gain Global Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“Target Companies”	Shanghai Xinmu, High Broad, High Church, Phoenix Real Estate, Tong Da (HK), Mark Famous and Ocean Lord and the term “Target Company” refers to any one of the aforesaid companies
“Target Group (1)”	Shanghai Xinmu, High Broad and Transwell International (including Target Group (1a) and Target Group (1b))
“Target Group (1a)”	Shanghai Xinmu and its 30% equity interest in Transwell International
“Target Group (1b)”	High Broad and its 70% equity interest in Transwell International
“Target Group (2)”	High Church and Transwealth Logistics
“Target Group (3)”	Phoenix Real Estate and Beijing Properties (Shanghai)
“Target Group (4)”	Tong Da (HK) and Tong Da (Tianjin)
“Target Group (5)”	Mark Famous and Hainan Datong
“Target Group (6)”	Ocean Lord and Xiamen Xunda
“Target Groups”	Target Group (1), Target Group (2), Target Group (3), Target Group (4), Target Group (5) and Target Group (6) and the term “Target Group” refers to any one of the aforesaid groups
“Tong Da (HK)”	Tianjin Tong Da You Zhi Logistics Investments Limited, a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Superior Gain

DEFINITIONS

“Tong Da Property”	the land and the properties (including the buildings and structures erected above) and the corresponding land use rights, particulars of which are set out under such description in the section headed “The Properties” in the Letter from the Board
“Tong Da (Tianjin)”	Tianjin Tong Da You Zhi Logistics Co., Ltd* (天津通達優智物流有限公司), a company established in the PRC and a direct wholly-owned subsidiary of Tong Da (HK)
“Transferors”	Jade (Shanghai), Fubao Global, Integral Success, Hong Heng, Advance Wit, Superior Gain and China Logistics Warehouses
“Transwealth Logistics”	Transwealth Logistics (Tianjin) Co., Ltd.* (天域萬隆物流(天津)有限公司), a company established in the PRC and a direct wholly-owned subsidiary of High Church
“Transwealth Logistics Property”	the land and the properties (including the buildings and structures erected above) and the corresponding land use rights, particulars of which are set out under such description in the section headed “The Properties” in the Letter from the Board
“Transwell International”	Tianjin Transwell International Logistics Co., Ltd.* (天津萬士隆國際物流有限公司), a company established in the PRC and the equity interest of which is owned as to 70% by High Broad and 30% by Shanghai Xinmu
“Transwell International Property”	the land and the properties (including the buildings and structures erected above) and the corresponding land use rights, particulars of which are set out under such description in the section headed “The Properties” in the Letter from the Board
“Working Day(s)”	a day or days other than a Saturday or Sunday, on which banks are open in the PRC to the general public for business

DEFINITIONS

“Xiamen Property”	the land and the properties (including the buildings and structures erected above) and the corresponding land use rights, particulars of which are set out under such description in the section headed “The Properties” in the Letter from the Board
“Xiamen Xunda”	Xiamen Xunda Hongtong Warehouse Company Limited* (廈門遜達洪通倉儲有限責任公司), a company established in the PRC and the equity interest of which is owned as to 80% by Ocean Lord
“%”	per cent

* For identification purpose only

For the purpose of illustration in this circular, figures in Renminbi are translated into Hong Kong dollars at the approximate exchange rate of RMB1 to HK\$1.2258. In addition, all the English translation of certain Chinese names or words in this circular is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.

LETTER FROM THE BOARD



BEIJING PROPERTIES (HOLDINGS) LIMITED

北京建設（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 925)

Executive Directors:

Mr. Qian Xu
Mr. Zhao Jiansuo
Mr. Siu Kin Wai
Mr. Zhang Xudong
Mr. Dong Qilin
Mr. Cheng Ching Fu
Mr. Yu Luning
Mr. Ng Kin Nam
Mr. Ren Lin

Independent Non-executive Directors:

Mr. Goh Gen Cheung
Mr. Zhu Wuxiang
Mr. James Chan
Mr. Song Lishui
Mr. Xie Ming

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*

66th Floor
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

3 August 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSED MANDATE IN RELATION TO
THE POTENTIAL VERY SUBSTANTIAL DISPOSAL
THROUGH PUBLIC TENDER
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the Company's announcements dated 18 March 2022 and 4 July 2022, respectively, in relation to the Proposed Mandate relating to the Proposed Disposals through the Public Tender.

LETTER FROM THE BOARD

As the Company is a state-controlled listed company, the disposal of its state-owned assets or equity interests is required by laws and regulations of the PRC governing the disposal of state-controlled assets to undergo the process of public tender through a qualified equity exchange institution.

The Initial Minimum Consideration of approximately RMB2,491,611,000 represents the initial minimum bid price for the Sale Shares, which is mainly determined by reference to the consolidated net asset value of the Target Groups.

The Final Consideration shall be equal to the winning bid price of the Public Tender, but in any event, shall not be less than the Initial Minimum Consideration.

The purpose of this circular is to provide you with further information regarding, among other things, (i) the Proposed Disposals; (ii) the financial and other information of the Group; (iii) the financial information of the Target Groups; (iv) the unaudited pro forma financial information of the Specified Group (as defined in page IV-1) upon completion of the Proposed Disposals; (v) the Property Valuation Report; (vi) the valuation reports of the Target Groups; and (vii) the notice of the SGM, to enable you to make an informed decision on whether to vote for or against the resolution to be proposed at the SGM.

THE PROPOSED DISPOSALS THROUGH PUBLIC TENDER

A. The Target Groups

Target Group (1)

Shanghai Xinmu is a company established in the PRC, a direct wholly-owned subsidiary of Jade (Shanghai), and is principally engaged in investment holding. High Broad is incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of Fubao Global, and is principally engaged in investment holding. Shanghai Xinmu owns 30% and High Broad owns 70% of the equity interest in Transwell International which is a domestic company established in PRC with limited liability and Transwell International is principally engaged in the operation of a warehouse located in Tianjin, PRC.

LETTER FROM THE BOARD

Set out below is a summary of the consolidated financial information of Target Group (1) based on its unaudited financial statements for the two financial years ended 31 December 2021 and 2020:

	For the year ended 31 December 2021 <i>HK\$ million</i> (unaudited)	For the year ended 31 December 2020 <i>HK\$ million</i> (unaudited)
Net Profit before tax	10.21	12.87
Net Profit after tax	7.82	9.56

The unaudited combined net asset values of Target Group (1a) and Target Group (1b) attributable to the Company as at 31 December 2021 were approximately HK\$10,186,000 and HK\$180,164,000, respectively.

Target Group (2)

High Church is incorporated in Hong Kong with limited liability, owned as to 30% by Integral Success and 70% by Hong Heng, and is principally engaged in investment holding. High Church wholly owns Transwealth Logistics which is a domestic company established in PRC with limited liability and Transwealth Logistics is principally engaged in the operation of a warehouse located in Tianjin, PRC.

LETTER FROM THE BOARD

Set out below is a summary of the consolidated financial information of Target Group (2) based on its unaudited financial statements for the two financial years ended 31 December 2021 and 2020:

	For the year ended 31 December 2021 <i>HK\$ million</i> (unaudited)	For the year ended 31 December 2020 <i>HK\$ million</i> (unaudited)
Net Profit before tax	8.34	13.62
Net Profit after tax	6.28	11.31

The unaudited combined net asset value of Target Group (2) attributable to the Company as at 31 December 2021 was approximately HK\$135,893,000.

Target Group (3)

Phoenix Real Estate is incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of Advance Wit, and is principally engaged in investment holding. Phoenix Real Estate wholly owns Beijing Properties (Shanghai) which is a domestic company established in PRC with limited liability and Beijing Properties (Shanghai) is principally engaged in the operation of a warehouse located in Shanghai, PRC.

Set out below is a summary of the consolidated financial information of Target Group (3) based on its unaudited financial statements for the two financial years ended 31 December 2021 and 2020:

	For the year ended 31 December 2021 <i>HK\$ million</i> (unaudited)	For the year ended 31 December 2020 <i>HK\$ million</i> (unaudited)
Net Profit before tax	69.99	129.69
Net Profit after tax	52.56	95.71

The unaudited combined net asset value of Target Group (3) attributable to the Company as at 31 December 2021 was approximately HK\$1,736,508,000.

LETTER FROM THE BOARD

Target Group (4)

Tong Da (HK) is incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of Superior Gain, and is principally engaged in investment holding. Tong Da (HK) wholly owns Tong Da (Tianjin) which is a domestic company established in PRC with limited liability and Tong Da (Tianjin) is principally engaged in the operation of a warehouse located in Tianjin, PRC.

Set out below is a summary of the consolidated financial information of Target Group (4) based on its unaudited financial statements for the two financial years ended 31 December 2021 and 2020:

	For the year ended 31 December 2021 HK\$ million (unaudited)	For the year ended 31 December 2020 HK\$ million (unaudited)
Net Profit before tax	3.73	4.34
Net Profit after tax	3.25	3.31

The unaudited combined net asset value of Target Group (4) attributable to the Company as at 31 December 2021 was approximately HK\$90,703,000.

Target Group (5)

Mark Famous is incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of China Logistics Warehouses, and is principally engaged in investment holding. Mark Famous owns 80% equity interest in Hainan Datong which is a domestic company established in PRC with limited liability and Hainan Datong is principally engaged in the operation of a warehouse located in Hainan, PRC.

LETTER FROM THE BOARD

Set out below is a summary of the consolidated financial information of Target Group (5) based on its unaudited financial statements for the two financial years ended 31 December 2021 and 2020:

	For the year ended 31 December 2021 <i>HK\$ million</i> (unaudited)	For the year ended 31 December 2020 <i>HK\$ million</i> (unaudited)
Net Profit before tax	9.19	13.51
Net Profit after tax	7.46	11.79

The unaudited combined net asset value of Target Group (5) attributable to the Company as at 31 December 2021 was approximately HK\$136,609,000.

Target Group (6)

Ocean Lord is incorporated in Hong Kong with limited liability, a direct wholly-owned subsidiary of China Logistics Warehouses, and is principally engaged in investment holding. Ocean Lord owns 80% equity interest in Xiamen Xunda which is a domestic company established in PRC with limited liability and Xiamen Xunda is principally engaged in the operation of a warehouse located in Xiamen, PRC.

Set out below is a summary of the consolidated financial information of Target Group (6) based on its unaudited financial statements for the two financial years ended 31 December 2021 and 2020:

	For the year ended 31 December 2021 <i>HK\$ million</i> (unaudited)	For the year ended 31 December 2020 <i>HK\$ million</i> (unaudited)
Net Profit before tax	19.76	38.77
Net Profit after tax	16.54	32.58

The unaudited combined net asset value of Target Group (6) attributable to the Company as at 31 December 2021 were approximately HK\$331,590,000.

LETTER FROM THE BOARD

The Properties

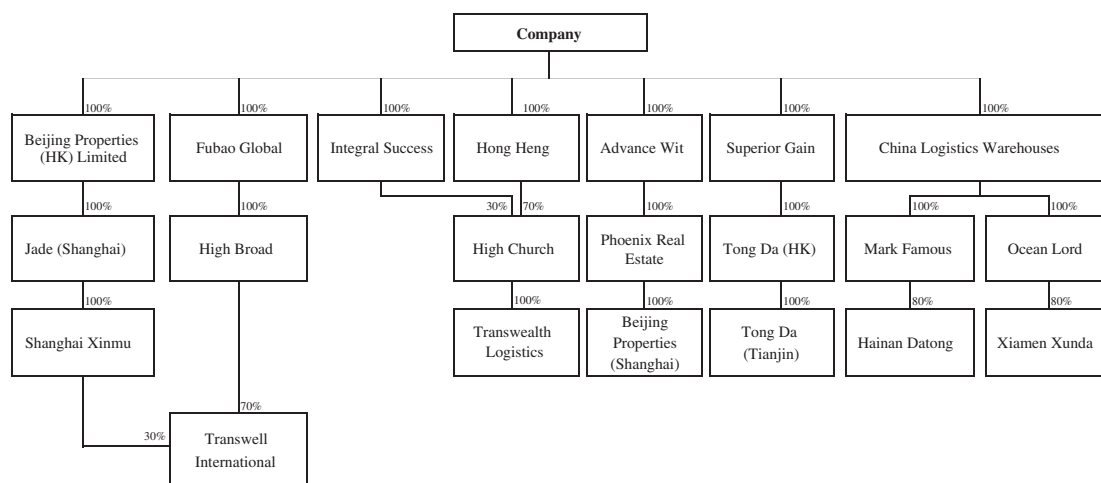
The particulars of the Properties are set out below:

	Properties	Property Owner	Address
1	Transwell International Property	Transwell International	Site 19, Third Avenue, Tianjin Airport Economic Area (International Logistics Zone), Tianjin City, the PRC
2	Transwealth Logistics Property	Transwealth Logistics	Site F, Tianjin Airport International Logistics Zone, Tianjin City, the PRC
3	Shanghai Property	Beijing Properties (Shanghai)	Level 1 on No. 89 Shenfei Road, Levels 1 and 2 on Nos. 59, 119, 159, 199, 239 Shenfei Road, and Levels 1 and 2 on Nos. 60, 90, 120, 160, 200 and 240 Shenyang Road, Shanghai Wai Gao Qiao Logistics Centre, Shanghai City, the PRC
4	Tong Da Property	Tong Da (Tianjin)	No. 168 Jing Bin Avenue, Tianjin Port Free Trade Zone, Tianjin City, the PRC
5	Hainan Property	Hainan Datong	Jin Ma Xian Dai Logistics Center, Jinma Avenue, Chengmai County, Haikou City, Hainan Province, the PRC
6	Xiamen Property	Xiamen Xunda	Nos. 555-563, Ji'an Road, Tong'an District, Xiamen City, Fujian Province, the PRC

LETTER FROM THE BOARD

Shareholding Diagram of the Target Groups

The shareholding diagram of the Target Groups as at the Latest Practicable Date is set out below:



B. The Transferors

The details of the Transferors in the Proposed Disposals are set out as below:

Assets under disposal

Transferors and the Sale Shares

Target Group (1)	Jade (Shanghai) (100% equity interest in Shanghai Xinmu) and Fubao Global (100% shareholding in High Broad)
Target Group (2)	Integral Success (30% shareholding in High Church) and Hong Heng (70% shareholding in High Church)
Target Group (3)	Advance Wit (100% shareholding in Phoenix Real Estate)
Target Group (4)	Superior Gain (100% shareholding in (Tong Da (HK)))
Target Group (5)	China Logistics Warehouses (100% shareholding in Mark Famous)
Target Group (6)	China Logistics Warehouses (100% shareholding in Ocean Lord)

LETTER FROM THE BOARD

Jade (Shanghai) is established in the PRC and the other Transferors are incorporated in the British Virgin Islands. All the Transferors are principally engaged in investment holdings. Jade (Shanghai) is indirectly wholly owned by the Company. All the other Transferors are directly wholly owned by the Company.

C. Major Terms of Proposed Disposals

Qualification of Potential Bidders

The potential bidders shall satisfy, among others, the following qualifications:

1. the potential bidders must not be connected persons (as defined under Chapter 14A of the Listing Rules) of the Group;
2. the potential bidders shall be financially sound and solvent;
3. the potential bidders shall have good business credibility;
4. the potential bidders shall be validly established enterprises or natural persons who shall have full civil capacity; and
5. other qualifications stipulated under the laws and regulations of the PRC or as may be directed by the relevant PRC governmental authorities including CBEX.

Procedures of the Public Tender

To commence the formal process of the Public Tender in respect of each member of the Target Groups, the Transferors will have to submit to CBEX the tender notice setting out, *inter alia*, (a) the Initial Minimum Consideration; (b) the principal terms of the bid; and (c) descriptions and qualifications of potential bidders. The Transferors will submit the tender notice in respect of the Target Groups to CBEX after the Shareholders have granted the Proposed Mandate at the SGM and in any event no later than 29 August 2022.

LETTER FROM THE BOARD

The Publication Period, which is subject to the rules of CBEX for the extension, will initially be 20 Working Days from the date of the tender notice. During the Publication Period, qualified bidders may indicate their intention to purchase any one or more of the members of the Target Groups, and register themselves as the respective interested bidders. Upon the close of the Public Tender, CBEX will notify the Company of the identity of the successful bidder(s). As soon as the identity of the successful bidder(s) is confirmed, each of the Transferors shall enter into the Asset Transaction Agreement with the respective successful bidders.

However, in the event that a successful bidder is not identified during the Publication Period, the Transferor may reduce the minimum bid price for the Sale Shares and accordingly the Initial Minimum Consideration may be revised to not lower than the Revised Minimum Consideration; and in such case, the Transferor is subject to the disclosure requirements under the rules of CBEX. The Company will make further announcement in the event that the Initial Minimum Consideration needs to be reduced.

As at the Latest Practicable Date, material information of the Asset Transaction Agreements including the bidders, final consideration, payment, delivery and closing date have not been finalized. Each of the Transferors will enter into the Asset Transaction Agreements upon confirmation of the successful bidders and the Company will comply with information disclosure obligations under the Listing Rules. As at the Latest Practicable Date, no agreement has been entered into between the Group and any other party in relation to the Proposed Disposals.

Consideration

The Initial Minimum Consideration for all the Target Groups amounts to approximately RMB2,491,611,000 which is mainly determined with reference to the consolidated adjusted net asset value of the Target Groups, comprising the following:

- (i) the unaudited consolidated adjusted net asset value of Target Group (1) as at 31 December 2021 of approximately RMB201,064,000 (equivalent to approximately HK\$246,465,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$190,350,000 and (2) deferred tax liability of HK\$56,115,000);
- (ii) the unaudited consolidated adjusted net asset value of Target Group (2) as at 31 December 2021 of approximately RMB127,213,000 (equivalent to approximately HK\$155,939,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$135,893,000 and (2) deferred tax liability of HK\$20,046,000);

LETTER FROM THE BOARD

- (iii) the unaudited consolidated adjusted net asset value of Target Group (3) as at 31 December 2021 of approximately RMB1,644,081,000 (equivalent to approximately HK\$2,015,315,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$1,736,508,000 and (2) deferred tax liability of HK\$278,807,000);
- (iv) the unaudited consolidated adjusted net asset value of Target Group (4) as at 31 December 2021 of approximately RMB86,486,000 (equivalent to approximately HK\$106,014,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$90,703,000 and (2) deferred tax liability of HK\$15,311,000);
- (v) the unaudited consolidated adjusted net asset value of Target Group (5) as at 31 December 2021 of approximately RMB128,580,000 (equivalent to approximately HK\$157,614,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$136,609,000 and (2) 80% of deferred tax liability of HK\$26,257,000 attributable to the Target Group (5); and
- (vi) the unaudited consolidated adjusted net asset value of Target Group (6) as at 31 December 2021 of approximately RMB304,187,000 (equivalent to approximately HK\$372,873,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$331,590,000, (2) 80% of deferred tax liability of HK\$47,314,000 attributable to the Target Group (6) and (3) 80% of fair value change of investment properties attributable to the Target Group (6) of HK\$4,290,000 (equivalent to approximately RMB3,500,000)).

Each of the aforesaid unaudited consolidated adjusted net asset value has taken into account of: (i) investment properties value; and (ii) an addition of the deferred tax liability related to the accumulated fair value increment of such Target Group's investments in its respective investment properties under the relevant accounting standards.

LETTER FROM THE BOARD

In relation to investment properties value above, as set out in the reconciliation statement below, the fair value of Properties is approximately RMB2,836,500,000 as at 31 May 2022 (as set out in Appendix V to this circular), which comprises (a) the carrying value of the Properties as at 31 December 2021 of approximately RMB2,833,000,000 (equivalent to approximately HK\$3,472,664,000); and (b) the fair value increment for the Properties for the five months ended 31 May 2022 of approximately RMB3,500,000.

Set out below is the reconciliation between the valuation of the Properties and the unaudited financial information of the Target Groups as set out in Appendix II to this circular:

Valuation of the Properties	Target Group (1) RMB	Target Group (2) RMB	Target Group (3) RMB	Target Group (4) RMB	Target Group (5) RMB	Target Group (6) RMB	Total RMB
Carrying value as at 31 December 2021	203,000,000	179,000,000	1,818,000,000	78,000,000	192,000,000	363,000,000	2,833,000,000
Fair value increment	–	–	–	–	–	3,500,000	3,500,000
Carrying value as at 31 March 2022 & Properties valuation as at 31 May 2022	<u>203,000,000</u>	<u>179,000,000</u>	<u>1,818,000,000</u>	<u>78,000,000</u>	<u>192,000,000</u>	<u>366,500,000</u>	<u>2,836,500,000</u>
The abovementioned carrying values present in HKD:							
As at 31 December 2021	<u>248,835,000</u>	<u>219,416,000</u>	<u>2,228,487,000</u>	<u>95,612,000</u>	<u>235,352,000</u>	<u>444,962,000</u>	<u>3,472,664,000</u>
As at 31 March 2022	<u>250,746,000</u>	<u>221,101,000</u>	<u>2,245,593,000</u>	<u>96,346,000</u>	<u>237,158,000</u>	<u>452,701,000</u>	<u>3,503,645,000</u>

The Initial Minimum Consideration for each of the Target Groups, as noted in the above paragraphs will be adjusted when any proposed price of the investment properties from interested buyers are higher than the valuation report of their respective investment properties.

LETTER FROM THE BOARD

If a successful bidder is not identified during the initial Publication Period, the Company may apply to CBEX to amend certain conditions of listing including revising the minimum bid price of the Sale Shares to the Revised Minimum Consideration of not less than RMB1,949,312,900 which comprises (i) Target Group (1a) of RMB3,983,700, (ii) Target Group (1b) of RMB164,229,800, (iii) Target Group (2) of RMB86,644,100, (iv) Target Group (3) of RMB1,274,899,500, (v) Target Group (4) of RMB68,380,000, (vi) Target Group (5) of RMB98,574,200 and (vii) Target Group (6) of RMB252,601,600. The Revised Minimum Consideration is determined by reference to the results of the valuation reports issued by the PRC Valuer, in respect of the net asset value of each of the aforesaid Target Groups as at 31 August 2021 using the asset-based approach, as set out in Appendix VI to this circular. The Revised Minimum Consideration has been approved by the BE Group, which indirectly holds 66.85% of the issued share capital of the Company through its wholly-owned subsidiaries, and filing shall be made at SASAC in accordance with relevant laws and regulations in the PRC.

To avoid disposal of state-owned assets at under value, the Company is required to engage a PRC independent valuer which is responsible for the valuation of state-owned assets, and the Company must dispose of the state-owned assets at a price that is not less than the value as determined by the PRC independent valuer. The Board is therefore of the opinion that the Revised Minimum Consideration is fair and reasonable. The Company will make further announcement in the event the Initial Minimum Consideration needs to be reduced to not lower than the Revised Minimum Consideration.

The potential bidders shall pay an amount equivalent to no greater than 20% of the minimum consideration for each of the Target Groups (as the case may be) to a designated account as deposit. Any deposit paid by the successful bidder(s) shall be deemed to be part payment of the final consideration for the purchase of such member(s) of the Target Groups. The full amount of the deposit shall be returned to the other bidders within 3 Working Days after the identity of the successful bidder(s) is confirmed by CBEX.

The final consideration for the sale and purchase of each of the Target Groups, shall equal the winning bid price of the Public Tender, but in any event, shall not be less than the minimum consideration of each of the Target Groups as set out above.

The final consideration for the sale and purchase of each of the Target Groups shall be paid pursuant to the terms of the Asset Transaction Agreements. Any deposit paid by the successful bidders shall be deemed to be part payment of the final consideration.

LETTER FROM THE BOARD

The Final Consideration shall be paid in Hong Kong. The Purchaser shall pay (i) the Final Consideration in full upon Completion; or (ii) the first installment in an amount equivalent to not less than 85% of the Final Consideration upon Completion, and the balance of the Final Consideration shall be paid within six (6) months after Completion. If the Final consideration is not paid in full upon Completion, the Purchaser shall provide a guarantee issued by a licensed bank in Hong Kong or such other guarantee to the satisfaction of the Transferor and pay interest calculated not lower than the one-year loan prime rate (LPR) of the PRC, on the balance of the Final Consideration until full settlement.

Conditions precedent to the Proposed Disposals

The entering into and completion of the Proposed Disposals shall be conditional upon, *inter alia*:

- (i) the Company having completed all filing procedures and obtained all necessary consents and approvals regarding the Proposed Disposals including the approval by the Shareholders in respect of the Proposed Mandate at the SGM;
- (ii) the Company would assist the Purchaser to obtain the waiver from the bank where the terms of the existing bank loan in Target Group (3) restrict or prohibit in relation to any change of control or any such change arising from the Proposed Disposal of Target Group (3). However, in the event that the current lending banks do not agree to the continuance of the current lending arrangement post Completion, the Purchaser shall arrange for financing to repay the outstanding bank loans of the Target Group (3) in full upon Completion;
- (iii) the Purchaser needs to repay the non-secured related party loans from BG Finance in Hainan Datong and Xiamen Xunda before the Completion;
- (iv) the Purchaser having all necessary regulatory approval from the relevant authorities for the transfer of the Sales Shares and Related Party Loans if required; and
- (v) the Purchaser shall assess whether, under the relevant PRC anti-trust laws and regulations, anti-trust filings and/or approvals are required in respect of its acquisition of the equity interests of the Target Companies. If such filings or approvals are required, the Purchaser is obliged to make the necessary anti-trust filing(s) with the relevant PRC anti-trust authorities and completion of the Proposed Disposal shall be conditional upon the Purchaser having completed all necessary filing(s) and obtained all necessary approval(s) from such authorities. If the Purchaser fails to complete the transactions contemplated under the Proposed Disposal due to its failure to submit the relevant antitrust filing(s) or obtain all necessary approval(s) from the PRC anti-trust authorities, the Purchaser shall be liable to compensate the Transferor for damages.

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Once a Purchaser for the Sale Shares has been identified, the Transferor is unconditionally obliged under the rules of the CBEX to enter into the Asset Transaction Agreement with such Purchaser and shall, subject to the fulfilment of the conditions precedent and the payment of the consideration by the Purchaser, complete the transaction contemplated thereunder.

The Company has consulted CBEX regarding the requirements and tendering procedures applicable to the Proposed Disposals and CBEX indicated that a tender conditional on shareholders' approval will not be acceptable under the rules of CBEX. Given such restriction, the Company would not be able to conduct the Proposed Disposals under the public tender process unless a prior mandate is sought.

Arrangement of Related Party Loans

On Completion, simultaneous with the completion of the sale and purchase of the Sale Shares, the Purchaser (and/or its associated companies) is obliged to acquire and take assignment of the amount owed to the Company by the respective Target Group as at date of Completion on a dollar for dollar basis while the Company is obliged to settle the amount owed to the Target Groups by the Company as at date of Completion. As at 31 December 2021, the aggregate outstanding net amount of the Related Party Loans owed by the Remaining Group to the Target Groups was approximately RMB50,621,000, comprising the aggregated outstanding amounts of:

- (i) approximately RMB13,555,000 owed by Target Group (1) to the Remaining Group;
- (ii) approximately RMB49,806,000 owed by Target Group (2) to the Remaining Group;
- (iii) approximately RMB126,254,000 owed by the Remaining Group to Target Group (3);
- (iv) approximately RMB8,930,000 owed by the Remaining Group to Target Group (4);
- (v) approximately RMB16,012,000 owed by Target Group (5) to the Remaining Group; and
- (vi) approximately RMB5,190,000 owed by Target Group (6) to the Remaining Group.

LETTER FROM THE BOARD

Representations and Warranties

The Transferors shall give certain representations and warranties in relation to the Target Groups in the Asset Transaction Agreement, including but not limited to: (i) due incorporation and valid existence; (ii) title and ownership in relation to the equity interest in Target Companies; (iii) compliance with applicable laws and regulations; (iv) financial and business conditions and liabilities; and (v) title and ownership of the Properties.

Taxation

The Proposed Disposals are subject to both payment of Hong Kong stamp duty and PRC tax liabilities in relation to indirect transfer of equity interest in PRC resident enterprises pursuant to the Announcement on Several Issues Concerning Enterprise Income Tax for Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》)(“Circular 7”) issued by the PRC State Taxation Administration on 3 February 2015 and the Announcement on Issues concerning the Withholding of Enterprise Income Tax at Source on Non-Resident Enterprises (《國家稅務總局關於非居民企業間所得稅源泉扣繳有關問題的公告》)(“Circular 37”) which became effective on 1 December 2017. The Hong Kong stamp duty payable in relation to each Proposed Disposal involving Hong Kong stock shall be borne by the respective Transferor and the respective Purchaser in equal shares. In relation to the PRC tax liabilities under Circular 7 and Circular 37, the Transferor and the Purchaser shall report the Proposed Disposal to the relevant tax authorities within 30 days from the execution of the Asset Transaction Agreement.

Inter-conditional relationship of Public Tender among the six Target Groups

The tendering for the Proposed Disposals in respect of the six Target Groups whether it is separate or is inter-conditional with one another, the Company will decide on or before the Public Tender in CBEX, the purpose is to conclude a better disposal approach for the Company in this Proposed Disposals. As at the Latest Practicable Date, the Transferors do not have intention to require the bidders to submit tender for more than one Target Group nor require the completion of the disposal of any one Target Group to be done simultaneously with another Target Group.

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSALS

The Group is principally engaged in investment, development and operation of (i) highend and modern general warehouses; (ii) cold chain logistics warehouses; (iii) specialised wholesale market for the trading and distribution of local agricultural products; (iv) modernized industrial plants; and (v) investments in commercial properties and primary land development.

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The Company positions itself as a developer of specialized real estate in logistics, cold chain, industrial and commercial sectors as well as primary land development. As a developer, profits of the Company are generated primarily from two streams: (i) daily operations such as rental income from hotels, malls, general and cold warehouses and agricultural market, handling and processing income from general and cold warehouses, financing income from trading; and (ii) sales of developed and matured properties and developed land.

The business model of the Company is: (i) to invest in projects at their initial stage; (ii) to cultivate the value of the projects after development; and (iii) to sell the projects at a satisfactory value. The cash returned will be used: (i) to repay the loans of the Group to reduce continuous finance costs and thus increase the profitability of the Group; (ii) to reinvest in new projects to create another future profit-generating opportunity; and (iii) to distribute appropriate returns to the Shareholders as investment returns to investors. According to the business model of the Company, the Company believes the operating gain and the gain in the growing capital value of its projects will eventually bring remarkable returns to its Shareholders following the continuous growth in economy of the PRC as well as the successful implementation of the Belt and Road Initiatives.

Since 2009, the Group has invested substantial amount of capital in investing and developing a variety of projects in prime areas in the PRC and overseas. Following the stable income generated by the projects and the stable economic growth of the PRC, the capital value of certain projects has satisfactory growth compared to the initial investments of the Group. Accordingly, the Board is of the view that it is an appropriate time to dispose of a number of matured projects located in China. The Proposed Disposals will generate not less than approximately RMB2,308,529,000 cash for the Group to achieve the abovementioned purposes of reducing its debts, reinvestments and distributions. The Group will, post Proposed Disposals, further make use of its strengths, being a State-owned enterprise, to further acquire land for development in prime locations to further expand its presence in logistics, industrial, cold chain sectors in the PRC to consolidate its long-term profitability and capital gain growing model. The Company will also gradually increase its portfolio of managing third party real estate as an income source, as opposed to substantially relying on asset investment as currently engaged as its income source.

The Proposed Disposals is a benchmark of the completed business model of the Group. It is expected that the sale of developed properties and land will become the Group's ordinary activity in future. Following the completion of the Proposed Disposals, the profit from the sales of properties, which is one of the major income of the Company under its model, can be fairly reflected in its financial statements, its cash position will be strengthened and the continuous positive cash cycle can also be established.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the key terms of the Proposed Disposals are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE PROPOSED DISPOSALS

The Group is expected to record in aggregate a gain of approximately RMB384,879,000 from the Proposed Disposals, if materialized, which is estimated based on the sum of the following:

- (i) in respect of Target Group (1), the sum of (a) the expected minimum bid price of approximately RMB201,064,000 and (b) exchange difference of RMB4,215,000 less the sum of (c) the carrying amount of Target Group (1) as at 31 December 2021 of approximately RMB150,096,000 (equivalent to approximately HK\$183,988,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$190,350,000 and less (2) goodwill reallocated to the Group of HK\$6,362,000) and (d) the relevant withholding tax and other transaction expenditures of approximately RMB3,426,000;
- (ii) in respect of Target Group (2), the sum of (a) the expected minimum bid price of approximately RMB127,213,000 and (b) exchange difference of RMB5,356,000 less the sum of (c) the carrying amount of Target Group (2) as at 31 December 2021 of approximately RMB113,549,000 (equivalent to approximately HK\$139,189,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$135,893,000 and (2) goodwill allocated by the Group to the Target Group (2) of HK\$3,296,000) and (d) the relevant withholding tax and other transaction expenditures of approximately RMB4,348,000;
- (iii) in respect of Target Group (3), the sum of (a) the expected minimum bid price of approximately RMB1,644,081,000 and (b) exchange difference of RMB91,292,000 less the sum of (c) the carrying amount of Target Group (3) as at 31 December 2021 of approximately RMB1,456,695,000 (equivalent to approximately HK\$1,785,617,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$1,736,508,000 and (2) goodwill allocated by the Group to the Target Group (3) of HK\$49,109,000) and (d) the relevant withholding tax and other transaction expenditures of approximately RMB74,046,000;
- (iv) in respect of Target Group (4), the sum of (a) the expected minimum bid price of approximately RMB86,486,000 and (b) exchange difference of RMB10,711,000 less the sum of (c) the carrying amount of Target Group (4) as at 31 December 2021 of approximately RMB76,183,000 (equivalent to approximately HK\$93,385,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$90,703,000 and (2) goodwill allocated by the Group to the Target Group (4) of HK\$2,682,000) and (d) the relevant withholding tax and other transaction expenditures of approximately RMB2,228,000;

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- (v) in respect of Target Group (5), the sum of (a) the expected minimum bid price of approximately RMB128,580,000 and (b) exchange difference of RMB5,260,000 less the sum of (c) the carrying amount of Target Group (5) as at 31 December 2021 of approximately RMB113,914,000 (equivalent to approximately HK\$139,638,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$136,609,000 and (2) goodwill allocated by the Group to the Target Group (5) of HK\$3,029,000) and (d) the relevant withholding tax and other transaction expenditures of approximately RMB5,359,000; and
- (vi) in respect of Target Group (6), the sum of (a) the expected minimum bid price of approximately RMB304,187,000 and (b) exchange difference of RMB9,874,000 less the sum of (c) the carrying amount of Target Group (6) as at 31 December 2021 of approximately RMB223,365,000 (equivalent to approximately HK\$273,800,000 which is based on the sum of (1) the unaudited net asset value attributable to the Company of HK\$331,590,000 and less (2) goodwill reallocated to the Group of HK\$57,790,000 and (d) the relevant withholding tax and other transaction expenditures of approximately RMB10,232,000.

The aggregate minimum bid price of the Target Groups is approximately RMB2,491,611,000 before deduction of the expected withholding tax and other transaction expenditures of approximately RMB99,639,000; the net amount of the Related Party Loans of approximately RMB50,621,000 owed by the Remaining Group to the Target Group and the cash and bank balances held by the Target Groups as at 31 December 2021 of approximately RMB32,822,000. After considering all the abovementioned cash flow, the cash generated for the Group will be approximately RMB2,308,529,000.

According to the annual report of the Company for the year ended 31 December 2021, the audited consolidated total assets and total liabilities of the Group as at 31 December 2021 were approximately HK\$22,022.53 million and HK\$16,370.84 million respectively. Based on the “Unaudited Pro Forma Financial Information of the Specified Group” as set out in Appendix IV to this circular, assuming Completion had taken place on 31 December 2021, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group as at 31 December 2021, taking into account the impact of the disposal of Beijing Inland Port Group, would become approximately HK\$21,444.94 million and HK\$15,489.33 million respectively.

Shareholders should note that the aforementioned estimations are for illustrative purpose only and do not purport to represent how the financial position of the Remaining Group will be upon completion of the Proposed Disposal. The actual amount of the gain from the Proposed Disposal to be recognised in the consolidated financial statements of the Group depends on, among others, the final bid price of the Public Tender and the net asset values of the Target Groups on the date of the Completion and therefore will be subject to final audit.

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Subject to and upon completion of sale and purchase of the Proposed Disposals, the Group will not hold any share in each member of the Target Groups and they will cease to be subsidiaries of the Company and the financial statements of the Target Groups will no longer be consolidated into the Group's consolidated financial statements.

INTENDED USE OF PROCEEDS

It is intended that the net proceeds from the Proposed Disposals shall be used to repay the debts of the Group and to reduce continuous finance costs.

IMPLICATIONS UNDER THE LISTING RULES

Assuming there is one successful bidder acquiring all members of the Target Group, the disposals of the Target Groups will be aggregated pursuant to Rule 14.22 of the Listing Rules. Based on the Aggregate Minimum Consideration, the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Proposed Disposals (if sold to one successful bidder) exceeds 75%. Therefore, the Proposed Disposals, if sold to one successful bidder, is expected to constitute a very substantial disposal of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

None of the Directors had material interests in the Proposed Disposal and hence no Director is required to abstain from voting on the Board resolutions approving the Proposed Disposals and the transactions contemplated thereunder.

SGM

Set out on pages SGM-1 to SGM-3 of this circular is a notice convening the SGM to be held with a combination of a physical meeting at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and virtual meeting on Tuesday, 23 August 2022 at 11:00 a.m., at which ordinary resolution(s) will be proposed to consider and, if thought fit, approve the Proposed Disposals and the transactions contemplated thereunder and granting in advance to the Directors the Proposed Mandate to enter into and complete the Proposed Disposals.

Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the SGM) for the proxy to receive the login access code to participate online in the e-Meeting System.

Registered Shareholders will be able to attend the SGM, vote and submit questions online via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company.

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Non-registered holders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the SGM, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

A form of proxy for the SGM is despatched with this circular and published on the websites of HKExnews (<http://www.hkexnews.hk>) and the Company (<http://www.bphl.com.hk>), respectively. Whether or not you propose to attend the SGM, you are requested to complete the form of proxy and return the same to Tricor Tengis Limited, the Company's branch share registrar in Hong Kong, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the form of proxy will be deposited before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the form of proxy will be deposited on or after 15 August 2022) or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the SGM (or any adjourned meeting). Completion and delivery of the form of proxy will not preclude you from attending and voting at the SGM (or any adjourned meeting) if you so wish.

If any Shareholder has any question on the arrangements of the SGM, please contact Tricor Tengis Limited, the Company's branch share registrar, at the following:

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (with effect from 15 August 2022 onwards, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong)

Email: is-enquiries@hk.tricorglobal.com

Telephone: (852) 2980-1333 (9:00 a.m. to 5:00 p.m., Monday to Friday, excluding Hong Kong General Holidays)

Pursuant to rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll. Accordingly, the resolution(s) to be considered and, if thought fit, approved at the SGM will be voted by way of poll and an announcement for the result of the SGM will be made by the Company after the SGM.

Pursuant to the Listing Rules, any Shareholder who has a material interest in the Proposed Disposals and his/her/its close associates is/are required to abstain from voting on the relevant resolutions at the SGM. As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Proposed Disposals and, accordingly, no Shareholder is required to abstain from voting on the ordinary resolution to approve the Proposed Disposals at the SGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Proposed Disposals and the transactions contemplated thereunder will be on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (including the independent non-executive Directors) recommend that all the Shareholders to vote in favour of the resolution(s) as set out in the notice of the SGM.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Beijing Properties (Holdings) Limited
Cheng Ching Fu
Company Secretary

1. FINANCIAL INFORMATION

Management discussion and analysis and financial information of the Group for each of the three years ended 31 December 2019, 2020 and 2021 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.bphl.com.hk) respectively:

- the 2019 annual report of the Company for the year ended 31 December 2019 which was published on 28 April 2020 (pages 6 to 25 and 62 to 178) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0428/2020042801062.pdf>);
- the 2020 annual report of the Company for the year ended 31 December 2020 which was published on 29 April 2021 (pages 6 to 25 and 62 to 168) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900607.pdf>); and
- the 2021 annual report of the Company for the year ended 31 December 2021 which was published on 25 April 2022 (pages 6 to 26 and 62 to 178) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0425/2022042501625.pdf>).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 16 June 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had outstanding (1) guaranteed unsecured bonds with an aggregate principal amount of US\$739,700,000 (equivalent to approximately HK\$5,769,660,000); (2) banks and other loans with an aggregate principal amount of approximately HK\$2,675,522,000, which were secured by certain buildings, investment properties, properties held for sale, cash and bank balances, trade receivables and equity interests of certain subsidiaries of the Group, and are guaranteed by the Company; (3) unguaranteed and unsecured bank loans with an aggregate principal amount of approximately HK\$1,929,625,000; and (4) a loan from a fellow subsidiary of the Company with a principal amount of RMB200,000,000 (equivalent to approximately HK\$245,160,000).

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, as at 16 June 2022, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts, or other similar indebtedness, financial lease or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

According to the bond agreement, the Group's guaranteed bonds will be due in February 2023 within the next 12 months from the date of this circular. In considering of that, the directors of the Company plan to undertake a refinancing, including but not limited to new debts financing, within the next 12 months in order to repay the existing guaranteed bonds. In addition, the directors of the Company has proposed to dispose of some of the Group's projects, such as the Proposed Disposals in this circular, in order to release the debt exposure of the Group. Management assess regularly whether the Company is able to refinance successfully. If management assess that there are any events or conditions resulting in failure of refinancing, or amount of the refinancing lower than the amount which can support the sufficiency of working capital of the Group, the directors have proposed further measures described below in order to raise more fund for its working capital need.

In the opinion of directors of the Company, the sufficiency of working capital of the Group in the next 12 months from the date of this circular is dependent on (i) the successful refinancing before the existing guaranteed bond being due and (ii) the completion of the Proposed Disposals in this circular, or failing which, the success in (iii) obtaining the continual financial support and funding from BE City, and (iv) obtaining a standby facility provided by Beijing Enterprises Group, the ultimate controlling shareholder of the Company, which can fully cover the existing guaranteed bonds outstanding balance, in accordance with the keepwell and liquidity support deed (the “**Deed**”) signed between the Group and BE Group. In addition, the Deed was included in the bond subscription agreement and details of which were published together with the bond issuance announcement dated 25 February 2020.

The Directors, after due and careful enquiry, are of the opinion that, after taking into account (i) the net proceeds from the Proposed Disposals, (ii) the Group's internal resources (including listed equity investments and marketable properties), (iii) the net proceeds from the disposal of certain matured logistics projects located in the PRC through public tender, (iv) continual stable cash flows from operations, (v) the Group's ability to refinance its existing debts upon maturity through financing activities including issuance of a new bond and renewal of bank borrowings and facilities, or failing which, (vi) the continual financial support and funding from BE City, and (vii) a standby facility provided by BE Group under the Deed, accordingly, the Group has sufficient working capital to satisfy its requirements for at least twelve (12) 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.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any circumstances or events that may give rise to a material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest audited financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is principally engaged in investment, development and operation of (i) high-end and modern general warehouses; (ii) cold chain logistics warehouses; (iii) specialised wholesale market for the trading and distribution of local agricultural products; (iv) modernised industrial plants; and (v) investments in commercial properties and primary land development. The Group positions itself as a professional property developer that engages in businesses such as logistics property, cold chain property, industrial property and commercial property, as well as primary land development. As a developer, our profit is primarily derived from profits from the disposal of projects. The Group's business development model is divided into four stages, which are: financing – investment – management and disposal.

As disclosed in the Company's 2021 annual report, as the COVID-19 outbreak continues to spread around the world, the external environment becomes more complicated, severe and uncertain, with insufficient motivation for the global economic recovery, and fluctuations in commodity prices at a high level. The economy of China is still in the process of recovery from severe impact of the sudden outbreak, but the longterm positive economic fundamentals remain unchanged. At present, the government continues to implement relief policies that benefit enterprises, and continuously implements tax cuts and fee reductions to stimulate the vitality of market players and promote steady economic development. As logistics property operators continue to enlarge their networks of modern logistics properties and invest in the logistics property market using funds, REITs and other financial instruments, there is an industry landscape of "one superpower and several major players".

Epidemic prevention and control measures lead to the further opening of the full channels of traditional retail brands, acceleration of fresh e-commerce and other emerging cold chain demands, and further increase the e-commerce penetration rate. Under such circumstances, the transition of offline entities to online e-commerce will objectively increase the market demand in the warehousing logistics and cold chain industry in 2022. With quality cold chain projects in Qingdao and Tianjin as the foundation, the domestic cold chain segment seized business opportunities to build a core online asset consisting of an online comprehensive trading centre for frozen products, and a core offline asset consisting of physical cold chain storage service. The timely launch of CCII Frozen Product Industry Integration Service Platform based on "Coldeal" will satisfy the need of clients in the frozen product industry for online trading and financing, reduce trading costs, enhance trading efficiency and provide solutions for large-scale industrial and technological development. The development of this platform will without doubt nurture a productive ecosystem for both upstream and downstream frozen product industry, reform the structure of the industry and create synergies among the resources of producers, traders and service providers.

The sale of assets at the disposal stage of a project is currently the only means for the Group, as a diversified property developer, to crystallise asset appreciation gains. It is also the basic business model of property developers in general. At present, most of the Group's projects have been completed and put into operation with significant rise in values. In view of the development trends in the domestic real estate industry and its future development plans, the Group plans to sell some of its relatively mature assets that are ready for sale by way of equity transfers in order to complete the disposal and realisation stage in the cycle of "financing, investment, management and exit", recover cash, generate profits and reduce debts. Despite a lengthier period of development for the first cycle, the Group has acquired a number of quality projects in the past and is gradually realising their values. Therefore, it is expected that the Group's development cycle will quicken gradually and achieve sustainable profitability in the coming years. Under the unstable economic condition, the Group will slow down its reliance on heavy assets and the speed of investment from the principle of prudence, and shift to a development model that combines light with heavy assets. With mature experience in logistics property, industrial property and cold chain business, we will increase the proportion of service business, and continue to reduce operating costs and financial expenses to achieve operating profit and positive cash flow, and continue to bring benefits to shareholders. The disposal of Beijing Inland Port Group was completed on 6 June 2022.

The Proposed Disposals is one of the measures of the Group to dispose of properties, which will generate cash of approximately RMB2,252,764,000 to be used to repay certain debts of the Group to reduce continuous finance costs and improve the profitability of the Group in the foreseeable future. The Proposed Disposals will not have any significant impact on the existing business of the Remaining Group. The Remaining Group will continue to carry out its existing businesses.

The Board is of the view that the Completion of the Proposed Disposals can strengthen the cash position of the Group as a positive cash cycle will be established and it will also help reduce the Group's reliance on debt financing and thus improve the financial performance of the Group in the future.

UNAUDITED FINANCIAL INFORMATION OF THE TARGET GROUPS

Set out below are the unaudited consolidated statements of financial position of Shanghai Xinmu, High Broad, High Church, Phoenix Real Estate, Tong Da (HK), Mark Famous and Ocean Lord and their subsidiaries (collectively, the “**Target Groups**”) as at 31 December 2019, 2020 and 2021 and 31 March 2022, and the unaudited consolidated statements of profit or loss and other comprehensive income, the unaudited consolidated statements of changes in equity and the unaudited consolidated statements of cash flows of the Target Groups for the years ended 31 December 2019, 2020 and 2021 and the three months ended 31 March 2022 (“**the Relevant Periods**”), and explanatory notes (collectively referred to as the (“**Unaudited Financial Information**”).

The Unaudited Financial Information has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and prepared on the basis set out in note 2 to the Unaudited Financial Information. The Unaudited Financial Information is prepared by the Directors solely for the purposes of inclusion in this circular in connection with the Proposed Disposal.

Ernst & Young, Certified Public Accountants, the auditor of the Company, was engaged to review the Unaudited Financial Information of the Target Groups set out on pages II-2 to II-53 of this circular in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and with reference to Practice Note 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the auditor to obtain assurance that the auditor would become aware of all significant matters that might be identified in an audit. Accordingly, the auditor does not express an audit opinion.

Based on the review on the Unaudited Financial Information of the Target Groups, nothing has come to the auditor’s attention that causes them to believe that the Unaudited Financial Information is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.

(A) Target Group (1)

*Target Group (1a)***UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE	–	–	–	–	–
Cost of services	–	–	–	–	–
Gross profit	–	–	–	–	–
Other income and gains, net	2	1	61	–	–
Administrative expenses	(23)	(22)	(49)	–	–
Share of profits and losses of an associate	2,507	2,867	2,340	545	498
PROFIT BEFORE TAX	2,486	2,846	2,352	545	498
Income tax	–	–	–	–	–
PROFIT FOR THE YEAR/ PERIOD	<u>2,486</u>	<u>2,846</u>	<u>2,352</u>	<u>545</u>	<u>498</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>					
– Share of other comprehensive income/(loss) of an associate	167	(384)	(163)	2	(30)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	167	(384)	(163)	2	(30)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF INCOME TAX OF NIL	<u>167</u>	<u>(384)</u>	<u>(163)</u>	<u>2</u>	<u>(30)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/ PERIOD	<u>2,653</u>	<u>2,462</u>	<u>2,189</u>	<u>547</u>	<u>468</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2019, 2020 and 2021 and 31 March 2022*

	As at 31 December		As at 31 March	
	2019	2020	2021	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NON-CURRENT ASSETS				
Investment in an associate*	79,907	86,973	91,695	92,789
Total non-current assets	79,907	86,973	91,695	92,789
CURRENT ASSETS				
Prepayments, deposits and other receivables	–	356	430	433
Cash and cash equivalents	481	132	87	88
Total current assets	481	488	517	521
CURRENT LIABILITIES				
Due to fellow subsidiaries	74,853	79,464	82,026	82,656
Income tax payables	–	–	–	–
Total current liabilities	74,853	79,464	82,026	82,656
NET CURRENT LIABILITIES	(74,372)	(78,976)	(81,509)	(82,135)
Net assets	5,535	7,997	10,186	10,654
EQUITY				
Equity attributable to shareholders of the Company				
Issued capital	600	600	600	600
Reserves	4,935	7,397	9,586	10,054
Total equity	5,535	7,997	10,186	10,654

* Investment in an associate includes a goodwill of HK\$14,357,000 as at 31 December 2019, 2020 and 2021 and 31 March 2022.

Xiong Ping Fang
Director

Qi Man Rong
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	Issued capital HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2019	600	653	1,629	2,882
Profit for the year	–	–	2,486	2,486
Other comprehensive income for the year:				
– Share of other comprehensive income of an associate	–	167	–	167
Total comprehensive income for the year	–	167	2,486	2,653
At 31 December 2019 and 1 January 2020	600	820	4,115	5,535
Profit for the year	–	–	2,846	2,846
Other comprehensive loss for the year:				
– Share of other comprehensive loss of an associate	–	(384)	–	(384)
Total comprehensive income/(loss) for the year	–	(384)	2,846	2,462
At 31 December 2020 and 1 January 2021	600	436	6,961	7,997
Profit for the year	–	–	2,352	2,352
Other comprehensive loss for the year:				
– Share of other comprehensive loss of an associate	–	(163)	–	(163)
Total comprehensive income/(loss) for the year	–	(163)	2,352	2,189
At 31 December 2021	600	273	9,313	10,186

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022

	Issued capital HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2021	600	436	6,961	7,997
Profit for the period	–	–	545	545
Other comprehensive loss for the period:				
– Share of other comprehensive income/ (loss) of an associate	–	2	–	2
Total comprehensive income for the period	–	2	545	547
At 31 March 2021	<u>600</u>	<u>438</u>	<u>7,506</u>	<u>8,544</u>
At 1 January 2022	600	273	9,313	10,186
Profit for the period	–	–	498	498
Other comprehensive loss for the period:				
– Share of other comprehensive loss of an associate	–	(30)	–	(30)
Total comprehensive income/(loss) for the period	–	(30)	498	468
At 31 March 2022	<u>600</u>	<u>243</u>	<u>9,811</u>	<u>10,654</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
CASH FLOWS FROM					
OPERATING ACTIVITIES					
Profit before tax	2,486	2,846	2,352	545	498
Adjustments for:					
Share of profits and					
losses of an associate	(2,507)	(2,867)	(2,340)	(545)	(498)
Bank interest income	(2)	(1)	–	–	–
	(23)	(22)	12	–	–
Increase in prepayments, deposits and					
other receivables	–	(337)	(61)	–	–
Net cash flows used in operating	(23)	(359)	(49)	–	–
activities					
CASH FLOWS FROM					
INVESTING ACTIVITIES					
Bank interest received	2	1	–	–	–
Net cash flows from investing	2	1	–	–	–
activities					
NET DECREASE IN CASH AND					
CASH EQUIVALENTS	(21)	(358)	(49)	–	–
Cash and cash equivalents at					
beginning of year/period	510	481	132	132	87
Effect of foreign exchange					
rate changes, net	(8)	9	4	–	1
CASH AND CASH EQUIVALENTS					
AT END OF YEAR/PERIOD	<u>481</u>	<u>132</u>	<u>87</u>	<u>132</u>	<u>88</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended	
	2019	2020	2021	31 March	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ANALYSIS OF BALANCES OF					
CASH AND CASH					
EQUIVALENTS					
Deposits placed with a fellow subsidiary	393	–	–	–	–
Other cash and bank balances	<u>88</u>	<u>132</u>	<u>87</u>	<u>132</u>	<u>88</u>
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	<u><u>481</u></u>	<u><u>132</u></u>	<u><u>87</u></u>	<u><u>132</u></u>	<u><u>88</u></u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. Corporate information

上海鑫穆企業管理諮詢有限公司 (“**Shanghai Xinmu**”) is a company established in the PRC. Its registered office is located at Room KD2-1A-1, Level 1 on No. 90 Shenyang Road, China (Shanghai) Pilot Free Trade Zone, Shanghai City, the People’s Republic of China (the “**PRC**”).

The principal activity of Shanghai Xinmu was investment holding, which holds 30% of equity interests of Tianjin Transwell International Logistics Co., Ltd., involving in leasing of a warehouse and provision of related management services.

The immediate holding company of Shanghai Xinmu was Jade (Shanghai) Investments Company Limited (“**Jade (Shanghai)**”), which is incorporated in the PRC.

In the opinion of the directors, the ultimate holding company of Jade (Shanghai) is 北京控股集團有限公司, which is a state-owned enterprise established in the PRC and is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2. Basis of presentation and preparation of the unaudited consolidated financial information

The Unaudited Financial Information of Shanghai Xinmu for the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022 has been prepared solely for the purpose of inclusion in the circular to be issued by Beijing Properties (Holdings) Limited (the “**Company**”), the intermediate holding company of Shanghai Xinmu, in connection with the Proposed Disposal in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules.

The amounts included in the Unaudited Financial Information of Shanghai Xinmu have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong.

The Unaudited Financial Information of Shanghai Xinmu has been prepared under the historical cost convention. The Unaudited Financial Information of Shanghai Xinmu does not contain sufficient information to constitute a complete set of consolidated financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* issued by the HKICPA and should be read in connection with the relevant published annual reports of the Group for the Relevant Periods.

Target Group (1b)**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE	13,920	12,220	12,609	3,745	3,104
Cost of services	(845)	(583)	(1,080)	(178)	(263)
Gross profit	13,075	11,637	11,529	3,567	2,841
Changes in fair value of an investment property	3,403	3,373	1,099	–	–
Other income and gains, net	2,795	2,240	2,843	685	687
Administrative expenses	(5,265)	(4,362)	(5,276)	(1,148)	(1,312)
PROFIT BEFORE TAX	14,008	12,888	10,195	3,104	2,216
Income tax	(2,881)	(3,312)	(2,384)	(605)	(553)
PROFIT FOR THE YEAR/PERIOD	<u>11,127</u>	<u>9,576</u>	<u>7,811</u>	<u>2,499</u>	<u>1,663</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>					
– Exchange differences on translation of foreign operations	(3,294)	13,976	7,932	(280)	1,984
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	(3,294)	13,976	7,932	(280)	1,984
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF INCOME TAX OF NIL	<u>(3,294)</u>	<u>13,976</u>	<u>7,932</u>	<u>(280)</u>	<u>1,984</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>7,833</u>	<u>23,552</u>	<u>15,743</u>	<u>2,219</u>	<u>3,647</u>
PROFIT ATTRIBUTABLE TO:					
Shareholders of the Company	8,620	6,709	5,471	1,749	1,164
Non-controlling interests	2,507	2,867	2,340	750	499
	<u>11,127</u>	<u>9,576</u>	<u>7,811</u>	<u>2,499</u>	<u>1,663</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholders of the Company	6,456	16,486	11,021	1,553	2,552
Non-controlling interests	1,377	7,066	4,722	666	1,095
	<u>7,833</u>	<u>23,552</u>	<u>15,743</u>	<u>2,219</u>	<u>3,647</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2019, 2020 and 2021 and 31 March 2022*

	As at 31 December			As at
	2019	2020	2021	31 March
	HK\$'000	HK\$'000	HK\$'000	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	428	351	333	307
Investment property	<u>222,601</u>	<u>239,875</u>	<u>248,835</u>	<u>250,746</u>
Total non-current assets	<u>223,029</u>	<u>240,226</u>	<u>249,168</u>	<u>251,053</u>
CURRENT ASSETS				
Trade receivables	–	35	–	9
Prepayments, deposits and other receivables	16	11	45	19
Loan to a fellow subsidiary	50,275	58,768	65,381	66,619
Cash and cash equivalents	<u>1,549</u>	<u>2,844</u>	<u>5,508</u>	<u>5,428</u>
Total current assets	<u>51,840</u>	<u>61,658</u>	<u>70,934</u>	<u>72,075</u>
CURRENT LIABILITIES				
Other payables and accruals	6,957	5,943	6,230	5,345
Income tax payables	<u>224</u>	<u>427</u>	<u>255</u>	<u>–</u>
Total current liabilities	<u>7,181</u>	<u>6,370</u>	<u>6,485</u>	<u>5,345</u>
NET CURRENT ASSETS	<u>44,659</u>	<u>55,288</u>	<u>64,449</u>	<u>66,730</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>267,688</u>	<u>295,514</u>	<u>313,617</u>	<u>317,783</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities	<u>49,481</u>	<u>53,755</u>	<u>56,115</u>	<u>56,634</u>
Total non-current liabilities	<u>49,481</u>	<u>53,755</u>	<u>56,115</u>	<u>56,634</u>
Net assets	<u>218,207</u>	<u>241,759</u>	<u>257,502</u>	<u>261,149</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*31 December 2019, 2020 and 2021 and 31 March 2022*

	As at 31 December			As at
	2019	2020	2021	31 March
	HK\$'000	HK\$'000	HK\$'000	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
EQUITY				
Equity attributable to shareholders of the Company				
Issued capital	–	–	–	–
Reserves	<u>152,657</u>	<u>169,143</u>	<u>180,164</u>	<u>182,716</u>
	152,657	169,143	180,164	182,716
Non-controlling interests	<u>65,550</u>	<u>72,616</u>	<u>77,338</u>	<u>78,433</u>
Total equity	<u><u>218,207</u></u>	<u><u>241,759</u></u>	<u><u>257,502</u></u>	<u><u>261,149</u></u>

Cheng Ching Fu
Director

Siu Kin Wai
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022

	Attributable to Shareholders of the Company						Non-controlling interests HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
	Issued capital HK\$'000 (Unaudited)	Contributed surplus HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)		
At 1 January 2019	-	85	-	(8,267)	-	127,984	64,173	183,975
Profit for the year	-	-	-	-	-	8,620	2,507	11,127
Other comprehensive loss for the year:								
– Exchange differences on translation of foreign operations	-	-	-	(2,164)	-	-	(1,130)	(3,294)
Total comprehensive income/(loss) for the year	-	-	-	(2,164)	-	8,620	1,377	7,833
Deemed contribution from an immediate holding company	-	-	26,399	-	-	-	-	26,399
At 31 December 2019 and 1 January 2020	-	85	26,399	(10,431)	-	136,604	65,550	218,207
Profit for the year	-	-	-	-	-	6,709	2,867	9,576
Other comprehensive income for the year:								
– Exchange differences on translation of foreign operations	-	-	-	9,777	-	-	4,199	13,976
Total comprehensive income for the year	-	-	-	9,777	-	6,709	7,066	23,552
At 31 December 2020 and 1 January 2021	-	85	26,399	(654)	-	143,313	72,616	241,759
Profit for the year	-	-	-	-	-	5,471	2,340	7,811
Other comprehensive income for the year:								
– Exchange differences on translation of foreign operations	-	-	-	5,550	-	-	2,382	7,932
Total comprehensive income for the year	-	-	-	5,550	-	5,471	4,722	15,743
Transfer to reserves	-	-	-	-	1,458	(1,458)	-	-
At 31 December 2021	-	85	26,399	4,896	1,458	147,326	77,338	257,502

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022

	Attributable to Shareholders of the Company						Non-controlling interests HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
	Issued capital HK\$'000 (Unaudited)	Contributed surplus HK\$'000 (Unaudited)	Capital reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)		
At 1 January 2021	-	85	26,399	(654)	-	143,313	72,616	241,759
Profit for the period	-	-	-	-	-	1,749	750	2,499
Other comprehensive loss for the period:								
- Exchange differences on translation of foreign operations	-	-	-	(196)	-	-	(84)	(280)
Total comprehensive income/(loss) for the period	-	-	-	(196)	-	1,749	666	2,219
At 31 March 2021	-	85	26,399	(850)	-	145,062	73,282	243,978
At 1 January 2022	-	85	26,399	4,896	1,458	147,326	77,338	257,502
Profit for the period	-	-	-	-	-	1,164	499	1,663
Other comprehensive income for the period:								
- Exchange differences on translation of foreign operations	-	-	-	1,388	-	-	596	1,984
Total comprehensive income for the period	-	-	-	1,388	-	1,164	1,095	3,647
At 31 March 2022	-	85	26,399	6,284	1,458	148,490	78,433	261,149

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	14,008	12,888	10,195	3,104	2,216
Adjustments for:					
Changes in fair value of an investment property	(3,403)	(3,373)	(1,099)	–	–
Bank interest income	(15)	(7)	(15)	–	–
Interest income on a loan to a fellow subsidiary	(2,771)	(2,197)	(2,729)	(682)	(687)
Depreciation	123	118	127	31	36
	<u>7,942</u>	<u>7,429</u>	<u>6,479</u>	<u>2,453</u>	<u>1,565</u>
(Increase)/decrease in trade receivables	369	(33)	35	35	(9)
(Increase)/decrease in prepayments, deposits and other receivables	8	5	(33)	(169)	26
Increase/(decrease) in other payables and accruals	<u>(3,238)</u>	<u>(1,358)</u>	<u>95</u>	<u>(1,680)</u>	<u>(931)</u>
Cash flows from operations	5,081	6,043	6,576	639	651
Tax paid	<u>(1,630)</u>	<u>(1,991)</u>	<u>(1,951)</u>	<u>–</u>	<u>–</u>
Net cash flows from operating activities	<u>3,451</u>	<u>4,052</u>	<u>4,625</u>	<u>639</u>	<u>651</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	16	7	15	–	–
Purchase of items of property, plant and equipment	(51)	(21)	(99)	–	–
Advances to a fellow subsidiary	<u>(4,814)</u>	<u>(2,893)</u>	<u>(1,907)</u>	<u>(471)</u>	<u>(45)</u>
Net cash flows used in investing activities	<u>(4,849)</u>	<u>(2,907)</u>	<u>(1,991)</u>	<u>(471)</u>	<u>(45)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,398)	1,145	2,634	168	606
Cash and cash equivalents at beginning of year/period	2,597	1,549	2,844	2,844	5,508
Effect of foreign exchange rate changes, net	<u>350</u>	<u>150</u>	<u>30</u>	<u>(429)</u>	<u>(686)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	<u>1,549</u>	<u>2,844</u>	<u>5,508</u>	<u>2,583</u>	<u>5,428</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended	
	31 March			31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ANALYSIS OF BALANCES OF					
CASH AND CASH					
EQUIVALENTS					
Deposits placed with a fellow subsidiary	1,178	2,376	5,262	1,703	4,302
Other cash and bank balances	<u>371</u>	<u>468</u>	<u>246</u>	<u>880</u>	<u>1,126</u>
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	<u>1,549</u>	<u>2,844</u>	<u>5,508</u>	<u>2,583</u>	<u>5,428</u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. Corporate information

Hong Kong High Broad International Investment Group Limited (“**High Broad**”) is a limited liability company incorporated in Hong Kong. Its registered office is located at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The principal activity of High Broad was investment holding. Its partially owned subsidiary, Tianjin Transwell International Logistics Co., Ltd., was involved in leasing of a warehouse and provision of related management services.

The immediate holding company of High Broad was Fubao Global Limited (“**Fubao Global**”), which is incorporated in the British Virgin Islands with limited liability.

In the opinion of the directors, the ultimate holding company of Fubao Global is 北京控股集團有限公司, which is a state-owned enterprise established in the People’s Republic of China (the “**PRC**”) and is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2. Basis of presentation and preparation of the unaudited consolidated financial information

The Unaudited Financial Information of High Broad for the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022 has been prepared solely for the purpose of inclusion in the circular to be issued by Beijing Properties (Holdings) Limited (the “**Company**”), the intermediate holding company of High Broad, in connection with the Proposed Disposal in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules.

The amounts included in the Unaudited Financial Information of High Broad have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information of High Broad has been prepared under the historical cost convention except for investment properties that are measured at fair values.

The Unaudited Financial Information of High Broad does not contain sufficient information to constitute a complete set of consolidated financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* issued by the HKICPA and should be read in connection with the relevant published annual reports of the Group for the Relevant Periods.

(B) Target Group (2)**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE	13,744	16,882	15,660	4,242	4,430
Cost of services	(190)	(1,677)	(2,426)	(731)	(834)
Gross profit	13,554	15,205	13,234	3,511	3,596
Changes in fair value of an investment property	40,831	3,373	–	–	–
Other income and gains, net	3	14	32	1	1
Administrative expenses	(3,305)	(2,116)	(1,956)	(453)	(459)
Finance costs	(3,200)	(2,858)	(2,965)	(734)	(728)
PROFIT BEFORE TAX	47,883	13,618	8,345	2,325	2,410
Income tax	(11,172)	(2,307)	(2,061)	(581)	(602)
PROFIT FOR THE YEAR/PERIOD	<u>36,711</u>	<u>11,311</u>	<u>6,284</u>	<u>1,744</u>	<u>1,808</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>					
– Exchange differences on translation of foreign operations	(529)	2,853	4,155	(153)	1,052
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	(529)	2,853	4,155	(153)	1,052
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF INCOME TAX OF NIL	<u>(529)</u>	<u>2,853</u>	<u>4,155</u>	<u>(153)</u>	<u>1,052</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>36,182</u>	<u>14,164</u>	<u>10,439</u>	<u>1,591</u>	<u>2,860</u>

APPENDIX II**FINANCIAL INFORMATION OF THE TARGET GROUPS****UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***31 December 2019, 2020 and 2021 and 31 March 2022*

	As at 31 December			As at
	2019	2020	2021	31 March
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	180	151	90	74
Investment property	<u>196,874</u>	<u>212,563</u>	<u>219,416</u>	<u>221,101</u>
Total non-current assets	<u>197,054</u>	<u>212,714</u>	<u>219,506</u>	<u>221,175</u>
CURRENT ASSETS				
Prepayments, deposits and other receivables	187	214	2,585	2,636
Cash and cash equivalents	<u>549</u>	<u>1,461</u>	<u>3,101</u>	<u>6,551</u>
Total current assets	<u>736</u>	<u>1,675</u>	<u>5,686</u>	<u>9,187</u>
CURRENT LIABILITIES				
Other payables and accruals	4,230	6,788	5,659	6,356
Loan from fellow subsidiaries	82,979	63,196	63,586	64,795
Income tax payables	<u>–</u>	<u>536</u>	<u>8</u>	<u>–</u>
Total current liabilities	<u>87,209</u>	<u>70,520</u>	<u>69,253</u>	<u>71,151</u>
NET CURRENT LIABILITIES	<u>(86,473)</u>	<u>(68,845)</u>	<u>(63,567)</u>	<u>(61,964)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>110,581</u>	<u>143,869</u>	<u>155,939</u>	<u>159,211</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities	<u>15,556</u>	<u>18,415</u>	<u>20,046</u>	<u>20,458</u>
Total non-current liabilities	<u>15,556</u>	<u>18,415</u>	<u>20,046</u>	<u>20,458</u>
Net assets	<u>95,025</u>	<u>125,454</u>	<u>135,893</u>	<u>138,753</u>
EQUITY				
Issued capital	1	1	1	1
Reserves	<u>95,024</u>	<u>125,453</u>	<u>135,892</u>	<u>138,752</u>
Total equity	<u>95,025</u>	<u>125,454</u>	<u>135,893</u>	<u>138,753</u>

Cheng Ching Fu
Director

Siu Kin Wai
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	Issued capital HK\$'000 (Unaudited)	Capital and other reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2019	1	–	86	–	1,517	1,604
Profit for the year	–	–	–	–	36,711	36,711
Other comprehensive loss for the year:						
– Exchange differences on translation of foreign operations	–	–	(529)	–	–	(529)
Total comprehensive income/(loss) for the year	–	–	(529)	–	36,711	36,182
Deemed contribution from an immediate holding company	–	57,239	–	–	–	57,239
At 31 December 2019 and 1 January 2020	1	57,239	(443)	–	38,228	95,025
Profit for the year	–	–	–	–	11,311	11,311
Other comprehensive income for the year:						
– Exchange differences on translation of foreign operations	–	–	2,853	–	–	2,853
Total comprehensive income for the year	–	–	2,853	–	11,311	14,164
Deemed contribution from an immediate holding company	–	16,265	–	–	–	16,265
At 31 December 2020 and 1 January 2021	1	73,504	2,410	–	49,539	125,454
Profit for the year	–	–	–	–	6,284	6,284
Other comprehensive income for the year:						
– Exchange differences on translation of foreign operations	–	–	4,155	–	–	4,155
Total comprehensive income for the year	–	–	4,155	–	6,284	10,439
At 31 December 2021	1	73,504	6,565	–	55,823	135,893

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022

	Issued capital HK\$'000 (Unaudited)	Capital and other reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2021	1	73,504	2,410	–	49,539	125,454
Profit for the period	–	–	–	–	1,744	1,744
Other comprehensive loss for the period: – Exchange differences on translation of foreign operations	–	–	(153)	–	–	(153)
Total comprehensive income/(loss) for the period	–	–	(153)	–	1,744	1,591
At 31 March 2021	<u>1</u>	<u>73,504</u>	<u>2,257</u>	<u>–</u>	<u>51,283</u>	<u>127,045</u>
At 1 January 2022	1	73,504	6,565	–	55,823	135,893
Profit for the period	–	–	–	–	1,808	1,808
Other comprehensive income for the period: – Exchange differences on translation of foreign operations	–	–	1,052	–	–	1,052
Total comprehensive income for the period	–	–	1,052	–	1,808	2,860
At 31 March 2022	<u>1</u>	<u>73,504</u>	<u>7,617</u>	<u>–</u>	<u>57,631</u>	<u>138,753</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	47,883	13,618	8,345	2,325	2,410
Adjustments for:					
Finance costs	3,200	2,858	2,965	734	728
Changes in fair value of an investment property	(40,831)	(3,373)	–	–	–
Bank interest income	(3)	(5)	(17)	–	–
Depreciation	72	75	65	16	17
	10,321	13,173	11,358	3,075	3,155
(Increase)/decrease in prepayments, deposits and other receivables	12,621	(14)	(2,323)	(140)	(28)
Increase/(decrease) in other payables and accruals	(198)	2,175	(1,325)	(183)	651
Cash flows from operation	22,744	15,334	7,710	2,752	3,778
Tax paid	–	–	(1,579)	–	–
Net cash flows from operating activities	22,744	15,334	6,131	2,752	3,778
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of items of property, plant and equipment	–	(40)	–	–	–
Bank interest received	3	5	17	–	–
Net cash flows from/(used in) investing activities	3	(35)	17	–	–
CASH FLOWS FROM FINANCING ACTIVITIES					
Advances from/(repayment to) fellow subsidiaries net	(24,545)	(14,303)	(4,583)	–	(10)
Net cash flows used in financing activities	(24,545)	(14,303)	(4,583)	–	(10)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1,798)	996	1,565	2,752	3,768
Cash and cash equivalents at beginning of year/period	1,559	549	1,461	1,461	3,101
Effect of foreign exchange rate changes, net	788	(84)	75	(562)	(318)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	549	1,461	3,101	3,651	6,551

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended	
	2019	2020	2021	31 March 2021	2022
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
ANALYSIS OF BALANCES OF					
CASH AND CASH					
EQUIVALENTS					
Deposits placed with a fellow subsidiary	413	1,189	2,969	13	6,055
Other cash and bank balances	<u>136</u>	<u>272</u>	<u>132</u>	<u>3,638</u>	<u>496</u>
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	<u>549</u>	<u>1,461</u>	<u>3,101</u>	<u>3,651</u>	<u>6,551</u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. Corporate information

Hong Kong High Church Group Limited (“**High Church**”) is a limited liability company incorporated in Hong Kong. Its registered office is located at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The principal activity of High Church was investment holding. Its subsidiary, Transwealth Logistics (Tianjin) Co., Ltd., was involved in leasing of a warehouse and provision of related management services.

The immediate holding company of High Church was Hong Heng Limited (“**Hong Heng**”), which is incorporated in the British Virgin Islands with limited liability.

In the opinion of the directors, the ultimate holding company of Hong Heng is 北京控股集團有限公司, which is a state-owned enterprise established in the People’s Republic of China (the “**PRC**”) and is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2. Basis of presentation and preparation of the unaudited consolidated financial information

The Unaudited Financial Information of High Church for the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022 has been prepared solely for the purpose of inclusion in the circular to be issued by Beijing Properties (Holdings) Limited (the “**Company**”), the intermediate holding company of High Church, in connection with the Proposed Disposal in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules.

The amounts included in the Unaudited Financial Information of High Church have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information of High Church has been prepared under the historical cost convention except for investment properties that are measured at fair values.

The Unaudited Financial Information of High Church does not contain sufficient information to constitute a complete set of consolidated financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* issued by the HKICPA and should be read in connection with the relevant published annual reports of the Group for the Relevant Periods.

(C) Target Group (3)

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE	85,250	69,948	62,262	16,424	14,483
Cost of services	<u>(6,280)</u>	<u>(1,603)</u>	<u>(1,491)</u>	<u>(535)</u>	<u>(1,752)</u>
Gross profit	78,970	68,345	60,771	15,889	12,731
Changes in fair value of an investment property	(67,362)	80,912	25,792	–	–
Other income and gains, net	4,129	7,247	8,920	1,867	1,924
Administrative expenses	(5,992)	(4,036)	(4,255)	(1,969)	(4,570)
Finance costs	<u>(29,036)</u>	<u>(22,777)</u>	<u>(21,232)</u>	<u>(6,094)</u>	<u>(4,839)</u>
PROFIT/(LOSS) BEFORE TAX	(19,291)	129,691	69,996	9,693	5,246
Income tax	<u>199</u>	<u>(33,982)</u>	<u>(17,438)</u>	<u>(2,888)</u>	<u>(2,070)</u>
PROFIT/(LOSS) FOR THE YEAR/PERIOD	<u>(19,092)</u>	<u>95,709</u>	<u>52,558</u>	<u>6,805</u>	<u>3,176</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>					
– Exchange differences on translation of foreign operations	<u>(26,355)</u>	<u>98,842</u>	<u>56,140</u>	<u>(1,949)</u>	<u>13,997</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	<u>(26,355)</u>	<u>98,842</u>	<u>56,140</u>	<u>(1,949)</u>	<u>13,997</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF INCOME TAX OF NIL	<u>(26,355)</u>	<u>98,842</u>	<u>56,140</u>	<u>(1,949)</u>	<u>13,997</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD	<u>(45,447)</u>	<u>194,551</u>	<u>108,698</u>	<u>4,856</u>	<u>17,173</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2019, 2020 and 2021 and 31 March 2022*

	2019 HK\$'000 (Unaudited)	As at 31 December 2020 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	As at 31 March 2022 HK\$'000 (Unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	249	148	77	72
Investment property	1,928,466	2,135,125	2,228,487	2,245,593
Total non-current assets	1,928,715	2,135,273	2,228,564	2,245,665
CURRENT ASSETS				
Trade receivables	–	–	–	3,774
Prepayments, deposits and other receivables	964	3,000	4,695	3,312
Loans to fellow subsidiaries	58,167	32,063	30,645	3,246
Amount due from an immediate holding company	120,778	232,451	234,921	166,126
Pledged and restricted bank deposits	12,004	2,206	95,577	24,300
Cash and bank balances	129,575	64,020	12,360	12,356
Total current assets	321,488	333,740	378,198	213,114
CURRENT LIABILITIES				
Other payables, accruals and deposits	26,119	21,054	18,611	21,169
Amount due to an intermediate holding company	4,611	4,766	15,624	15,912
Bank and other loans	571,434	418,206	5,884	4,447
Income tax payable	1,746	4,235	2,153	428
Total current liabilities	603,910	448,261	42,272	41,956
NET CURRENT ASSETS/ (LIABILITIES)	(282,422)	(114,521)	335,926	171,158
TOTAL ASSETS LESS CURRENT LIABILITIES	1,646,293	2,020,752	2,564,490	2,416,823
NON-CURRENT LIABILITIES				
Deferred tax liabilities	213,034	256,142	278,807	283,028
Bank and other loans	–	136,800	549,175	380,114
Total non-current liabilities	213,034	392,942	827,982	663,142
Net assets	1,433,259	1,627,810	1,736,508	1,753,681
EQUITY				
Issued capital	1	1	1	1
Reserves	1,433,258	1,627,809	1,736,507	1,753,680
Total equity	1,433,259	1,627,810	1,736,508	1,753,681

Cheng Ching Fu
Director

Siu Kin Wai
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	Issued capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2019	1	843,990	(16,720)	4,470	646,965	1,478,706
Loss for the year	–	–	–	–	(19,092)	(19,092)
Other comprehensive loss for the year:						
– Exchange differences on translation of foreign operations	–	–	(26,355)	–	–	(26,355)
Total comprehensive loss for the year	–	–	(26,355)	–	(19,092)	(45,447)
Transfer to reserves	–	–	–	2,161	(2,161)	–
At 31 December 2019 and 1 January 2020	1	843,990	(43,075)	6,631	625,712	1,433,259
Profit for the year	–	–	–	–	95,709	95,709
Other comprehensive income for the year:						
– Exchange differences on translation of foreign operations	–	–	98,842	–	–	98,842
Total comprehensive income for the year	–	–	98,842	–	95,709	194,551
Transfer to reserves	–	–	–	102	(102)	–
At 31 December 2020 and 1 January 2021	1	843,990	55,767	6,733	721,319	1,627,810
Profit for the year	–	–	–	–	52,558	52,558
Other comprehensive income for the year:						
– Exchange differences on translation of foreign operations	–	–	56,140	–	–	56,140
Total comprehensive income for the year	–	–	56,140	–	52,558	108,698
Transfer to reserves	–	–	–	851	(851)	–
At 31 December 2021	1	843,990	111,907	7,584	773,026	1,736,508

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	Issued capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2021	1	843,990	55,767	6,733	721,319	1,627,810
Profit for the period	–	–	–	–	6,805	6,805
Other comprehensive loss for the period:						
– Exchange differences on translation of foreign operations	–	–	(1,949)	–	–	(1,949)
Total comprehensive income/(loss) for the period	–	–	(1,949)	–	6,805	4,856
At 31 March 2021	<u>1</u>	<u>843,990</u>	<u>53,818</u>	<u>6,733</u>	<u>728,124</u>	<u>1,632,666</u>
At 1 January 2022	1	843,990	111,907	7,584	773,026	1,736,508
Profit for the period	–	–	–	–	3,176	3,176
Other comprehensive income for the period:						
– Exchange differences on translation of foreign operations	–	–	13,997	–	–	13,997
Total comprehensive income for the period	–	–	13,997	–	3,176	17,173
At 31 March 2022	<u>1</u>	<u>843,990</u>	<u>125,904</u>	<u>7,584</u>	<u>776,202</u>	<u>1,753,681</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(loss) before tax	(19,291)	129,691	69,996	9,693	5,246
Adjustments for:					
Finance costs	29,036	22,777	21,232	6,094	4,839
Changes in fair value of an investment property	67,362	(80,912)	(25,792)	–	–
Bank interest income	(1,040)	(2,870)	(392)	(60)	(1)
Interest income on loans to fellow subsidiaries	(2,118)	(3,048)	(8,467)	(1,803)	(1,921)
Depreciation	110	109	75	29	6
	74,059	65,747	56,652	13,953	8,169
(Increase)/decrease in trade receivable	2,497	–	–	(2,217)	(3,755)
(Increase)/decrease in prepayments, deposits and other receivables	(762)	(1,871)	1,636	2,974	1,387
Increase/(decrease) in other payables and accruals	(426)	(6,319)	(3,068)	(1,754)	2,403
Cash flows from operations	75,368	57,557	55,220	12,956	8,204
Tax paid	(8,399)	(3,337)	(8,667)	–	–
Net cash flows from operating activities	66,969	54,220	46,553	12,956	8,204
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	1,040	2,870	392	60	1
Purchase of items of property, plant and equipment	(21)	–	–	–	–
Additions of investment properties	(1,642)	–	–	–	–
Repayment from/(advances to) fellow subsidiaries, net	(20,567)	31,157	10,877	(5,387)	29,420
Repayment from/(advances to) an immediate holding company, net	10,925	(98,686)	4,940	101,589	70,253
Decrease/(increase) in pledged and restricted bank deposits	6,882	9,798	(93,370)	(35,410)	71,277
Net cash flows from/(used in) investing activities	(3,383)	(54,861)	(77,161)	60,852	170,951
CASH FLOWS FROM FINANCING ACTIVITIES					
New bank loans	–	550,029	–	–	–
Repayment of bank loans	(24,963)	(591,932)	(4,223)	(94,224)	(169,329)
Advances from/(repayment to) an intermediate holding company, net	(1,694)	(122)	10,520	(1,780)	167
Interests paid	(29,036)	(22,777)	(21,232)	(6,094)	(4,839)
Net cash flows from/(used in) financing activities	(55,693)	(64,802)	(14,935)	(102,098)	174,001
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,893	(65,443)	(45,543)	(28,290)	5,154
Cash and cash equivalents at beginning of year/period	127,156	129,575	64,020	64,020	12,361
Effect of foreign exchange rate changes, net	(5,474)	(112)	(6,117)	(6,823)	(5,159)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	129,575	64,020	12,360	28,907	12,356

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended	
	2019	2020	2021	31 March 2021	2022
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Time deposits	4,305	–	–	–	–
Other cash and bank balances	137,274	66,226	107,937	66,523	36,656
Less: Restricted cash and pledged deposits	<u>(12,004)</u>	<u>(2,206)</u>	<u>(95,577)</u>	<u>(37,616)</u>	<u>(24,300)</u>
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	<u>129,575</u>	<u>64,020</u>	<u>12,360</u>	<u>28,907</u>	<u>12,356</u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. Corporate information

Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited (“**Phoenix Real Estate**”) is a limited liability company incorporated in Hong Kong. Its registered office is located at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The principal activity of Phoenix Real Estate was investment holding. Its subsidiary, Beijing Properties (Shanghai) Warehouse Co., Ltd., was involved in leasing of a warehouse and provision of related management services.

The immediate holding company of Phoenix Real Estate was Advance Wit Limited (“**Advance Wit**”), which is incorporated in the British Virgin Islands with limited liability.

In the opinion of the directors, the ultimate holding company of Advance Wit is 北京控股集團有限公司, which is a state-owned enterprise established in the People’s Republic of China (the “**PRC**”) and is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2. Basis of presentation and preparation of the unaudited consolidated financial information

The Unaudited Financial Information of Phoenix Real Estate for the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022 has been prepared solely for the purpose of inclusion in the circular to be issued by Beijing Properties (Holdings) Limited (the “**Company**”), the intermediate holding company of Phoenix Real Estate, in connection with the Proposed Disposal in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules.

The amounts included in the Unaudited Financial Information of Phoenix Real Estate have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information of Phoenix Real Estate has been prepared under the historical cost convention except for investment properties that are measured at fair values.

The Unaudited Financial Information of Phoenix Real Estate does not contain sufficient information to constitute a complete set of consolidated financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* issued by the HKICPA and should be read in connection with the relevant published annual reports of the Group for the Relevant Periods.

(D) Target Group (4)**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE	6,154	6,266	5,393	1,340	1,249
Cost of services	(925)	(285)	(372)	(37)	(12)
Gross profit	5,229	5,981	5,021	1,303	1,237
Changes in fair value of an investment property	15,627	(113)	–	–	–
Other income and gains, net	745	525	302	1	1
Administrative expenses	(1,779)	(2,057)	(1,590)	(361)	(356)
PROFIT BEFORE TAX	19,822	4,336	3,733	943	882
Income tax	(4,423)	(1,028)	(482)	(76)	(92)
PROFIT FOR THE YEAR/PERIOD	<u>15,399</u>	<u>3,308</u>	<u>3,251</u>	<u>867</u>	<u>790</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
– Exchange differences on translation of foreign operations	(1,666)	4,896	2,786	(100)	700
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	(1,666)	4,896	2,786	(100)	700
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF INCOME TAX OF NIL	<u>(1,666)</u>	<u>4,896</u>	<u>2,786</u>	<u>(100)</u>	<u>700</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>13,733</u>	<u>8,204</u>	<u>6,037</u>	<u>767</u>	<u>1,490</u>

APPENDIX II**FINANCIAL INFORMATION OF THE TARGET GROUPS****UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***31 December 2019, 2020 and 2021 and 31 March 2022*

	2019	As at 31 December 2020	2021	As at 31 March 2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	61	43	23	17
Investment property	<u>87,251</u>	<u>92,625</u>	<u>95,612</u>	<u>96,346</u>
Total non-current assets	<u>87,312</u>	<u>92,668</u>	<u>95,635</u>	<u>96,363</u>
CURRENT ASSETS				
Trade receivables	–	–	1,316	1,492
Prepayments, deposits and other receivables	80	207	53	74
Amount due from a fellow subsidiary	10,147	9,327	17,541	17,676
Cash and cash equivalents	<u>1,978</u>	<u>6,627</u>	<u>2,232</u>	<u>3,279</u>
Total current assets	<u>12,205</u>	<u>16,161</u>	<u>21,142</u>	<u>22,521</u>
CURRENT LIABILITIES				
Other payables and accruals	3,568	1,743	3,545	3,962
Amount due to fellow subsidiaries	6,018	7,119	6,595	6,645
Income tax payables	<u>35</u>	<u>769</u>	<u>623</u>	<u>577</u>
Total current liabilities	<u>9,621</u>	<u>9,631</u>	<u>10,763</u>	<u>11,184</u>
NET CURRENT LIABILITIES	<u>2,584</u>	<u>6,530</u>	<u>10,379</u>	<u>11,337</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>89,896</u>	<u>99,198</u>	<u>106,014</u>	<u>107,700</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities	<u>13,434</u>	<u>14,532</u>	<u>15,311</u>	<u>15,507</u>
Total net-current liabilities	<u>13,434</u>	<u>14,532</u>	<u>15,311</u>	<u>15,507</u>
Net assets	<u>76,462</u>	<u>84,666</u>	<u>90,703</u>	<u>92,193</u>
EQUITY				
Issued capital	1	1	1	1
Reserves	<u>76,461</u>	<u>84,665</u>	<u>90,702</u>	<u>92,192</u>
Total equity	<u>76,462</u>	<u>84,666</u>	<u>90,703</u>	<u>92,193</u>

Cheng Ching Fu
Director

Siu Kin Wai
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	Issued capital HK\$'000 (Unaudited)	Contributed surplus HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2019	1	3,269	7,114	–	52,345	62,729
Profit for the year	–	–	–	–	15,399	15,399
Other comprehensive loss for the year:						
– Exchange differences on translation of foreign operations	–	–	(1,666)	–	–	(1,666)
Total comprehensive income/(loss) for the year	–	–	(1,666)	–	15,399	13,733
At 31 December 2019 and 1 January 2020	1	3,269	5,448	–	67,744	76,462
Profit for the year	–	–	–	–	3,308	3,308
Other comprehensive income for the year:						
– Exchange differences on translation of foreign operations	–	–	4,896	–	–	4,896
Total comprehensive income for the year	–	–	4,896	–	3,308	8,204
Transfer to reserves	–	–	–	1,088	(1,088)	–
At 31 December 2020 and 1 January 2021	1	3,269	10,344	1,088	69,964	84,666
Profit for the year	–	–	–	–	3,251	3,251
Other comprehensive income for the year:						
– Exchange differences on translation of foreign operations	–	–	2,786	–	–	2,786
Total comprehensive income for the year	–	–	2,786	–	3,251	6,037
At 31 December 2021	1	3,269	13,130	1,088	73,215	90,703

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022

	Issued capital HK\$'000 (Unaudited)	Contributed surplus HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
At 1 January 2021	1	3,269	10,344	1,088	69,964	84,666
Profit for the period	–	–	–	–	867	867
Other comprehensive loss for the period: – Exchange differences on translation of foreign operations	–	–	(100)	–	–	(100)
Total comprehensive income/(loss) for the period	–	–	(100)	–	867	767
At 31 March 2021	<u>1</u>	<u>3,269</u>	<u>10,244</u>	<u>1,088</u>	<u>70,831</u>	<u>85,433</u>
At 1 January 2022	1	3,269	13,130	1,088	73,215	90,703
Profit for the period	–	–	–	–	790	790
Other comprehensive income for the period: – Exchange differences on translation of foreign operations	–	–	700	–	–	700
Total comprehensive income for the period	–	–	700	–	790	1,490
At 31 March 2022	<u>1</u>	<u>3,269</u>	<u>13,830</u>	<u>1,088</u>	<u>74,005</u>	<u>92,193</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	19,822	4,336	3,733	943	882
Adjustments for:					
Changes in fair value on investment properties	(15,627)	113	–	–	–
Bank interest income	(15)	(7)	(131)	–	(1)
Depreciation	20	20	22	5	–
	<u>4,200</u>	<u>4,462</u>	<u>3,624</u>	<u>948</u>	<u>881</u>
Increase in trade receivable	–	–	(1,294)	–	(164)
(Increase)/decrease in prepayments, deposits and other receivables	17	(116)	158	90	(20)
(Increase)/decrease in amount due from a fellow subsidiary	(5,551)	1,368	(7,778)	–	–
Increase/(decrease) in amount due to fellow subsidiaries	–	691	(741)	(736)	–
Increase/(decrease) in other payables and accruals	<u>(55)</u>	<u>(1,936)</u>	<u>1,716</u>	<u>577</u>	<u>388</u>
Cash flows from/(used in) operations	<u>(1,389)</u>	<u>4,469</u>	<u>(4,315)</u>	<u>879</u>	<u>1,085</u>
Tax paid	<u>(322)</u>	<u>(79)</u>	<u>(345)</u>	<u>–</u>	<u>–</u>
Net cash flows from/(used in) operating activities	<u>(1,711)</u>	<u>4,390</u>	<u>(4,660)</u>	<u>879</u>	<u>1,085</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Bank interest received	<u>15</u>	<u>7</u>	<u>131</u>	<u>–</u>	<u>1</u>
Net cash flows from investing activities	<u>15</u>	<u>7</u>	<u>131</u>	<u>–</u>	<u>1</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,696)</u>	<u>4,397</u>	<u>(4,529)</u>	<u>879</u>	<u>1,086</u>
Cash and cash equivalents at beginning of year/period	4,354	1,978	6,627	6,627	2,232
Effect of foreign exchange rate changes, net	<u>(680)</u>	<u>252</u>	<u>134</u>	<u>(243)</u>	<u>(39)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	<u><u>1,978</u></u>	<u><u>6,627</u></u>	<u><u>2,232</u></u>	<u><u>7,263</u></u>	<u><u>3,279</u></u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS					
Deposits placed with a fellow subsidiary	1,691	6,533	2,156	7,120	2,853
Other cash and bank balances	<u>287</u>	<u>94</u>	<u>76</u>	<u>143</u>	<u>426</u>
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	<u>1,978</u>	<u>6,627</u>	<u>2,232</u>	<u>7,263</u>	<u>3,279</u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. Corporate information

Tianjin Tong Da You Zhi Logistics Investments Limited (“**Tong Da (HK)**”) is a limited liability company incorporated in Hong Kong. Its registered office is located at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The principal activity of Tong Da (HK) was investment holding. Its subsidiary, Tianjin Tong Da You Zhi Logistics Co., Ltd., was involved in leasing of a warehouse and provision of related management services.

The immediate holding company of Tong Da (HK) was Superior Gain Global Limited (“**Superior Gain**”), which is incorporated in the British Virgin Islands with limited liability.

In the opinion of the directors, the ultimate holding company of Superior Gain is 北京控股集團有限公司, which is a state-owned enterprise established in the People’s Republic of China (the “**PRC**”) and is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2. Basis of presentation and preparation of the unaudited consolidated financial information

The Unaudited Financial Information of Tong Da (HK) for the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022 has been prepared solely for the purpose of inclusion in the circular to be issued by Beijing Properties (Holdings) Limited (the “**Company**”), the intermediate holding company of Tong Da (HK), in connection with the Proposed Disposal in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules.

The amounts included in the Unaudited Financial Information of Tong Da (HK) have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information of Tong Da (HK) has been prepared under the historical cost convention except for investment properties that are measured at fair values.

The Unaudited Financial Information of Tong Da (HK) does not contain sufficient information to constitute a complete set of consolidated financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* issued by the HKICPA and should be read in connection with the relevant published annual reports of the Group for the Relevant Periods.

(E) Target Group (5)**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE	15,202	17,235	16,828	4,588	2,893
Cost of services	(2,969)	(3,186)	(2,232)	(793)	(696)
Gross profit	12,233	14,049	14,596	3,795	2,197
Changes in fair value of an investment property	(1,134)	1,124	(1,205)	–	–
Other income and gains, net	58	3,731	318	62	13
Administrative expenses	(5,335)	(3,071)	(2,177)	(1,567)	(508)
Finance costs	(3,681)	(2,321)	(2,342)	(585)	(543)
PROFIT BEFORE TAX	2,141	13,512	9,190	1,705	1,159
Income tax	(1,062)	(1,726)	(1,734)	(364)	(284)
PROFIT FOR THE YEAR/PERIOD	<u>1,079</u>	<u>11,786</u>	<u>7,456</u>	<u>1,341</u>	<u>875</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:					
– Exchange differences on translation of foreign operations	396	3,706	5,229	(185)	1,313
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	396	3,706	5,229	(185)	1,313
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF INCOME TAX OF NIL	<u>396</u>	<u>3,706</u>	<u>5,229</u>	<u>(185)</u>	<u>1,313</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>1,475</u>	<u>15,492</u>	<u>12,685</u>	<u>1,156</u>	<u>2,188</u>
PROFIT ATTRIBUTABLE TO:					
Shareholders of the Company	643	10,163	5,967	1,073	700
Non-controlling interests	436	1,623	1,489	268	175
	<u>1,079</u>	<u>11,786</u>	<u>7,456</u>	<u>1,341</u>	<u>875</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholders of the Company	1,178	12,393	10,151	925	1,750
Non-controlling interests	297	3,099	2,534	231	438
	<u>1,475</u>	<u>15,492</u>	<u>12,685</u>	<u>1,156</u>	<u>2,188</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2019, 2020 and 2021 and 31 March 2022*

	As at 31 December			As at
	2019	2020	2021	31 March
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	3,144	2,559	2,871	2,764
Investment property	<u>214,771</u>	<u>229,188</u>	<u>235,352</u>	<u>237,158</u>
Total non-current assets	<u>217,915</u>	<u>231,747</u>	<u>238,223</u>	<u>239,922</u>
CURRENT ASSETS				
Trade receivables	179	568	480	1,441
Prepayments, deposits and other receivables	–	164	–	–
Amount due from fellow subsidiaries	–	2,138	2,229	2,246
Cash and cash equivalents	<u>1,503</u>	<u>4,756</u>	<u>6,021</u>	<u>8,131</u>
Total current assets	<u>1,682</u>	<u>7,626</u>	<u>8,730</u>	<u>11,818</u>
CURRENT LIABILITIES				
Other payables and accruals	6,453	6,726	6,445	6,416
Amount due to fellow subsidiaries	66,196	66,712	773	2,670
Bank and other loans	21,559	29,039	31,831	32,224
Income tax payables	<u>35</u>	<u>192</u>	<u>226</u>	<u>3</u>
Total current liabilities	<u>94,243</u>	<u>102,669</u>	<u>39,275</u>	<u>41,313</u>
NET CURRENT LIABILITIES	<u>(92,561)</u>	<u>(95,043)</u>	<u>(30,545)</u>	<u>(29,495)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>125,354</u>	<u>136,704</u>	<u>207,678</u>	<u>210,427</u>

APPENDIX II**FINANCIAL INFORMATION OF THE TARGET GROUPS****UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** (continued)*31 December 2019, 2020 and 2021 and 31 March 2022*

	As at 31 December		As at 31 March	
	2019	2020	2021	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NON-CURRENT LIABILITIES				
Bank and other loans	23,826	16,982	10,664	10,746
Deferred tax liabilities	<u>21,842</u>	<u>24,544</u>	<u>26,257</u>	<u>26,736</u>
Total non-current liabilities	<u>45,668</u>	<u>41,526</u>	<u>36,921</u>	<u>37,482</u>
Net assets	<u>79,686</u>	<u>95,178</u>	<u>170,757</u>	<u>172,945</u>
EQUITY				
Issued capital	1	1	1	1
Reserves	<u>51,170</u>	<u>63,563</u>	<u>136,608</u>	<u>138,358</u>
	51,171	63,564	136,609	138,359
Non-controlling interests	<u>28,515</u>	<u>31,614</u>	<u>34,148</u>	<u>34,586</u>
Total equity	<u>79,686</u>	<u>95,178</u>	<u>170,757</u>	<u>172,945</u>

Cheng Ching Fu
Director

Siu Kin Wai
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022

	Attributable to shareholders of the Company					Non-controlling interests HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
	Issued capital HK\$'000 (Unaudited)	Capital and other reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	
At 1 January 2019	1	–	(499)	–	50,491	49,993	78,211
Profit for the year	–	–	–	–	643	643	1,079
Other comprehensive income/(loss) for the year: – Exchange differences on translation of foreign operations	–	–	535	–	–	535	396
Total comprehensive income for the year	–	–	535	–	643	1,178	1,475
At 31 December 2019 and 1 January 2020	1	–	36	–	51,134	51,171	79,686
Profit for the year	–	–	–	–	10,163	10,163	11,786
Other comprehensive income for the year: – Exchange differences on translation of foreign operations	–	–	2,230	–	–	2,230	3,706
Total comprehensive income for the year	–	–	2,230	–	10,163	12,393	15,492
At 31 December 2020 and 1 January 2021	1	–	2,266	–	61,297	63,564	95,178
Profit for the year	–	–	–	–	5,967	5,967	7,456
Other comprehensive income for the year: – Exchange differences on translation of foreign operations	–	–	4,184	–	–	4,184	5,229
Total comprehensive income for the year	–	–	4,184	–	5,967	10,151	12,685
Deemed contribution from an immediate holding company	–	62,894	–	–	–	62,894	62,894
Transfer to reserves	–	–	–	253	(253)	–	–
At 31 December 2021	1	62,894	6,450	253	67,011	136,609	170,757

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	Attributable to shareholders of the Company					Non-controlling interests HK\$'000 (Unaudited)	Total equity HK\$'000 (Unaudited)
	Issued capital HK\$'000 (Unaudited)	Capital and other reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	
At 1 January 2021	1	–	2,266	–	61,297	63,564	95,178
Profit for the period	–	–	–	–	1,073	1,073	1,341
Other comprehensive loss for the period: – Exchange differences on translation of foreign operations	–	–	(148)	–	–	(148)	(185)
Total comprehensive income/(loss) for the period	–	–	(148)	–	1,073	925	1,156
Deemed contribution from an immediate holding company	–	62,894	–	–	–	62,894	62,894
At 31 March 2021	<u>1</u>	<u>62,894</u>	<u>2,118</u>	<u>–</u>	<u>62,370</u>	<u>127,383</u>	<u>159,228</u>
At 1 January 2022	1	62,894	6,450	253	67,011	136,609	170,757
Profit for the period	–	–	–	–	700	700	875
Other comprehensive income for the period: – Exchange differences on translation of foreign operations	–	–	1,050	–	–	1,050	1,313
Total comprehensive income for the period	–	–	1,050	–	700	1,750	2,188
At 31 March 2022	<u>1</u>	<u>62,894</u>	<u>7,500</u>	<u>253</u>	<u>67,711</u>	<u>138,359</u>	<u>172,945</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	2,141	13,512	9,190	1,705	1,159
Adjustments for:					
Finance costs	3,681	2,321	2,342	585	543
Changes in fair value of an investment property	1,134	(1,124)	1,205	–	–
Bank interest income	(7)	(42)	(46)	(1)	(11)
Loss on disposal of items of property, plant and equipment	–	249	–	–	–
Depreciation	569	489	252	120	129
	7,518	15,405	12,943	2,409	1,820
(Increase)/decrease in trade receivable	(26)	(358)	104	178	(953)
(Increase)/decrease in prepayments, deposits and other receivables	183	(155)	166	165	–
Increase/(decrease) in amount due to fellow subsidiaries	1,118	(7,922)	(4,627)	(818)	1,688
Increase/(decrease) in other payables and accruals	(1,604)	(118)	(489)	631	(78)
Cash flows from operations	7,189	6,852	8,097	2,565	2,477
Tax paid	–	(296)	(800)	–	–
Net cash flows from operating activities	7,189	6,556	7,297	2,565	2,477
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of items of property, plant and equipment	–	–	(396)	–	–
Bank interest received	7	42	46	1	11
Net cash flows from/(used in) investing activities	7	42	(350)	1	11
CASH FLOWS FROM FINANCING ACTIVITIES					
New bank loans	22,372	–	–	–	–
Repayment of bank and other loans	(27,722)	(1,805)	(4,971)	–	–
Interests paid	(1,271)	(1,294)	(962)	(249)	(195)
Net cash flows used in financing activities	(6,621)	(3,099)	(5,933)	(249)	(195)
NET INCREASE IN CASH AND CASH EQUIVALENTS	575	3,499	1,014	2,317	2,293
Cash and cash equivalents at beginning of year/period	777	1,503	4,756	4,756	6,021
Effect of foreign exchange rate changes, net	151	(246)	251	(520)	(183)
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	1,503	4,756	6,021	6,553	8,131

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended	
	2019	2020	2021	31 March	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ANALYSIS OF BALANCES OF					
CASH AND CASH					
EQUIVALENTS					
Deposits placed with a fellow subsidiary	1,433	4,722	5,931	6,337	6,348
Other cash and bank balances	<u>70</u>	<u>34</u>	<u>90</u>	<u>216</u>	<u>1,783</u>
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	<u>1,503</u>	<u>4,756</u>	<u>6,021</u>	<u>6,553</u>	<u>8,131</u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. Corporate information

Mark Famous Investment Limited (“**Mark Famous**”) is a limited liability company incorporated in Hong Kong. Its registered office is located at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The principal activity of Mark Famous was investment holding. Its subsidiary, Hainan Datong Warehouse Company Limited, was involved in leasing of a warehouse and provision of related management services.

The immediate holding company of Mark Famous was China Logistics Warehouses (Holdings) Co., Ltd (“**China Logistics Warehouses**”), which is incorporated in the British Virgin Islands with limited liability.

In the opinion of the directors, the ultimate holding company of China Logistics Warehouses is 北京控股集團有限公司, which is a state-owned enterprise established in the People’s Republic of China (the “**PRC**”) and is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2. Basis of presentation and preparation of the unaudited consolidated financial information

The Unaudited Financial Information of Mark Famous for the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022 has been prepared solely for the purpose of inclusion in the circular to be issued by Beijing Properties (Holdings) Limited (the “**Company**”), the intermediate holding company of Mark Famous, in connection with the Proposed Disposal in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules.

The amounts included in the Unaudited Financial Information of Mark Famous have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information of Mark Famous has been prepared under the historical cost convention except for investment properties that are measured at fair values.

The Unaudited Financial Information of Mark Famous does not contain sufficient information to constitute a complete set of consolidated financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* issued by the HKICPA and should be read in connection with the relevant published annual reports of the Group for the Relevant Periods.

(F) Target Group (6)**UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
REVENUE	30,360	30,877	27,973	9,431	7,335
Cost of services	(2,714)	(2,799)	(3,187)	(676)	(760)
Gross profit	27,646	28,078	24,786	8,755	6,575
Changes in fair value of investment properties	–	10,119	1,205	–	4,302
Other income and gains, net	5,458	14,276	127	1	18
Administrative expenses	(10,276)	(10,294)	(3,090)	(942)	(2,384)
Finance costs	(8,479)	(3,406)	(3,265)	(823)	(725)
PROFIT BEFORE TAX	14,349	38,773	19,763	6,991	7,786
Income tax	(4,645)	(6,189)	(3,219)	(41)	(1,947)
PROFIT FOR THE YEAR/PERIOD	<u>9,704</u>	<u>32,584</u>	<u>16,544</u>	<u>6,950</u>	<u>5,839</u>
OTHER COMPREHENSIVE INCOME/(LOSS)					
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:</i>					
– Exchange differences on translation of foreign operations	(487)	3,641	11,172	543	2,676
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	(487)	3,641	11,172	543	2,676
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR/PERIOD, NET OF INCOME TAX OF NIL	<u>(487)</u>	<u>3,641</u>	<u>11,172</u>	<u>543</u>	<u>2,676</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD	<u>9,217</u>	<u>36,225</u>	<u>27,716</u>	<u>7,493</u>	<u>8,515</u>
PROFIT ATTRIBUTABLE TO:					
Shareholders of the Company	6,919	28,893	13,238	5,560	4,671
Non-controlling interests	2,785	3,691	3,306	1,390	1,168
	<u>9,704</u>	<u>32,584</u>	<u>16,544</u>	<u>6,950</u>	<u>5,839</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholders of the Company	7,379	28,948	22,348	6,178	6,823
Non-controlling interests	1,838	7,277	5,368	1,315	1,692
	<u>9,217</u>	<u>36,225</u>	<u>27,716</u>	<u>7,493</u>	<u>8,515</u>

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION*31 December 2019, 2020 and 2021 and 31 March 2022*

	As at 31 December		As at 31 March	
	2019	2020	2021	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
NON-CURRENT ASSETS				
Property, plant and equipment	2,966	2,968	3,015	3,038
Investment properties	394,866	429,875	444,962	452,701
Goodwill	61,639	61,639	61,639	61,639
Total non-current assets	459,471	494,482	509,616	517,378
CURRENT ASSETS				
Trade receivables	80	42	393	–
Prepayments, deposits and other receivables	1,086	803	263	661
Amount due from an intermediate holding company	24,296	6,888	9,573	9,647
Cash and cash equivalents	8,840	7,618	10,924	14,915
Total current assets	34,302	15,351	21,153	25,223
CURRENT LIABILITIES				
Other payables and accruals	15,908	16,285	14,830	15,009
Amount due to fellow subsidiaries	286,053	262,881	16,146	17,879
Other loans	6,711	9,500	12,258	12,352
Income tax payables	12,552	11,997	11,527	10,551
Total current liabilities	321,224	300,663	54,761	55,791
NET CURRENT LIABILITIES	(286,922)	(285,312)	(33,608)	(30,568)
TOTAL ASSETS LESS CURRENT LIABILITIES	172,549	209,170	476,008	486,810
NON-CURRENT LIABILITIES				
Other loans	43,513	36,694	29,603	29,830
Deferred tax liabilities	35,962	43,177	47,314	49,374
Total non-current liabilities	79,475	79,871	76,917	79,204
Net assets	93,074	129,299	399,091	407,606

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)*31 December 2019, 2020 and 2021 and 31 March 2022*

	As at 31 December		As at 31 March	
	2019	2020	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
EQUITY				
Issued capital	1	1	1	1
Reserves	<u>38,217</u>	<u>67,165</u>	<u>331,589</u>	<u>338,412</u>
	38,218	67,166	331,590	338,413
Non-controlling interests	<u>54,856</u>	<u>62,133</u>	<u>67,501</u>	<u>69,193</u>
Total equity	<u><u>93,074</u></u>	<u><u>129,299</u></u>	<u><u>399,091</u></u>	<u><u>407,606</u></u>

Cheng Ching Fu
Director

Siu Kin Wai
Director

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	Attributable to Shareholders of the Company					Non-controlling interests	Total equity
	Issued capital	Capital and other reserve	Exchange fluctuation reserve	PRC statutory reserve	Retained profits		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
At 1 January 2019	1	–	2,479	–	28,359	53,018	83,857
Profit for the year	–	–	–	–	6,919	2,785	9,704
Other comprehensive income/(loss) for the year:							
– Exchange differences on translation of foreign operations	–	–	460	–	–	(947)	(487)
Total comprehensive income for the year	–	–	460	–	6,919	1,838	9,217
At 31 December 2019 and 1 January 2020	1	–	2,939	–	35,278	54,856	93,074
Profit for the year	–	–	–	–	28,893	3,691	32,584
Other comprehensive income for the year:							
– Exchange differences on translation of foreign operations	–	–	55	–	–	3,586	3,641
Total comprehensive income for the year	–	–	55	–	28,893	7,277	36,225
At 31 December 2020 and 1 January 2021	1	–	2,994	–	64,171	62,133	129,299
Profit for the year	–	–	–	–	13,238	3,306	16,544
Other comprehensive income for the year:							
– Exchange differences on translation of foreign operations	–	–	9,110	–	–	2,062	11,172
Total comprehensive income for the year	–	–	9,110	–	13,238	5,368	27,716
Deemed contribution from an immediate holding company	–	242,076	–	–	–	–	242,076
Transfer to reserves	–	–	–	1,133	(1,133)	–	–
At 31 December 2021	1	242,076	12,104	1,133	76,276	67,501	399,091

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(continued)

For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022

	Attributable to Shareholders of the Company						Non-controlling interests	Total equity
	Issued capital HK\$'000 (Unaudited)	Capital and other reserve HK\$'000 (Unaudited)	Exchange fluctuation reserve HK\$'000 (Unaudited)	PRC statutory reserve HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)		
At 1 January 2021	1	–	2,994	–	64,171	67,166	62,133	129,299
Profit for the period	–	–	–	–	5,560	5,560	1,390	6,950
Other comprehensive income/(loss) for the period: – Exchange differences on translation of foreign operations	–	–	618	–	–	618	(75)	543
Total comprehensive income for the period	–	–	618	–	5,560	6,178	1,315	7,493
Deemed contribution from an immediate holding company	–	242,076	–	–	–	242,076	–	242,076
At 31 March 2021	<u>1</u>	<u>242,076</u>	<u>3,612</u>	<u>–</u>	<u>69,731</u>	<u>315,420</u>	<u>63,448</u>	<u>378,868</u>
At 1 January 2022	1	242,076	12,104	1,133	76,276	331,590	67,501	399,091
Profit for the period	–	–	–	–	4,671	4,671	1,168	5,839
Other comprehensive income for the period: – Exchange differences on translation of foreign operations	–	–	2,152	–	–	2,152	524	2,676
Total comprehensive income for the period	–	–	2,152	–	4,671	6,823	1,692	8,515
At 31 March 2022	<u>1</u>	<u>242,076</u>	<u>14,256</u>	<u>1,133</u>	<u>80,947</u>	<u>338,413</u>	<u>69,193</u>	<u>407,606</u>

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For the three months ended 31 March	
	2019	2020	2021	2021	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax	14,349	38,773	19,763	6,991	7,786
Adjustments for:					
Finance costs	8,479	3,406	3,265	823	725
Changes in fair value of an investment property	–	(10,119)	(1,205)	–	(4,302)
Bank interest income	(10)	(146)	(74)	(1)	(18)
Gain on disposal of property, plant and equipment	–	–	(40)	–	–
Depreciation	126	125	–	12	–
	22,944	32,039	21,709	7,825	4,191
(Increase)/decrease in trade receivable	(48)	40	(343)	–	394
(Increase)/decrease in prepayments, deposits and other receivables	(82)	332	557	341	(362)
Increase/(decrease) in amount due to fellow subsidiaries	(2,014)	(15,104)	(5,999)	7,168	1,372
Increase/(decrease) in other payables and accruals	3,012	(552)	(1,946)	(9,276)	65
	23,812	16,755	13,978	6,058	5,660
Cash flows from operations	23,812	16,755	13,978	6,058	5,660
Tax paid	(1,130)	(2,712)	(1,364)	–	–
	22,682	14,043	12,614	6,058	5,660
Net cash flows from operating activities	22,682	14,043	12,614	6,058	5,660
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of items of property, plant and equipment	–	–	40	–	–
Bank interest received	10	146	74	1	18
Repayment from/(advances to) an intermediate holding company, net	–	17,899	(2,421)	–	–
	10	18,045	(2,307)	1	18
Net cash flows from/(used in) investing activities	10	18,045	(2,307)	1	18
CASH FLOWS FROM FINANCING ACTIVITIES					
New loans	53,581	–	–	–	–
Repayment of loans	(64,899)	(7,125)	(5,615)	–	–
Interests paid	(3,396)	(2,629)	(2,217)	(569)	(465)
Repayment to a fellow subsidiary	–	(24,293)	–	–	–
	(14,714)	(34,047)	(7,832)	(569)	(465)
Net cash flows used in financing activities	(14,714)	(34,047)	(7,832)	(569)	(465)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,978	(1,959)	2,475	5,490	5,213
Cash and cash equivalents at beginning of year/period	1,541	8,840	7,618	7,618	10,924
Effect of foreign exchange rate changes, net	(679)	737	831	1,640	(1,222)
	8,840	7,618	10,924	14,748	14,915
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	8,840	7,618	10,924	14,748	14,915

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)*For the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022*

	For the year ended 31 December			For three months ended	
	2019	2020	2021	31 March	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
ANALYSIS OF BALANCES OF					
CASH AND CASH					
EQUIVALENTS					
Deposits placed with a fellow subsidiary	8,699	7,456	10,615	12,075	12,814
Other cash and bank balances	<u>141</u>	<u>162</u>	<u>309</u>	<u>2,673</u>	<u>2,101</u>
Cash and cash equivalents as stated in the consolidated statement of financial position and consolidated statement of cash flows	<u>8,840</u>	<u>7,618</u>	<u>10,924</u>	<u>14,748</u>	<u>14,915</u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. Corporate information

Ocean Lord Investment Limited (“**Ocean Lord**”) is a limited liability company incorporated in Hong Kong. Its registered office is located at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The principal activity of Ocean Lord was investment holding. Its subsidiary, Xiamen Xunda Hongtong Warehouse Company Limited, was involved in leasing of a warehouse and provision of related management services.

The immediate holding company of Ocean Lord was China Logistics Warehouses (Holdings) Co., Ltd (“**China Logistics Warehouses**”), which is incorporated in the British Virgin Islands with limited liability.

In the opinion of the directors, the ultimate holding company of China Logistics Warehouses is 北京控股集團有限公司, which is a state-owned enterprise established in the People’s Republic of China (the “**PRC**”) and is wholly owned by the State-owned Assets Supervision and Administration Commission of the People’s Government of Beijing Municipality.

2. Basis of presentation and preparation of the unaudited consolidated financial information

The Unaudited Financial Information of Ocean Lord for the years ended 31 December 2019, 2020, 2021 and three months ended 31 March 2022 has been prepared solely for the purpose of inclusion in the circular to be issued by Beijing Properties (Holdings) Limited (the “**Company**”), the intermediate holding company of Ocean Lord, in connection with the Proposed Disposal in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules.

The amounts included in the Unaudited Financial Information of Ocean Lord have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. The Unaudited Financial Information of Ocean Lord has been prepared under the historical cost convention except for investment properties that are measured at fair values.

The Unaudited Financial Information of Ocean Lord does not contain sufficient information to constitute a complete set of consolidated financial statements as defined in Hong Kong Accounting Standard 1 *Presentation of Financial Statements* issued by the HKICPA and should be read in connection with the relevant published annual reports of the Group for the Relevant Periods.

Upon completion of the Proposed Disposals, the Remaining Group will continue to be principally engaged in real estate including high-end and modern general warehouse, cold chain logistics warehouse, specialised wholesale market for the trading and distribution of local agricultural products, modernised industrial plants and investments in commercial properties and primary land development.

Set out below is the management discussion and analysis on the Remaining Group for each of the three financial years ended 31 December 2019, 2020 and 2021. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for each of the three years ended 31 December 2019, 2020 and 2021.

1. FOR THE YEAR ENDED 31 DECEMBER 2021

The revenue (net of business tax) of the Remaining Group for the year ended 31 December 2021 amounted to approximately HK\$570.09 million, representing an increase of approximately HK\$35.15 million or 6.57%, from approximately HK\$534.94 million for the year ended 31 December 2020. The gross profit of the Remaining Group for the year ended 31 December 2021 amounted to approximately HK\$316.76 million, representing an increase of approximately HK\$114.77 million, or 56.82% from approximately HK\$201.99 million for the year ended 31 December 2020.

High-end and modern general warehouses

The revenue contribution of high-end and modern general warehouses for the year ended 31 December 2021 amounted to approximately HK\$52.57 million, representing an increase of approximately HK\$34.36 million or 188.69% from approximately HK\$18.21 million for the year ended 31 December 2020. The increase was primarily attributable to the completion of Sin-Den project in Jiangsu in the second half of 2020.

Cold chain logistics warehouses

The revenue contribution of cold chain logistics warehouses for the year ended 31 December 2021 amounted to approximately HK\$75.88 million, representing an increase of approximately HK\$23.73 million or 45.50% from approximately HK\$52.15 million for the year ended 31 December 2020. The increase was primarily attributable to the increase in value-added service income. The gross profit margin decreased from approximately 64.54% for the year ended 31 December 2020 to approximately 40.11% for the year ended 31 December 2021 due to the costs associated with the prevention of COVID-19.

Trading business

The revenue contribution of trading business for the year ended 31 December 2021 amounted to approximately HK\$186.37 million, representing a decrease of approximately HK\$108.07 million or 36.70% from approximately HK\$294.44 million for the year ended 31 December 2020. The decrease was primarily attributable to the impact caused by COVID-19 and looking for the changes of business model.

Specialised wholesale markets

The revenue contribution of specialised wholesale markets for the year ended 31 December 2021 amounted to approximately HK\$33.37 million, representing an increase of approximately HK\$0.46 million, or 1.40%, from approximately HK\$32.91 million for the year ended 31 December 2020. The increase in revenue was attributable to the increase in average occupancy rate during the year ended 31 December 2021.

Industrial properties

The revenue contribution of industrial properties for the year ended 31 December 2021 amounted to approximately HK\$132.62 million, representing an increase of approximately HK\$63.08 million or 90.71% from approximately HK\$69.54 million for the year ended 31 December 2020. The sharp increase was attributable to the increase in average occupancy rate of projects in Suzhou City, Jiaxing City and Changshu City during the year ended 31 December 2021.

Commercial properties

The revenue contribution of commercial properties for the year ended 31 December 2021 amounted to approximately HK\$89.29 million, representing an increase of approximately HK\$21.60 million or 31.91% from approximately HK\$67.69 million for the year ended 31 December 2020. The increase was primarily attributable to the revenue from Beijing project based on entrusted contract.

Liquidity and financial resources

As at 31 December 2021, for accounting purposes, the Remaining Group had total borrowings of approximately HK\$10,215.73 million (31 December 2020: approximately HK\$10,315.53 million) which included: (i) approximately HK\$4,478.37 million from bank and other borrowings; and (ii) approximately HK\$5,737.36 million from USD guaranteed bonds.

As at 31 December 2021, the Remaining Group's balance of bank and other borrowings amounted to approximately HK\$4,478.37 million, which was denominated in United States dollars ("USD"), Hong Kong dollars ("HK\$") and Renminbi ("RMB") as to 31.86%, 18.99% and 49.15%, respectively. 52.26% of these bank and other borrowings was repayable less than one year. As at 31 December 2021, the Remaining Group's cash and bank balances amounted to approximately HK\$2,588.43 million, which were denominated in USD, HK\$ and RMB as to 12.49%, 0.54% and 86.97%, respectively. Bank and other borrowings of an aggregate amount of HK\$3,485.48 million bear interest at floating rates, the USD guaranteed bonds issued in February 2020 and August 2020 bear coupon rates of 5.95% per annum. The cash and bank balances, together with the unutilised banking facilities, are sufficient to finance the Remaining Group's businesses as at 31 December 2021.

As at 31 December 2021, the Remaining Group's current ratio and quick ratio were approximately 130.48% and 95.96%, respectively (31 December 2020: approximately 92.21% and 88.79%, respectively).

The net total borrowings of the Remaining Group as at 31 December 2021 (total borrowings less cash and cash equivalents and restricted cash) was HK\$7,627.30 million (31 December 2020: HK\$7,982.34 million), representing a decrease of HK\$355.04 million as compared to the previous year.

Gearing Ratio

The Remaining Group's gearing ratio, which was defined as sum of bank and other borrowings and guaranteed bonds, net of cash and cash equivalents and restricted cash, divided by the total equity, was approximately 257.29% (31 December 2020: approximately 252.64%).

Contingent liabilities

As at 31 December 2021, the Remaining Group had no contingent liabilities (31 December 2020: Nil).

Capital expenditures

For the year ended 31 December 2021, the Remaining Group spent approximately HK\$141.36 million (For the year ended 31 December 2020: approximately HK\$278.21 million) as capital expenditures, which consisted of the purchase of property, plant and equipment, investment properties and prepaid land lease payments.

Capital commitments

As at 31 December 2021, the Remaining Group had outstanding contracted capital commitments amounted to approximately HK\$1,040.98 million in aggregate which comprised commitments for:

- the outstanding construction costs of approximately RMB741.05 million (equivalent to approximately HK\$908.37 million) committed for warehouse facilities.
- the outstanding capital injection of approximately RMB105 million (equivalent to approximately HK\$128.71 million) payable for BE City Investment.
- the outstanding capital injection of approximately US\$500,000 (equivalent to approximately HK\$3.9 million) payable for a joint venture.

Future Plans for Material Investments and Acquisition of Capital Assets

The Remaining Group did not have any future plan for material investments nor addition of capital assets during the year ended 31 December 2021.

Treasury policies

The Remaining Group adopts conservative treasury and risk management policies and controls tightly over its cash. The Remaining Group's cash and cash equivalents are held mainly in HK\$, RMB and US\$. Surplus cash is generally placed in short term deposits denominated in these currencies.

Foreign exchange exposure

The Remaining Group mainly operates in the PRC with most of the domestic transactions settled in RMB for its PRC business and the Company's financing activities are mainly determine in US\$. Meanwhile, fluctuations of exchanges rates would impact its net asset value due to currency translation upon consolidation. If RMB appreciated/depreciated against HK\$, the Remaining Group would record a(n) increase/decrease its net asset value, as part of the Remaining Group's borrowings and cash balances are denominated in HK\$ and US\$. For the year ended 31 December 2021, the Remaining Group did not employ financial instruments for hedging its exposures to foreign currency risk. The Remaining Group will closely monitor its exposures to fluctuation in foreign currencies' exchange rates as exchange rate fluctuation of foreign currencies against RMB may have a material financial impact on the Remaining Group.

Significant investments and acquisitions

For the year ended 31 December 2021, the Remaining Group had no significant investments and acquisitions of subsidiaries and affiliated companies.

Charges on assets

As at 31 December 2021, the Remaining Group had bank loans with principal amounts of approximately HK\$1,208.55 million being secured by certain investment properties, cash and bank balances, trade receivables and equity interests in certain subsidiaries of the Remaining Group and all of which were guaranteed by the Company.

Employees and remuneration policies

As at 31 December 2021, the Remaining Group had a total of 495 (2020: 512) employees. Total staff cost incurred for the year ended 31 December 2021 amounted to approximately HK\$100.24 million (2020: approximately HK\$103.50 million) (including staff cost and directors' remuneration). The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Remaining Group's employee remuneration policy and packages are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

2. FOR THE YEAR ENDED 31 DECEMBER 2020

The revenue (net of business tax) of the Remaining Group for the year ended 31 December 2020 amounted to approximately HK\$534.94 million, representing an increase of approximately HK\$6.91 million or 1.31%, from approximately HK\$528.03 million for the year ended 31 December 2019. The gross profit of the Remaining Group for the year ended 31 December 2020 amounted to approximately HK\$201.99 million, representing an increase of approximately HK\$39.82 million, or 24.55% from approximately HK\$162.17 million for the year ended 31 December 2019.

High-end and modern general warehouses

The revenue contribution of high-end and modern general warehouses for the year ended 31 December 2020 amounted to approximately HK\$18.21 million, representing an increase of approximately HK\$1.85 million or 11.31% from approximately HK\$16.36 million for the year ended 31 December 2019. The increase was primarily attributable to the increase in average occupancy rate of Meishan warehouse.

Cold chain logistics warehouses

The revenue contribution of cold chain logistics warehouses for the year ended 31 December 2020 amounted to approximately HK\$52.15 million, representing an increase of approximately HK\$11.57 million or 28.51% from approximately HK\$40.58 million for the year ended 31 December 2019. The increase was primarily attributable to the increase in inventory turnover rate which in turn increased the value-added service income.

Trading business

The revenue contribution of trading business for the year ended 31 December 2020 amounted to approximately HK\$294.44 million, representing an increase of approximately HK\$6.58 million or 2.29% from approximately HK\$287.86 million for the year ended 31 December 2019. The gross profit margin was 1.37% for the year ended 31 December 2020. The low profit margin was due to commencement of the new business in 2019.

Specialised wholesale markets

The revenue contribution of specialised wholesale markets for the year ended 31 December 2020 amounted to approximately HK\$32.91 million, representing an increase of approximately HK\$10.18 million, or 44.79%, from approximately HK\$22.73 million for the year ended 31 December 2019. The increase in revenue was attributable to the increase in average occupancy rate during the year.

Industrial properties

The revenue contribution of industrial properties for the year ended 31 December 2020 amounted to approximately HK\$69.54 million, representing an increase of approximately HK\$41.68 million or 149.61% from approximately HK\$27.86 million for the year ended 31 December 2019. The sharp increase was attributable to the completion of Suzhou project and the increase in average occupancy rate of Jiaxing and Changshu project during the year.

Commercial properties

The revenue contribution of commercial properties for the year ended 31 December 2020 amounted to approximately HK\$67.69 million, representing a decrease of approximately HK\$64.96 million or 48.97% from approximately HK\$132.65 million for the year ended 31 December 2019. The decrease was primarily attributable to the redecoration of the hotel located in Beijing.

Liquidity and financial resources

As at 31 December 2020, for accounting purposes, the Remaining Group had total borrowings of approximately HK\$10,315.53 million (31 December 2019: approximately HK\$7,864.62 million), consisting of current portion of approximately HK\$1,872.93 million and non-current portion of approximately HK\$8,442.60 million which included: (i) approximately HK\$4,521.48 million from bank and other borrowings; and (ii) approximately HK\$5,794.05 million from USD guaranteed bonds.

As at 31 December 2020, the Remaining Group's balance of bank and other borrowings amounted to approximately HK\$4,521.48 million, which was denominated in USD, HK\$ and RMB as to 22.32%, 15.34% and 62.34%, respectively. 41.42% of these bank and other borrowings was repayable less than one year. As at 31 December 2020, the Remaining Group's cash and bank balances amounted to approximately HK\$2,333.19 million, which were denominated in USD, HK\$ and RMB as to 6.62%, 0.17% and 93.21%, respectively. Bank and other borrowings of an aggregate amount of HK\$3,571.48 million bear interest at floating rates, the USD guaranteed bonds issued in February 2020 and August 2020 bear coupon rates of 5.95% per annum. The cash and bank balances, together with the unutilised banking facilities, are sufficient to finance the Remaining Group's businesses as at 31 December 2020.

As at 31 December 2020, the Remaining Group's current ratio and quick ratio were approximately 92.21% and 88.79%, respectively (31 December 2019: approximately 34.60% and 31.72%, respectively).

The net total borrowings of the Remaining Group as at 31 December 2020 (total borrowings less cash and cash equivalents and restricted cash) was HK\$7,982.34 million (31 December 2019: HK\$5,354.82 million), representing an increase of HK\$2,627.52 million as compared to the previous year.

Gearing Ratio

The Remaining Group's gearing ratio, which was defined as sum of bank and other borrowings and guaranteed bonds, net of cash and cash equivalents and restricted cash, divided by the total equity, was approximately 252.64% (31 December 2019: approximately 181.22%).

Contingent liabilities

As at 31 December 2020, the Remaining Group had no contingent liabilities (31 December 2019: Nil).

Capital expenditures

For the year ended 31 December 2020, the Remaining Group spent approximately HK\$278.21 million (For the year ended 31 December 2019: approximately HK\$744.89 million) as capital expenditures, which consisted of the purchase of property, plant and equipment, investment properties and prepaid land lease payments.

Capital commitments

As at 31 December 2020, the Remaining Group had outstanding contracted capital commitments amounted to approximately HK\$771.71 million in aggregate which comprised commitments for:

- the outstanding construction costs of approximately RMB541.57 million (equivalent to approximately HK\$643.12 million) committed for warehouse facilities.
- the outstanding capital injection of approximately RMB105 million (equivalent to approximately HK\$124.69 million) payable for BE City Investment.
- the outstanding capital injection of approximately US\$500,000 (equivalent to approximately HK\$3.9 million) payable for a joint venture.

Future Plans for Material Investments and Acquisition of Capital Assets

The Remaining Group did not have any future plan for material investments nor addition of capital assets during the year ended 31 December 2020.

Treasury policies

The Remaining Group adopts conservative treasury and risk management policies and controls tightly over its cash. The Remaining Group's cash and cash equivalents are held mainly in HK\$, RMB and US\$. Surplus cash is generally placed in short term deposits denominated in these currencies.

Foreign exchange exposure

The Remaining Group mainly operates in the PRC with most of the domestic transactions settled in RMB for its PRC business and the Company's financing activities are mainly determine in US\$. Meanwhile, fluctuations of exchanges rates would impact its net asset value due to currency translation upon consolidation. If RMB appreciated/depreciated against HK\$, the Remaining Group would record a(n) increase/decrease its net asset value, as part of the Remaining Group's borrowings and cash balances are denominated in HK\$ and US\$. For the year ended 31 December 2020, the Remaining Group did not employ financial instruments for hedging its exposures to foreign currency risk. The Remaining Group will closely monitor its exposures to fluctuation in foreign currencies' exchange rates as exchange rate fluctuation of foreign currencies against RMB may have a material financial impact on the Remaining Group.

Significant investments and acquisitions

For the year ended 31 December 2020, the Remaining Group had no significant investments and acquisitions of subsidiaries and affiliated companies.

Charges on assets

As at 31 December 2020, the Remaining Group had bank loans with principal amounts of approximately HK\$2,610.65 million being secured by certain investment properties, cash and bank balances, trade receivables and equity interests in certain subsidiaries of the Remaining Group and all of which were guaranteed by the Company.

Employees and remuneration policies

As at 31 December 2020, the Remaining Group had a total of 512 (2019: 665) employees. Total staff cost incurred for the year ended 31 December 2020 amounted to approximately HK\$103.50 million (2019: approximately HK\$115.55 million) (including staff cost and directors' remuneration). The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Remaining Group's employee remuneration policy and packages are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

3. FOR THE YEAR ENDED 31 DECEMBER 2019

The revenue for the year ended 31 December 2019 amounted to approximately HK\$528.03 million, representing an increase of approximately HK\$215.78 million or 69.10%, from approximately HK\$312.25 million for the year ended 31 December 2018. The gross profit for the year ended 31 December 2019 amounted to approximately HK\$162.17 million, representing a decrease of approximately HK\$12.32 million, or 7.06% from approximately HK\$174.49 million for the year ended 31 December 2018.

High-end and modern general warehouses

The revenue contribution of high-end and modern general warehouses for the year ended 31 December 2019 amounted to approximately HK\$16.36 million, representing a decrease of approximately HK\$1.63 million or 9.06% from approximately HK\$17.99 million for the year ended 31 December 2018. The decrease was primarily attributable to the decrease in average occupancy rate of Tongliao warehouse.

Cold chain logistics warehouses

The revenue contribution of cold chain logistics warehouses for the year ended 31 December 2019 amounted to approximately HK\$40.58 million, representing an increase of approximately HK\$7.45 million or 22.49% from approximately HK\$33.13 million for the year ended 31 December 2018. The increase was primarily attributable to the increase in inventory turnover rate which in turn increased the value-added service income.

Trading business

The revenue contribution of trading business for the year ended 31 December 2019 amounted to approximately HK\$287.86 million. The gross profit margin was 0.32% for the year ended 31 December 2019. The low profit margin was due to commencement of the new business during the year.

Specialised wholesale markets

The revenue contribution of specialised wholesale markets for the year ended 31 December 2019 amounted to approximately HK\$22.73 million, representing an increase of approximately HK\$2.66 million, or 13.25%, from approximately HK\$20.07 million for the year ended 31 December 2018. The increase in revenue was attributable to the increase in average occupancy rate during the year.

Industrial properties

The revenue contribution of industrial properties for the year ended 31 December 2019 amounted to approximately HK\$27.86 million, representing an increase of approximately HK\$7.74 million or 38.47% from approximately HK\$20.12 million for the year ended 31 December 2018. The sharp increase was attributable to the completion of Changshu project in Jiangsu Province and Jiaxing project in Zhejiang Province during the year.

Commercial properties

The revenue contribution of commercial properties for the year ended 31 December 2019 amounted to approximately HK\$132.65 million, representing a decrease of approximately HK\$10.28 million or 7.19% from approximately HK\$142.93 million for the year ended 31 December 2018. The decrease was primarily attributable to the decrease of the average room occupancy rate of the hotel located in Beijing due to kick off of redecoration plan. The gross profit margin slightly decreased from approximately 64.90% for the year ended 31 December 2018 to approximately 63.36% for the year ended 31 December 2019.

Liquidity and financial resources

As at 31 December 2019, for accounting purposes, the Remaining Group had total borrowings of approximately HK\$7,864.62 million (31 December 2018: approximately HK\$7,061.87 million), consisting of current portion of approximately HK\$6,522.82 million and non-current portion of approximately HK\$1,341.80 million which included: (i) approximately HK\$3,588.43 million from bank and other borrowings; and (ii) approximately HK\$4,276.19 million from USD guaranteed bonds.

As at 31 December 2019, the Remaining Group's balance of bank and other borrowings amounted to approximately HK\$3,588.43 million, which was denominated in USD, HK\$ and RMB as to 47.59%, 19.85% and 32.56%, respectively. 62.87% of these bank and other borrowings was repayable less than one year. As at 31 December 2019, the Remaining Group's cash and bank balances amounted to approximately HK\$2,509.80 million, which were denominated in USD, HK\$ and RMB as to 14.25%, 1.34% and 84.41%, respectively. Bank and other borrowings of an aggregate amount of HK\$3,588.43 million bear interest at floating rates, the USD guaranteed bonds issued in March 2017 and August 2018 bear coupon rates of 4.375% and 9.00% per annum, respectively. The cash and bank balances, together with the unutilised banking facilities, are sufficient to finance the Remaining Group's businesses as at 31 December 2019.

As at 31 December 2019, the Remaining Group's current ratio and quick ratio were approximately 34.60% and 31.72%, respectively (31 December 2018: approximately 152.80% and 148.38%, respectively).

The net total borrowings of the Remaining Group as at 31 December 2019 (total borrowings less cash and cash equivalents and restricted cash) was HK\$5,354.82 million (31 December 2018: HK\$4,140.37 million), representing an increase of HK\$1,214.45 million as compared to the previous year.

Gearing Ratio

The Remaining Group's gearing ratio, which was defined as sum of bank and other borrowings and guaranteed bonds, net of cash and cash equivalents and restricted cash, divided by the total equity, was approximately 181.22% (31 December 2018: approximately 93.76%).

Contingent liabilities

As at 31 December 2019, the Remaining Group had no contingent liabilities (31 December 2018: Nil).

Capital expenditures

For the year ended 31 December 2019, the Remaining Group spent approximately HK\$744.89 million (For the year ended 31 December 2018: approximately HK\$434.67 million) as capital expenditures, which consisted of the purchase of property, plant and equipment, investment properties and prepaid land lease payments.

Capital commitments

As at 31 December 2019, the Remaining Group had outstanding contracted capital commitments amounted to approximately HK\$878.48 million in aggregate which comprised commitments for:

- the outstanding construction costs of approximately RMB673.28 million (equivalent to approximately HK\$753.13 million) committed for warehouse facilities.
- the outstanding capital injection of approximately RMB105 million (equivalent to approximately HK\$117.45 million) payable for BE City Investment.
- the outstanding capital injection of approximately US\$500,000 (equivalent to approximately HK\$3.9 million) payable for a joint venture.

Future Plans for Material Investments and Acquisition of Capital Assets

The Remaining Group did not have any future plan for material investments nor addition of capital assets during the year ended 31 December 2019.

Treasury policies

The Remaining Group adopts conservative treasury and risk management policies and controls tightly over its cash. The Remaining Group's cash and cash equivalents are held mainly in HK\$, RMB and US\$. Surplus cash is generally placed in short term deposits denominated in these currencies.

Foreign exchange exposure

The Remaining Group mainly operates in the PRC with most of the domestic transactions settled in RMB for its PRC business and the Company's financing activities are mainly determine in US\$. Meanwhile, fluctuations of exchanges rates would impact its net asset value due to currency translation upon consolidation. If RMB appreciated/depreciated against HK\$, the Remaining Group would record a(n) increase/decrease its net asset value, as part of the Remaining Group's borrowings and cash balances are denominated in HK\$ and US\$. For the year ended 31 December 2019, the Remaining Group did not employ financial instruments for hedging its exposures to foreign currency risk. The Remaining Group will closely monitor its exposures to fluctuation in foreign currencies' exchange rates as exchange rate fluctuation of foreign currencies against RMB may have a material financial impact on the Remaining Group.

Significant investments and acquisitions

For the year ended 31 December 2019, the Remaining Group had the following significant investments and acquisitions.

(a) Acquisition of 40% equity interest in Beijing BHL Logistics Limited (“BBHL Logistics”)

On 1 February 2019, Beijing Yun Zhong Management Consulting Co., Ltd (a wholly owned subsidiary of the Company) entered into an agreement with an independent third party, Riverside Investment Group Co. Ltd, to acquire 15% equity interest in BBHL Logistics, and Best Scope Global Limited (a wholly owned subsidiary of the Company) entered into an agreement with an independent third party, Hopeson Holdings Limited, to acquire 25% equity interest in BBHL Logistics at a total consideration of RMB70.86 million (equivalent to approximately HK\$82.91 million). The transaction has been completed during the year ended 31 December 2019. Further detail of the acquisition is set out in the Company’s announcement dated 1 February 2019. The principal business of BBHL Logistics includes the development and operation of storage facilities and logistics information consulting services. As at 31 December 2019, the fair value of the investment in BBHL Logistics amount to approximately HK\$79.33 million and account for 0.53% of the Remaining Group’s total assets. BBHL Logistics contributed a gain before tax of HK\$0.07 million for the year ended 31 December 2019. No realised and unrealised gain or loss and dividends received are recognised during the year ended 31 December 2019. The investment strategy is to use BBHL Logistics as a vehicle for potential real estate projects to be identified in future.

(b) Exercise of put option relating to interest in China Logistics Infrastructures (Holdings) Limited (“China Logistics”)

On 12 July 2019, the Company received the notice of put option from MJQ Investment Limited (the “**Subscriber**”) whereby the Company is required to purchase from the Subscriber of the shares of China Logistics. The consideration of RMB1,176.22 million has been duly paid on 28 February 2020. China Logistics is engaged in the business of investment holding. As at 31 December 2019, the fair value of the investment in China Logistics relating to put option from the Subscriber amount to approximately HK\$1,192.83 million account for 7.94% of the Remaining Group’s total assets. China Logistics contributed a gain before tax of HK\$56.65 million for the year ended 31 December 2019. No realised and unrealised gain or loss and dividends received are recognised during the year ended 31 December 2019. There is no change in investment strategy of China Logistics during the year ended 31 December 2019.

Charges on assets

As at 31 December 2019, the Remaining Group had bank loans with principal amounts of approximately HK\$1,158.31 million being secured by certain investment properties, cash and bank balances, trade receivables and equity interests in certain subsidiaries of the Remaining Group and all of which were guaranteed by the Company.

Employees and remuneration policies

As at 31 December 2019, the Remaining Group had a total of 665 (2018: 599) employees. Total staff cost incurred for the year ended 31 December 2019 amounted to approximately HK\$115.55 million (2018: approximately HK\$120.32 million) (including staff cost and directors' remuneration). The employees are remunerated based on their work performance, professional experiences and prevailing industry practices. The Remaining Group's employee remuneration policy and packages are periodically reviewed by the management. Apart from pension funds, discretionary bonuses and share options are awarded to certain employees according to the assessment of individual performance.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SPECIFIED GROUP**Introduction**

The following is an illustrative and unaudited pro forma financial information of the Group excluding the Target Groups upon the completion of the Proposed Disposal (the “**Specified Group**”) (the “**Unaudited Pro Forma Financial Information**”), comprising the unaudited pro forma consolidated statement of financial position as at 31 December 2021, and the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2021 of the Specified Group which has been prepared to illustrate the effect of the Proposed Disposal (i) as if the Proposed Disposal had been completed on 31 December 2021 for the unaudited pro forma consolidated statement of financial position, and (ii) as if the Proposed Disposal had been completed on 1 January 2021 for the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2021.

The Unaudited Pro Forma Financial Information of the Specified Group has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules for illustrative purposes only, based on their judgments, estimations and assumptions, and because of its hypothetical nature, it may not give a true picture of the financial position of the Specified Group as at 31 December 2021 or any future date and the financial performance and cash flows of the Specified Group for the year ended 31 December 2021 or for any future period.

The unaudited pro forma consolidated statement of financial position of the Specified Group is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2021 and the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Specified Group are prepared based on the audited consolidated statement of profit or loss, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2021, which have been extracted from the published annual report of the Group for the year ended 31 December 2021, after making certain pro forma adjustments relating to the Proposed Disposal that are factually supportable and directly attributable to the Proposal Disposal as set out below.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular, the published annual report of the Group for the year ended 31 December 2021, the historical financial information of the Target Groups as set out in Appendix II to this circular, and other financial information included elsewhere in this circular. In addition, no pro forma adjustment has

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been made in the unaudited pro forma financial information of the Specified Group to reflect other transactions of the Group entered into, including the completion of disposal of Beijing Inland Port Group on 6 June 2022, subsequent to 31 December 2021. The financial impacts of the completion of disposal of Beijing Inland Port Group on the unaudited proforma financial information of the Specified Group (i.e. the unaudited proforma adjusted financial information of the Remaining Group) were set out in note 6 in this appendix, assuming that the disposal of Beijing Inland Port Group has been completed on 31 December 2021.

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE SPECIFIED GROUP****As at 31 December 2021**

	The Group	Pro forma adjustments		The Specified Group (unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(note 1)</i>	<i>(note 2(a))</i>	<i>(note 2(b))</i>	
NON-CURRENT ASSETS				
Property, plant and equipment	548,951	(6,409)	–	542,542
Investment properties	8,465,009	(3,472,664)	–	4,992,345
Right-of-use assets	75,293	–	–	75,293
Goodwill	172,401	–	(69,960)	102,441
Interests in joint ventures	236,283	–	–	236,283
Interests in associates	676,785	–	–	676,785
Equity investments at fair value through other comprehensive income	20,881	–	–	20,881
Deposits	10,358	–	–	10,358
Land held for development or sale	4,159,955	–	–	4,159,955
Pledged and restricted bank deposits	987	–	–	987
Total non-current assets	14,366,903	(3,479,073)	(69,960)	10,817,870

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UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SPECIFIED GROUP

	The Group	Pro forma adjustments		The Specified Group (unaudited)
	HK\$'000 (note 1)	HK\$'000 (note 2(a))	HK\$'000 (note 2(b))	HK\$'000
CURRENT ASSETS				
Properties under development for sale	1,811,752	–	–	1,811,752
Properties held for sale	99,083	–	–	99,083
Inventories	68,498	–	–	68,498
Trade receivables	90,522	(2,189)	–	88,333
Prepayments, other receivables and other assets	240,818	(3,754)	–	237,064
Due from joint ventures	57,841	–	–	57,841
Pledged and restricted bank deposits	99,973	(95,576)	–	4,397
Cash and cash equivalents	<u>1,087,321</u>	<u>(40,235)</u>	<u>2,990,198</u>	<u>4,037,284</u>
	3,555,808	(141,754)	2,990,198	6,404,252
Assets of disposal group classified as held for sale	<u>4,099,819</u>	<u>–</u>	<u>–</u>	<u>4,099,819</u>
Total current assets	<u>7,655,627</u>	<u>(141,754)</u>	<u>2,990,198</u>	<u>10,504,071</u>
CURRENT LIABILITIES				
Trade payables	661,193	–	–	661,193
Other payables and accruals	624,255	(54,923)	–	569,332
Due to other related parties	542,291	(4,829)	–	537,462
Bank and other borrowings	2,364,872	(24,271)	–	2,340,601
Income tax payables	49,260	(14,792)	120,170	154,638
Provision for compensation	<u>249,863</u>	<u>–</u>	<u>–</u>	<u>249,863</u>
	4,491,734	(98,815)	120,170	4,513,089
Liability directly associated with the assets of disposal groups classified as held for sale	<u>1,341,286</u>	<u>–</u>	<u>–</u>	<u>1,341,286</u>
Total current liabilities	<u>5,833,020</u>	<u>(98,815)</u>	<u>120,170</u>	<u>5,854,375</u>
NET CURRENT ASSETS	<u>1,822,607</u>	<u>(42,939)</u>	<u>2,870,028</u>	<u>4,649,696</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>16,189,510</u>	<u>(3,522,012)</u>	<u>2,800,068</u>	<u>15,467,566</u>

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UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SPECIFIED GROUP

	The Group	Pro forma adjustments		The Specified Group (unaudited)
	HK\$'000 (note 1)	HK\$'000 (note 2(a))	HK\$'000 (note 2(b))	HK\$'000
NON-CURRENT LIABILITIES				
Due to a joint venture	216,731	–	–	216,731
Due to other related parties	73,434	(4,842)	–	68,592
Bank and other borrowings	2,625,838	(488,069)	–	2,137,769
Guaranteed bonds	5,737,361	–	–	5,737,361
Deferred revenue	88,618	–	–	88,618
Defined benefit obligations	14,375	–	–	14,375
Deferred tax liabilities	1,781,466	(443,851)	–	1,337,615
Total non-current liabilities	10,537,823	(936,762)	–	9,601,061
Net assets	5,651,687	(2,585,250)	2,800,068	5,866,505
EQUITY				
Equity attributable to shareholders of the Company				
Issued capital	696,933	–	–	696,933
Reserves	2,712,166	(2,483,601)	2,800,068	3,028,633
	3,409,099	(2,483,601)	2,800,068	3,725,566
Non-controlling interests	2,242,588	(101,649)	–	2,140,939
Total equity	5,651,687	(2,585,250)	2,800,068	5,866,505

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UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE SPECIFIED GROUP

For the year ended 31 December 2021

	The Group	Pro forma adjustments		The Specified Group (unaudited)
	HK\$'000 (note 1)	HK\$'000 (note 3(a))	HK\$'000 (note 3(b))	HK\$'000
REVENUE	710,817	(140,727)	–	570,090
Cost of sales and services	<u>(264,115)</u>	<u>10,788</u>	<u>–</u>	<u>(253,327)</u>
Gross profit	446,702	(129,939)	–	316,763
Change in fair value of investment properties, net	27,776	(26,891)	–	885
Other income and gains, net	41,706	(2,346)	890,353	929,713
Selling and distribution expenses	(6,218)	–	–	(6,218)
Administrative expenses	(191,103)	18,394	–	(172,709)
Other expenses, net	(14,477)	9	–	(14,468)
Finance costs	(597,824)	24,985	–	(572,839)
Share of profits or losses of:				
Joint ventures	73,764	–	–	73,764
Associates	<u>(36,734)</u>	<u>–</u>	<u>–</u>	<u>(36,734)</u>
PROFIT/(LOSS) BEFORE TAX	(256,408)	(115,788)	890,353	518,157
Income tax	<u>(78,868)</u>	<u>27,317</u>	<u>(116,415)</u>	<u>(167,966)</u>
PROFIT/(LOSS) FOR THE YEAR	<u>(335,276)</u>	<u>(88,471)</u>	<u>773,938</u>	<u>350,191</u>
Attributable to:				
Shareholders of the Company	(373,982)	(83,676)	773,938	316,280
Non-controlling interests	<u>38,706</u>	<u>(4,795)</u>	<u>–</u>	<u>33,911</u>
	<u>(335,276)</u>	<u>(88,471)</u>	<u>773,938</u>	<u>350,191</u>

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE SPECIFIED GROUP**

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME OF THE SPECIFIED GROUP****For the year ended 31 December 2021**

	The Group	Pro forma adjustments		The Specified Group (unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(note 1)</i>	<i>(note 3(a))</i>	<i>(note 3(b))</i>	
PROFIT/(LOSS) FOR THE YEAR	<u>(335,276)</u>	<u>(88,471)</u>	<u>773,938</u>	<u>350,191</u>
OTHER COMPREHENSIVE INCOME/(LOSS)				
<i>Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent years:</i>				
– Exchange differences on translation of foreign operations	252,065	(92,053)	–	160,012
– Reclassification of exchange fluctuation reserve upon disposal of subsidiaries	–	–	(73,561)	(73,561)
– Share of other comprehensive income/(loss) of:				
Joint ventures	45,123	–	–	45,123
Associates	<u>5,536</u>	<u>–</u>	<u>–</u>	<u>5,536</u>
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent years	<u>302,724</u>	<u>(92,053)</u>	<u>(73,561)</u>	<u>137,110</u>

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UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SPECIFIED GROUP

	The Group	Pro forma adjustments		The Specified Group (unaudited)
	HK\$'000 (note 1)	HK\$'000 (note 3(a))	HK\$'000 (note 3(b))	HK\$'000
<i>Other comprehensive loss that will not be reclassified to profit or loss in subsequent years:</i>				
– Changes in fair value of an equity investments at fair value through other comprehensive income, net of income tax of nil	(3,320)	–	–	(3,320)
– Actuarial losses of defined benefit plans	(1,011)	–	–	(1,011)
– Share of other comprehensive loss of associates	(156)	–	–	(156)
Net other comprehensive loss that will not be reclassified to profit or loss in subsequent years	(4,487)	–	–	(4,487)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX OF NIL	<u>298,237</u>	<u>(92,053)</u>	<u>(73,561)</u>	<u>132,623</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	<u>(37,039)</u>	<u>(180,524)</u>	<u>700,377</u>	<u>482,814</u>
Attributable to:				
Shareholders of the Company	(100,610)	(172,622)	700,377	427,145
Non-controlling interests	<u>63,571</u>	<u>(7,902)</u>	–	<u>55,669</u>
	<u>(37,039)</u>	<u>(180,524)</u>	<u>700,377</u>	<u>482,814</u>

APPENDIX IV**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE SPECIFIED GROUP****UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE
SPECIFIED GROUP****For the year ended 31 December 2021**

	The Group	Pro forma adjustments		The Specified Group (unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(note 1)</i>	<i>(note 3(a))</i>	<i>(note 3(b))</i>	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net cash flows used in operating activities	<u>(241,467)</u>	<u>8,691</u>	<u>—</u>	<u>(232,776)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of items of property, plant and equipment	(11,169)	495	—	(10,674)
Acquisition of investment properties	(131,531)	106	—	(131,425)
Government grants received	39,574	—	—	39,574
Proceeds from disposal of items of property, plant and equipment	291	(40)	—	251
Repayment of loans advanced to a joint venture	135,324	—	—	135,324
Interest received	59,980	(676)	—	59,304
Proceeds from disposal of subsidiaries	—	—	3,120,301	3,120,301
Decrease in time deposits with maturity of more than three months when acquired	<u>(7,872)</u>	<u>—</u>	<u>—</u>	<u>(7,872)</u>
Net cash flows used in investing activities	<u>84,597</u>	<u>(115)</u>	<u>3,120,301</u>	<u>3,204,783</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
New bank loans	1,005,341	—	—	1,005,341
Repayment of bank loans	(292,267)	5,783	—	(286,484)
Repayment of other loans	(28,913)	14,457	—	(14,456)
Repayment of guaranteed bonds	(76,733)	—	—	(76,733)
Advance from the intermediate holding company	421,645	—	—	421,645
Refund of capital contribution to a non-controlling equity holder of a partly-owned subsidiary	(4,894)	—	—	(4,894)
Net advances from other related parties	50,230	(4,018)	—	46,212
Interest paid	<u>(507,375)</u>	<u>24,985</u>	<u>—</u>	<u>(482,390)</u>
Net cash flows from financing activities	<u>567,034</u>	<u>41,207</u>	<u>—</u>	<u>608,241</u>

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	The Group	Pro forma adjustments		The Specified Group (unaudited)
	<i>HK\$'000 (note 1)</i>	<i>HK\$'000 (note 3(a))</i>	<i>HK\$'000 (note 3(b))</i>	<i>HK\$'000</i>
NET INCREASE IN				
CASH AND CASH EQUIVALENTS	410,164	49,783	3,120,301	3,580,248
Cash and cash equivalents at beginning of year	841,358	–	–	841,358
Effect of foreign exchange rate changes, net	<u>15,249</u>	<u>(3,636)</u>	<u>–</u>	<u>11,613</u>
 Cash and cash equivalents at end of year	 <u><u>1,266,771</u></u>	 <u><u>46,147</u></u>	 <u><u>3,120,301</u></u>	 <u><u>4,433,219</u></u>

Notes:

1. For the preparation of unaudited pro forma consolidated statement of profit or loss, unaudited pro forma consolidated statement of comprehensive income, unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of cash flows, the amounts are extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2021, which are set out in the Company's annual report for the year ended 31 December 2021.
2. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of financial position, assuming the Proposed Disposal had taken place on 31 December 2021:

The estimated gain on disposal assuming the Proposed Disposal had taken place on 31 December 2021 is calculated as follows:

- (a) The adjustments represent the de-recognition of assets and liabilities of the Target Groups as at 31 December 2021, assuming the Proposed Disposal had taken place on 31 December 2021. The assets and liabilities of the Target Groups are extracted from the audited consolidated statement of financial position of the Company.

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UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE SPECIFIED GROUP

- (b) The adjustments represent the estimated gain on disposal assuming the Proposed Disposal had taken place on 31 December 2021 and is calculated as follows:

		<i>HK\$'000</i>
Consideration	<i>Note (i)</i>	2,992,166
<i>Less: net assets of the Target Groups derecognised</i>	<i>Note (ii)</i>	(2,585,250)
<i>Add: non-controlling interest of the Target Groups</i>		101,649
<i>Less: goodwill associated with the Target Groups</i>	<i>Note (iii)</i>	(69,960)
<i>Add: cumulative foreign exchange translation difference of the Target Groups recycled to profit or loss</i>	<i>Note (iv)</i>	155,320
<i>Less: income tax expense regarding to disposal of the Target Groups</i>	<i>Note (v)</i>	<u>(120,170)</u>
Estimated gain on disposal before transaction costs		473,755
<i>Less: estimated transaction costs attributed to the Proposed Disposal</i>	<i>Note (vi)</i>	<u>(1,968)</u>
Estimated gain on disposal		<u><u>471,787</u></u>

Notes:

- (i) The amount represents the total consideration, being an amount of RMB2,441 million (equivalent to approximately HK\$2,992 million), which is payable by the Purchaser to the Group on the completion of the Proposed Disposal.

	<i>HK\$'000</i>
Consideration	3,054,217
Related Party Loans*	<u>(62,051)</u>
	<u><u>2,992,166</u></u>

* The amounts represent the aggregate net amount of loans owed by the Remaining Group to the Target Groups as at 31 December 2021.

- (ii) The amount represents the net assets of the Target Groups as at 31 December 2021 as follows:

	<i>HK\$'000</i>
Assets of the Target Groups as at 31 December 2021 [#]	3,620,827
Liabilities of the Target Groups as at 31 December 2021 [#]	<u>(1,035,577)</u>
Net assets of the Target Groups derecognised	<u><u>2,585,250</u></u>

[#] The amounts represent the balances in the audited consolidated statement of financial position of the Group as at 31 December 2021 after elimination.

- (iii) The amount represents goodwill associated with the Target Groups as at 31 December 2021.
 - (iv) The amount represents the cumulative currency translation differences related to foreign operations of the Target Groups to be released to profit or loss as if the Disposal had been completed on 31 December 2021.
 - (v) The amount represents the estimated withholding tax payable to the PRC tax authority in relation to the gain on the Proposed Disposal, which is calculated based on a tax rate of 10%.
 - (vi) The transaction costs represent professional fees directly attributable to the Proposed Disposal of the Target Groups which are estimated to be approximately HK\$1,968,000 and it is assumed that the fees would be settled by cash.
3. The following pro forma adjustments have been made to the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows, assuming the Proposed Disposal had taken place on 1 January 2021:

The estimated gain on disposal assuming the Proposed Disposal had taken place on 1 January 2021 is calculated as follows:

- (a) The adjustments represent the exclusion of the results and cash flows of the Target Groups for the year ended 31 December 2021, assuming the Proposed Disposal had taken place on 1 January 2021. The statements of profit or loss, comprehensive income and cash flows of the Target Groups are extracted from the audited consolidated statements of profit or loss, comprehensive income and cash flows of the Company.
- (b) The adjustments represent the estimated gain on disposal assuming the Proposed Disposal had taken place on 1 January 2021 and is calculated as follows:

		<i>HK\$'000</i>
Consideration	<i>Note (i)</i>	3,211,872
<i>Less:</i> net assets of the Target Groups derecognised	<i>Note (ii)</i>	(2,416,961)
<i>Add:</i> non-controlling interest of Target Groups		93,748
<i>Less:</i> goodwill associated with the Target Groups	<i>Note (iii)</i>	(69,960)
<i>Add:</i> cumulative foreign exchange translation difference of the Target Groups recycled to profit or loss	<i>Note (iv)</i>	73,561
<i>Less:</i> income tax expense regarding to disposal of the Target Groups	<i>Note (v)</i>	<u>(116,415)</u>
Estimated gain on disposal before transaction costs		775,845
<i>Less:</i> estimated transaction costs attributed to the Proposed Disposal	<i>Note (vi)</i>	<u>(1,907)</u>
Estimated gain on disposal		<u><u>773,938</u></u>

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Analysis of net cash flows from the Proposed Disposal:

	<i>HK\$'000</i>
Consideration	3,211,872
Less: estimated transaction costs attributable to the Proposed Disposal	(1,907)
Less: cash and cash equivalents held by the Target Groups at 1 January 2021	<u>(89,664)</u>
	<u><u>3,120,301</u></u>

Notes:

- (i) The amount represented the total consideration, being an amount of RMB2,705 million (equivalent to approximately HK\$3,212 million), which is payable by the Purchaser to the Company on the completion of the Proposed Disposal.

	<i>HK\$'000</i>
Consideration	2,958,788
Related Party Loans*	<u>253,084</u>
	<u><u>3,211,872</u></u>

* The amounts represent the aggregate net amount of loans owed by the Target Groups to the Remaining Group as at 1 January 2021.

- (ii) The amount represents the net assets of the Target Groups as at 1 January 2021 as follows:

	<i>HK\$'000</i>
Assets of the Target Groups as at 1 January 2021 [#]	3,437,173
Liabilities of the Target Groups as at 1 January 2021 [#]	<u>(1,020,212)</u>
Net assets of the Disposal Group derecognised	<u><u>2,416,961</u></u>

[#] The amounts represent the balances in the unaudited consolidated statement of financial position of the Group as at 1 January 2021 after elimination.

- (iii) The amount represents goodwill associated with the Target Groups as at 1 January 2021.
- (iv) The amount represents the cumulative currency translation differences related to foreign operations of the Target Groups to be released to profit or loss as if the Proposed Disposal had been completed on 1 January 2021.
- (v) The amount represents the estimated withholding tax payable to the PRC tax authority in relation to the gain on the Proposed Disposal, which is calculated based on a tax rate of 10%.

- (vi) The transaction costs represent professional fees directly attributable to the Proposed Disposal of the Target Groups which are estimated to be approximately HK\$1,907,000 and it is assumed that the fees would be settled by cash.
4. For the purpose of the Unaudited Pro Forma Financial Information of the Specified Group, where applicable, RMB has been converted into HK\$ at the rate of RMB0.82 to HK\$1.00 for balances included in unaudited pro forma consolidated statement of financial position of the Specified Group as at 31 December 2021, and the rate of RMB0.83 to HK\$1.00 for amounts included in the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Specified Group for the year ended 31 December 2021, respectively.
5. Other than the adjustments relating to the exclusion of the results and cash flows of the Target Groups for the year ended 31 December 2021 as mentioned in Note 3(a), the above adjustments are not expected to have a continuing effect on the unaudited pro forma consolidated statement of profit or loss of the Specified Group, the unaudited pro forma consolidated statement of comprehensive income of the Specified Group and the unaudited pro forma consolidated cash flows of the Specified Group.
6. The unaudited pro forma financial information has not taken into account the disposal of Beijing Inland Port Group that had been completed on 6 June 2022 and Beijing Inland Port Group will cease to be a subsidiary of the Company. Assuming the disposal of Beijing Inland Port Group has been completed on 31 December 2021, the estimated impact of the unaudited pro forma financial information of the Specified Group is illustrated as below:

The estimated impact on disposal to the unaudited pro forma consolidated statement of financial position is as follows:

	<i>HK\$'000</i>
Increase in cash and cash equivalents	1,671,954
Decrease in assets of disposal group classified as held for sale	(1,548,955)
Increase in income tax payables	<u>(33,894)</u>
Net impact to the net assets of the Specified Group	89,105
Net assets of the Specified Group as set out in the audited pro forma consolidated statement of financial position of the Specified Group	<u>5,866,505</u>
Net assets of the Remaining Group	<u><u>5,955,610</u></u>

APPENDIX IV

**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE SPECIFIED GROUP**

The estimated impact on disposal to the unaudited pro forma consolidated statement of profit or loss is calculated as follows:

	<i>HK\$'000</i>
Consideration	1,672,936
<i>Less: net assets of Beijing Inland Port Group derecognised</i>	(1,535,965)
<i>Less: goodwill associated with Beijing Inland Port Group</i>	(12,990)
<i>Less: income tax expense regarding to disposal of Beijing Inland Port Group*</i>	<u>(33,894)</u>
Estimated gain on disposal before transaction costs	90,087
<i>Less: estimated transaction costs attributed to the disposal</i>	<u>(982)</u>
Estimated gain on disposal	<u><u>89,105</u></u>

* *The amount represents the estimated withholding tax payable to the PRC tax authority in relation to the gain on disposal of Beijing Inland Port Group, which is calculated based on a tax rate of 10%.*

The estimated impact on disposal to the unaudited pro forma consolidated statement of cash flows is as follows:

	<i>HK\$'000</i>
Cash flows from investing activities – Proceeds from disposal of subsidiaries	<u>1,671,954</u>
Increase in net cash flows used in investing activities and cash and cash equivalents at end of year of the Specified Group	1,671,954
Cash and cash equivalents at end of year of the Specified Group as set out in the audited pro forma consolidated statement of cash flows of the Specified Group	<u>4,433,219</u>
Cash and cash equivalents at end of year of the Remaining Group	<u><u>6,105,173</u></u>

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Specified Group.



Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

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The Directors

Beijing Properties (Holdings) Limited
66F, Central Plaza, 18 Harbour Road,
Wan Chai, Hong Kong

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Beijing Properties (Holdings) Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Beijing Properties (Holdings) Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 31 December 2021, and the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2021 and the related notes as set out on pages IV-2 to IV-14 of the circular dated 3 August 2022 (the “**Circular**”) issued by the Company (the “**Unaudited Pro Forma Financial Information**”) in connection with the proposed mandate in relation to the proposed very substantial disposal through public tender (the “**Proposed Disposal**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix IV to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Disposal on the Group's financial position as at 31 December 2021 as if the Proposed Disposal had taken place at 31 December 2021, and the Group's financial performance and cash flows for the year ended 31 December 2021 as if the Proposed Disposal had taken place on 1 January 2021. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's financial position as at 31 December 2021 and the Group's financial performance and cash flows for the year ended 31 December 2021, on which an audit report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Proposed Disposal on unadjusted financial information of the Group as if the Proposed Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Proposed Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Proposed Disposal in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young

Certified Public Accountants

Hong Kong

3 August 2022

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from CHFT Advisory and Appraisal Ltd., and independent professional surveyor and valuer, in connection with its valuation as at 31 May 2022 of the property interests to be disposed of by the Company.



諮詢評估有限公司
ADVISORY AND APPRAISAL LTD.

香港干諾道中90號大新行16樓1601室
1601, 16/F., Sun House, 90 Connaught Road Central, Hong Kong
電話 Tel: +852 2301 4080 傳真 Fax: +852 2301 4988

Date of Report: 3 August 2022

The Board of Directors
Beijing Properties (Holdings) Limited
66th Floor, Central Plaza,
18 Harbour Road, Wanchai,
Hong Kong



Dear Sirs/Madams,

Re: Valuations of Six (6) Properties located in Shanghai City, Tianjin City, Xiamen City, and Haikou City, the People's Republic of China (collectively referred to as "the properties")

In accordance with an instruction for us to value certain property interests held by subsidiaries of **"Beijing Properties (Holdings) Limited"** (the **"Company"**), in the People's Republic of China (the **"PRC"**) as detailed in the attached valuation report, we confirm that we made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinions of the capital values of such property interests as at **31 May 2022** (the **"Date of Valuation"**) for the purpose of **Public Circular in relation to a possible disposal** by the Company only.

We are acting as external valuer and in the position to provide objective and unbiased valuations to the Company. We confirm that we have no material connection or involvement with the subject asset or the other parties to the valuation assignment. Unless otherwise stated, we have sufficient current local, national and international (as appropriate) knowledge of the particular market, and the skills and understanding to undertake the valuations competently.

Valuation Basis

Our valuations are carried out on a Market Value basis, which is defined by The Hong Kong Institute of Surveyors (“**HKIS**”) 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.”

The valuations comply with “HKIS Valuation Standards 2020” published by HKIS, “RICS Valuation-Global Standards” published by the Royal Institution of Chartered Surveyors (“**RICS**”), and the “International Valuation Standards” (“**IVS**”) published on 31 July 2021 by the International Valuation Standards Council as well as the requirements set out in Chapter 5 and Practice Note 12 of Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited.

Valuation Assumptions

Our valuations have been made on the assumption that the owner sells the properties on the open market without the benefit or burden of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which would serve to affect the values of the property interests.

No allowance has been made in our valuations neither for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of onerous nature which could affect their values.

For the purpose of valuations, we have adopted the gross floor areas as appeared in the title documents as provided, and no further verification work has been conducted. Whilst the common local practices are based on the gross floor areas, no re-measurement of the floor area by International Property Measurement Standards as advocated by RICS has been made.

Valuation Methodology

We have adopted direct comparison method whereby comparisons based on offering of comparable properties have been made. Comparable properties with similar characteristics, location and so on are analysed and carefully weighed against all respective advantages and disadvantages of the properties in order to arrive at the fair comparison of values.

Source of Information

In the course of valuations, we have relied on the legal opinions provided by the Company's PRC legal adviser, namely Tianyuan Law Firm, and we have been provided with copy of certain title documents relating to such property interests. We have not, however, searched the original documents to verify ownership or any amendment which did not appear on the copies provided to us. All documents have been used for reference only.

We have relied to a considerable extent on information given by the Company, in particular, but not limited to planning approvals, statutory notices, easements, tenancy, etc. We have taken every reasonable care both during inspecting the information provided to us and in making relevant enquiries.

Site inspections of the properties in Shanghai City, Tianjin City and Xiamen City carried in have been carried out in June 2022 by Ms Pan Andi (Master of Science) and Ms Ye Shumin (Master of Science). Owing to travel restrictions under COVID-19 and epidemic prevention policy, last inspection to the property in Haikou City was carried out in January 2019 by Ms. Candice Li. All inspections were under the direct supervision of Mr. Alex PW Leung. We have inspected the exterior of the properties. We have not inspected those parts of the properties which are covered, unexposed or inaccessible and such parts have been assumed to be in reasonable conditions. We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

In the course of our inspections, we did not notice any serious defects. However, we have not carried out any structural survey or any tests on the building services. Therefore, we are not able to report whether the properties are free of rot, infestation or any other structural defects. We have not carried out investigations on the site to determine the suitability of the ground conditions, the services, etc. for any future development/redevelopment. We have not carried out any investigation into past or present uses, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the properties from these uses or sites, and have therefore assumed that none exists.

We have assumed that transferable land-use rights of the properties for respective specific terms at nominal annual land use fees have been granted and that any land grant premium payables have already been fully paid. Unless otherwise stated, we have also assumed that the owners have enforceable titles to the properties and have free and uninterrupted rights to occupy, use, transfer, lease or assign the properties for the whole of the respective unexpired terms as granted.

Limitation of Liabilities

We have had no reason to doubt the truthfulness and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information provided. We consider that we have been provided with sufficient information to arrive at an informed view, and we have no reason to suspect that any material information has been withheld.

Our findings or conclusion of value of the properties in this report are valid only for the stated purpose and at the Date of Valuation, and for the sole use of the Company. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this report, and the valuer accepts no responsibility whatsoever to any other person.

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

Our liability for loss or damage shall be limited to such sum as we ought reasonably to pay having regard to our responsibility for the same on the basis that all other consultants and specialists, where appointed, shall be deemed to have provided to the Company contractual undertakings in respect of their services and shall be deemed to have paid to the Company such contribution as may be appropriate having regard to the extent of their responsibility for such loss or damage.

Our liability for any loss or damage arising out of the action or proceedings aforesaid shall, notwithstanding the preceding provisions, in any event be limited to a sum not exceeding five (5) times of the amount of our agreed fee for this valuation assignment. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, loss of profits, opportunity cost, etc.), even if it has been advised of their possible existence.

The Company is required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney's fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our engagement except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence, misconduct, willful default or fraud of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

Unless otherwise stated, all monetary amounts stated herein are denoted in Renminbi (“**RMB**”), the lawful currency of the PRC; and the floor and site areas are quoted in square metre (“**sqm**”).

We enclose herewith a summary of values and our valuation report.

Yours faithfully,

For and on behalf of

CHFT Advisory and Appraisal Ltd.

Alex PW Leung *MRICS MHKIS*

Senior Director

Note: Mr. Alex PW Leung is a member of the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors. Mr. Leung has over 20 years' experience in valuing properties in the PRC.

SUMMARY OF VALUES

No.	Property Address	Market Value as at the Date of Valuation
Properties held for Investment		
1.	Level 1 on No. 89 Shenfei Road, Levels 1 and 2 on Nos. 59, 119, 159, 199, 239 Shenfei Road, and Levels 1 and 2 on Nos. 60, 90, 120, 160, 200 and 240 Sheny Road, Shanghai Wai Gao Qiao Logistics Centre, Shanghai City, the PRC	RMB1,818,000,000
2.	Transwealth Airport Warehouse, Site F, Tianjin Airport International Logistics Zone, Tianjin City, the PRC	RMB179,000,000
3.	Transwell Customs Bonded Warehouse, Site 19, Third Avenue, Tianjin Airport Economic Area (International Logistics Zone), Tianjin City, the PRC	RMB203,000,000
4.	Tianjin Port International Bonded Logistics Center, No. 168 Jing Bin Avenue, Tianjin Port Free Trade Zone, Tianjin City, the PRC	RMB78,000,000
5.	An industrial complex located at Nos. 555-563, Ji'an Road, Tong'an District, Xiamen City, Fujian Province, the PRC	RMB366,500,000
6.	An industrial complex located in Jin Ma Xian Dai Logistics Center, Jinma Avenue, Chengmai District, Haikou City, Hainan Province, the PRC	RMB192,000,000
TOTAL		RMB2,836,500,000

VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Details	Market Value as at the Date of Valuation
1.	Level 1 on No. 89 Shenfei Road, Levels 1 and 2 on Nos. 59, 119, 159, 199, 239 Shenfei Road, and Levels 1 and 2 on Nos. 60, 90, 120, 160, 200 and 240 Shenyua Road, Shanghai Wai Gao Qiao Logistics Centre, Shanghai City, the PRC	<p>The property is located to the north of Shenyua Road and the west of Gaohan Road in Wai Gao Qiao Logistics Center. The locality is dominated by industrial developments.</p> <p>The property comprises 23 warehouse units in a building completed in 2007. The building is erected on two land parcels with an aggregate site area of about 192,249.00 sqm.</p> <p>The gross floor area of the property is about 211,985.22 sqm.</p> <p>The property is held under granted land use rights to be expired on 20 September 2054 for industrial and warehouse uses. The annual land-use fee payable to the government is currently RMB3 per sqm on this site.</p>	<p>According to the information provided by the Company, portion of the property with a total gross floor area of about 121,598 sqm had been leased out to various tenants at a total monthly rent of RMB5,438,803 exclusive of management fee and other utility charges.</p> <p>The remaining portion of the property was vacant as at the Date of Valuation.</p>	<p>RMB1,818,000,000 (RENMINBI ONE BILLION EIGHT HUNDRED EIGHTEEN MILLION)</p>

Notes

- a) Pursuant to 23 sets of “Shanghai Certificate of Real Estate Ownership” all dated 26 May 2015, the land use rights of the property have been granted for a term to be expired on 20 September 2054 for industrial and warehouse uses; the building ownership of the property is for warehouse use. The registered owner is Beijing Properties (Shanghai) Warehousing Co., Ltd. (“**Beijing Properties (Shanghai)**”). Details of the certificates are listed as below:

Property Address	Certificate No.	Relevant Site	Gross Floor
		Area (sqm)	Area (sqm)
Level 1, No. 59 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033418	91,340.00	10,698.03
Level 2, No. 59 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033411	91,340.00	9,813.58
Level 1, No. 60 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033409	91,340.00	10,693.44
Level 2, No. 60 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033428	91,340.00	9,800.25
Level 1, No. 89 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033413	91,340.00	10,693.32
Level 1, No. 90 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033430	91,340.00	10,333.61
Level 2, No. 90 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033415	91,340.00	9,745.35
Level 1, No. 119 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033416	100,909.00	8,675.79
Level 2, No. 119 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033421	100,909.00	7,816.09
Level 1, No. 120 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033414	100,909.00	8,675.45
Level 2, No. 120 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033394	100,909.00	7,894.19
Level 1, No. 159 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033410	100,909.00	9,681.94
Level 2, No. 159 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033422	100,909.00	8,869.01
Level 1, No. 160 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033396	100,909.00	9,686.53
Level 2, No. 160 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033404	100,909.00	8,882.27
Level 1, No. 199 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033424	100,909.00	9,686.54
Level 2, No. 199 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033417	100,909.00	8,885.74
Level 1, No. 200 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033429	100,909.00	9,681.94
Level 2, No. 200 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033390	100,909.00	8,871.91
Level 1, No. 239 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033427	100,909.00	8,676.95
Level 2, No. 239 Shenfei Road	Hu Fang Di Pu Zi (2015) No. 033419	100,909.00	7,728.90
Level 1, No. 240 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033399	100,909.00	7,818.60
Level 2, No. 240 Shenyua Road	Hu Fang Di Pu Zi (2015) No. 033401	100,909.00	8,675.79

- b) We have been provided with legal opinion on the property interests by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
- (i) Beijing Properties (Shanghai) has legally obtained the ownership of the property;
 - (ii) The property is subject to mortgage; and
 - (iii) Beijing Properties (Shanghai) has legal right to use, occupy, transfer, lease, mortgage and disposal of the property but it is subject to restriction of the above mortgage.
- c) With the consideration of the above legal opinion, our valuation is based on an assumption that the land use rights of the property are all with proper titles, and the owner/prospective buyer entitles to occupy, use, mortgage, lease, and transfer the property during the remaining land use rights term without any additional land premium, grant fee or other onerous payment to the relevant authorities.

VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Details	Market Value as at the Date of Valuation
2.	Transwealth Airport Warehouse, Site F, Tianjin Airport International Logistics Zone, Tianjin City, the PRC	<p>The property is located to the north of Yihao Road and the west of Third Avenue in Tianjin Airport International Logistics Zone. The locality is dominated by industrial developments.</p> <p>The property comprises an industrial complex with three blocks of composite building completed in about 2014 and other ancillary structures. Such buildings are erected over a parcel of land in trapezoid shape.</p> <p>The site area of the property is about 47,317.80 sqm and the gross floor area is about 35,173.09 sqm.</p> <p>The property is held under granted land use rights to be expired on 17 January 2054 for warehouse use. The annual land-use fee payable to the government is currently RMB1.5 per sqm on this site.</p>	According to the information provided by the Company, the property had been leased out to a tenant at a monthly rent of RMB980,694 exclusive of management fee and other utility charges.	RMB179,000,000 (RENMINBI ONE HUNDRED SEVENTY- NINE MILLION)

Notes

- a) Pursuant to “Certificate of Real Estate Ownership” (Document No.: Jin (2017) Bao Shui Qu Bu Dong Chan Quan 1004971) dated 26 July 2017, the land use rights of the property with a site area of about 47,317.80 sqm have been granted for a term to be expired on 17 January 2054 for warehouse use; and the building ownership of the property with a total gross floor area of about 35,173.09 sqm is for non-domestic use. The registered owner is Transwealth Logistics (Tianjin) Co., Ltd. (“**Transwealth Logistics**”).
- b) We have been provided with legal opinion on the property interests by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
- (i) Transwealth Logistics has legally obtained the ownership of the property; and
 - (ii) Transwealth Logistics has legal right to use, occupy, transfer, lease, mortgage and disposal of the property.
- c) With the consideration of the above legal opinion, our valuation is based on an assumption that the land use rights of the property are all with proper titles, and the owner/prospective buyer entitles to occupy, use, mortgage, lease, and transfer the property during the remaining land use rights term without any additional land premium, grant fee or other onerous payment to the relevant authorities.

VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Details	Market Value as at the Date of Valuation
3.	Transwell Customs Bonded Warehouse, Site 19, Third Avenue, Tianjin Airport Economic Area (International Logistics Zone), Tianjin City, the PRC	<p>The property is located to the north of Sanhao Road and the west of Third Avenue in Tianjin Airport International Logistics Zone. The locality is dominated by industrial developments.</p> <p>The property comprises an industrial complex with two composite buildings and some ancillary buildings/structures completed in between 2003 and 2008. These buildings and structures are erected on a parcel of land in rectangle shape.</p> <p>The site area of the property is about 45,550.90 sqm and the gross floor area is about 27,494.49 sqm.</p> <p>The property is held under granted land use rights to be expired on 31 December 2053 for warehouse use. The annual land-use fee payable to the government is currently RMB1.5 per sqm on this site.</p>	<p>According to the information provided by the Company, portion of the property with a total gross floor area of about 19,606 sqm had been leased out to various tenants at a total monthly rent of RMB909,363 exclusive of management fee and other utility charges.</p> <p>A portion has been leased to customs department. The remaining portion of the property was vacant as at the Date of Valuation.</p>	RMB203,000,000 (RENMINBI TWO HUNDRED AND THREE MILLION)

Notes

- a) Pursuant to “Certificate of Real Estate Ownership” (Document No.: Fang Di Zheng Jin Zi 115031003847), the land use rights of the property with a site area of about 45,550.90 sqm have been granted for a term to be expired on 31 December 2053 for warehouse use; and the building ownership with a total gross floor area of about 27,494.49 sqm is for non-domestic use. The registered owner is Tianjin Transwell International Logistics Co., Ltd. (“**Transwell International**”).
- b) We have been provided with legal opinion on the property interests by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
- (i) Transwell International has legally obtained the ownership of the property; and
 - (ii) Transwell International has legal right to use, occupy, transfer, lease, mortgage and disposal of the property.
- c) With the consideration of the above legal opinion, our valuation is based on an assumption that the land use rights of the property are all with proper titles, and the owner/prospective buyer entitles to occupy, use, mortgage, lease, and transfer the property during the remaining land use rights term without any additional land premium, grant fee or other onerous payment to the relevant authorities.

VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Details	Market Value as at the Date of Valuation
4.	Tianjin Port International Bonded Logistics Center, No. 168 Jing Bin Avenue, Tianjin Port Free Trade Zone, Tianjin City, the PRC	<p>The property is located at the north of Jinbin Avenue and the west of Haibin Eighth Road in Tianjin Port Free Trade Zone. The locality is dominated by industrial developments.</p> <p>The property comprises an industrial complex with one block of composite building completed in about 2006. The building is erected over a parcel of land in trapezoid shape.</p> <p>The site area of the property is about 30,002.70 sqm and the gross floor area is about 16,082.72 sqm.</p> <p>The property is held under granted land use rights to be expired on 26 July 2054 for warehouse use. The annual land-use fee payable to the government is currently RMB5 per sqm on this site.</p>	According to the information provided by the Company, the property had been leased out to a tenant from 1 January 2021 to 31 December 2022 at an annual rent of RMB4,735,289 exclusive of management fee and other utility charges.	RMB78,000,000 (RENMINBI SEVENTY-EIGHT MILLION)

Notes

- a) Pursuant to “Certificate of Real Estate Ownership” (Document No.: Jin (2016) Bao Shui Qu Bu Dong Chan Quan 1004874), the land use rights of the property with a site area of about 30,002.70 sqm have been granted for a term to be expired on 26 July 2054 for warehouse use; and the building ownership with a total gross floor area of about 16,082.72 sqm is for non-domestic use. The registered owner is Tianjin Tong Da You Zhi Logistics Co., Ltd. (“**Tong Da (Tianjin)**”).
- b) We have been provided with legal opinion on the property interests by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
- (i) Tong Da (Tianjin) has legally obtained the ownership of the property; and
 - (ii) Tong Da (Tianjin) has legal right to use, occupy, transfer, lease, mortgage and disposal of the property.
- c) With the consideration of the above legal opinion, our valuation is based on an assumption that the land use rights of the property are all with proper titles, and the owner/prospective buyer entitles to occupy, use, mortgage, lease, and transfer the property during the remaining land use rights term without any additional land premium, grant fee or other onerous payment to the relevant authorities.

VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Details	Market Value as at the Date of Valuation												
5.	An industrial complex located at Nos. 555-563, Ji'an Road, Tong'an District, Xiamen City, Fujian Province, the PRC	<p>The property comprises five 2-storey warehouses, a workshop and a 2-storey ancillary building completed between April 2012 and September 2016. The locality is dominated by commercial and industrial developments.</p> <p>The buildings are erected on a parcel of land with a site area of about 140,915.61 sqm. The total gross floor area is about 93,998.69 sqm as set out as follows:</p> <table><thead><tr><th>Usage</th><th>GFA (sqm)</th></tr></thead><tbody><tr><td>Warehouse 1# – 5#</td><td>79,923.80</td></tr><tr><td>Ancillary building</td><td>6,000.45</td></tr><tr><td>Workshop</td><td>6,416.00</td></tr><tr><td>Other facilities</td><td><u>1,658.44</u></td></tr><tr><td>Total</td><td><u>93,998.69</u></td></tr></tbody></table> <p>The property is held under granted land use rights to be expired on 6 November 2061 for warehouse use. The annual land-use fee payable to the government is currently RMB3.2 per sqm on this site.</p>	Usage	GFA (sqm)	Warehouse 1# – 5#	79,923.80	Ancillary building	6,000.45	Workshop	6,416.00	Other facilities	<u>1,658.44</u>	Total	<u>93,998.69</u>	<p>According to the information provided by Company, portion of the property with a total gross floor area of about 62,598 sqm had been leased out to various tenants at a total monthly rent of RMB1,447,886 exclusive of management fee and other utility charges.</p> <p>The remaining portion of the property was vacant as at the Date of Valuation.</p>	<p>RMB366,500,000 (RENMINBI THREE HUNDRED SIXTY-SIX MILLION AND FIVE HUNDRED THOUSAND)</p>
Usage	GFA (sqm)															
Warehouse 1# – 5#	79,923.80															
Ancillary building	6,000.45															
Workshop	6,416.00															
Other facilities	<u>1,658.44</u>															
Total	<u>93,998.69</u>															

Notes

- a) Pursuant to ten sets of “Certificate of Real Estate Ownership”, the land-use rights of the property with a site area of about 140,915.61 sqm has been granted for warehouse use; the relevant building ownership of the property with total gross floor area of about 93,998.69 sqm is for warehouse, factory and other ancillary uses. The registered owner of the property is Xiamen Xunda Hongtong Warehouse Company Limited (“**Xiamen Xunda**”) with details summarized as below:

Certificate No.	GFA (sqm)	Building Usage
Xia Guo Fang Di Zheng No. 01166931	14,032.94	Warehouse
Xia Guo Fang Di Zheng No. 01166924	15,221.67	Warehouse
Xia Guo Fang Di Zheng No. 01166925	14,578.43	Warehouse
Min (2016) Xia Men Shi Bu Dong Chan No. 0032848	18,149.13	Factory
Min (2016) Xia Men Shi Bu Dong Chan No. 0032849	17,941.63	Factory
Xia Guo Fang Di Zheng No. 01166927	1,600.40	Fire pump room, pool, fire control room, high-voltage power distribution room
Min (2017) Xia Men Shi Bu Dong Chan No. 0012893	6,416.00	Factory
Min (2017) Xia Men Shi Bu Dong Chan No. 0012901	6,000.45	Factory
Min (2017) Xia Men Shi Bu Dong Chan No. 0012896	29.02	Guard post
Min (2017) Xia Men Shi Bu Dong Chan No. 0012898	29.02	Guard post

- b) We have been provided with legal opinion on the property interests by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
- (i) Xiamen Xunda has legally obtained the ownership of the property; and
 - (ii) Xiamen Xunda has legal right to use, occupy, transfer, lease, mortgage and disposal of the property.
- c) With the consideration of the above legal opinions, our valuation is based on an assumption that the land use rights of the property are all with proper titles, and the owner/prospective buyer entitles to occupy, use, mortgage, lease, and transfer the property during the remaining land use rights term without any additional land premium, grant fee or other onerous payment to the relevant authorities.

VALUATION REPORT

No.	Property	Description and Tenure	Occupancy Details	Market Value as at the Date of Valuation												
6.	An industrial complex located in Jin Ma Xian Dai Logistics Center, Jinma Avenue, Chengmai District, Haikou City, Hainan Province, the PRC	<p>The property comprises two single-storey warehouses, a canteen and staff quarters and other facilities completed in about 2016. The locality is dominated by industrial developments.</p> <p>The property has a site area of about 73,571.8 sqm and a total gross floor area of about 49,455.90 sqm. Details are set out as follows:</p> <table><thead><tr><th>Usage</th><th>GFA (sqm)</th></tr></thead><tbody><tr><td>#1 Warehouse</td><td>20,906.78</td></tr><tr><td>#2 Warehouse</td><td>24,351.74</td></tr><tr><td>Canteen and staff quarters</td><td>3,613.72</td></tr><tr><td>Other facilities</td><td>583.66</td></tr><tr><td>Total</td><td><u>49,455.90</u></td></tr></tbody></table> <p>The property is held under granted land use rights to be expired on 14 February 2066 for warehouse use. The annual land-use fee payable to the government is currently RMB4 per sqm on this site.</p>	Usage	GFA (sqm)	#1 Warehouse	20,906.78	#2 Warehouse	24,351.74	Canteen and staff quarters	3,613.72	Other facilities	583.66	Total	<u>49,455.90</u>	<p>According to the information provided by Company, portion of the property with a total gross floor area of about 30,495 sqm had been leased out to various tenants at a total monthly rent of RMB607,171 exclusive of management fee and other utility charges.</p> <p>The remaining portion of the property was vacant as at the Date of Valuation.</p>	RMB192,000,000 (RENMINBI ONE HUNDRED NINETY-TWO MILLION)
Usage	GFA (sqm)															
#1 Warehouse	20,906.78															
#2 Warehouse	24,351.74															
Canteen and staff quarters	3,613.72															
Other facilities	583.66															
Total	<u>49,455.90</u>															

Notes

- a) Pursuant to five sets of “Certificate of Real Estate Ownership”, the land-use rights of the property with a site area of about 73,571.89 sqm has been granted for warehouse use; the relevant building ownership of the property with total gross floor area of about 49,455.90 sqm is for warehouse, factory and other ancillary uses. The registered owner of the property is Hainan Datong Warehouse Company Limited (“**Hainan Datong**”) with details summarized as below:

Certificate No.	GFA (sqm)	Building Usage
Qiong (2017) Cheng Mai Xian Bu Dong Chan No. 0009029	20,906.78	Warehouse
Qiong (2017) Cheng Mai Xian Bu Dong Chan No. 0009030	24,351.74	Warehouse
Qiong (2017) Cheng Mai Xian Bu Dong Chan No. 0009031	93.44	Factory
Qiong (2017) Cheng Mai Xian Bu Dong Chan No. 0009032	490.22	Warehouse
Qiong (2017) Cheng Mai Xian Bu Dong Chan No. 0009033	3,613.72	Dormitory

- b) We have been provided with legal opinion on the property interests by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
- (i) Hainan Datong has legally obtained the ownership of the property; and
 - (ii) Hainan Datong has legal right to use, occupy, transfer, lease, mortgage and disposal of the property.
- c) With the consideration of the above legal opinion, our valuation is based on an assumption that the land use rights of the property are all with proper titles, and the owner/prospective buyer entitles to occupy, use, mortgage, lease, and transfer the property during the remaining land use rights term without any additional land premium, grant fee or other onerous payment to the relevant authorities.

This asset valuation report is prepared in accordance with PRC Asset Valuation Standards

**Asset Valuation Report on the
Value of Total Shareholders' Equity of
Shanghai Xinmu Cooperation Management Consultancy Company Limited
Involved with the Proposed Disposal of Equity Interest in
Shanghai Xinmu Cooperation Management
Consultancy Company Limited by
Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030008

(1 of 1)

Valuation agency: Beijing Guorongxinghua Assets Appraisal Co., Ltd.

Date of valuation report: 30 May 2022

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DECLARATION

I. This asset valuation report is prepared in accordance with the Basic Rules for Asset Appraisal issued by the Ministry of Finance and the Practice Guidelines for Asset Appraisal and the Code of Ethics for Asset Appraisal issued by the China Appraisal Society.

II. The asset valuation agency and asset valuers have complied with the laws, administrative regulations and asset appraisal standards, abided by the principles of independence, objectivity and fairness, and have assumed responsibilities for the published asset valuation report in accordance with laws.

III. The entrusting party or other users of the asset valuation report shall use the asset valuation report in accordance with laws and administrative regulations and within the scope of use set out in the asset valuation report. The asset valuation agency and asset valuers take no responsibility for any non-compliance with the above-mentioned requirements in the use of the asset valuation report by the entrusting party or other users of the asset valuation report.

This asset valuation report shall only be used by the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations. Save for the above, other institution and individual cannot become the user of the asset valuation report.

The asset valuation agency and asset valuers advise that users of the asset valuation report should correctly interpret and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target.

IV. The list of assets and liabilities related to the valuation target and the business operation forecast information should be reported by the entrusting party and the appraised entity and certified by signature, seal or other means permitted by laws. The entrusting party and other relevant parties shall be responsible for the truthfulness, completeness and legality of the materials provided in accordance with laws.

V. The asset valuers have conducted on-site inspection on the valuation target and the assets involved, and given necessary consideration to the legal ownership status of the valuation target and the assets involved, verified the information regarding the legal ownership of the valuation target and the assets involved, made proper disclosure in respect of the issues identified and requested the entrusting party and other relevant parties to consummate the titles in order to fulfil the requirements for the issuance of the asset valuation report.

Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets.

VI. The asset valuation agency and asset valuers have no existing or expected relationship of interests either with the valuation target as set out in the asset valuation report, or with the relevant parties, and have no prejudice against the relevant parties.

VII. The analyses, judgements and conclusion in the asset valuation report issued by the asset valuation agency are subject to the assumptions and limitations contained therein. Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

**Summary of the Asset Valuation Report on the
Value of Total Shareholders' Equity of
Shanghai Xinmu Cooperation Management Consultancy Company Limited
Involved with the Proposed Disposal of Equity Interest in
Shanghai Xinmu Cooperation Management
Consultancy Company Limited
by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030008

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited as at the Valuation Reference Date, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness and complying with necessary valuation procedures. The asset valuation report is hereby summarised as follows:

Purpose of Valuation: The proposed disposal of equity interest in Shanghai Xinmu Cooperation Management Consultancy Company Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited and its subsidiary Tianjin Transwell International Logistics Co., Ltd., to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of Jade (Shanghai) Investments Company Ltd and the Minutes of the Board Meeting of Shanghai Xinmu Cooperation Management Consultancy Company Limited.

Target of Valuation: Value of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited.

Scope of Valuation: All assets and liabilities of the appraised entity, including current assets, long-term equity investments and liabilities. The specific scope is subject to the reporting of the appraised entity.

Valuation Reference Date: 31 August 2021

Type of Value: Market value

Valuation Method: Asset-based approach

Valuation Conclusion: This asset valuation report adopts the results under the asset-based approach as the valuation conclusion, with details set out below:

As at the Valuation Reference Date, the book value of total assets of Shanghai Xinmu Cooperation Management Consultancy Company Limited is RMB67,328,000, and the appraised value is RMB70,900,800, representing an appreciation of RMB3,572,800 and an appreciation rate of 5.31%. The book value of total liabilities is RMB66,917,100, and the appraised value is RMB66,917,100, indicating no changes of value. The book value of total shareholders' equity is RMB410,900, and the appraised value is RMB3,983,700, representing an appreciation of RMB3,572,800 and an appreciation rate of 869.59%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	C = B - A	
I. Current assets	1	41.09	41.09	–	–
II. Non-current assets	2	6,691.71	7,048.99	357.28	5.34
Long-term equity investments	3	6,691.71	7,048.99	357.28	5.34
Total assets	4	6,732.80	7,090.08	357.28	5.31
III. Current liabilities	5	6,691.71	6,691.71	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	6,691.71	6,691.71	–	–
Value of total shareholders' equity	8	41.09	398.37	357.28	869.59

This asset valuation report is issued for the sole purpose of providing value reference for the economic activity stated herein, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Notes on Special Matters:

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

1. The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters on the valuation conclusion, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.
2. This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, but not to provide any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.
3. Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Shanghai Xinmu Cooperation Management Consultancy Company Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen (2021) No. 1248). Shanghai Xinmu Cooperation Management Consultancy Company Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the audit report when using this asset valuation report.
4. The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen (2021) No. 1248 issued by Beijing Xiwen Certified Public Accountants.
5. Shanghai Xinmu Cooperation Management Consultancy Company Limited has not provided the valuation agency with information about mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

The premise of Shanghai Xinmu Cooperation Management Consultancy Company Limited is leased, with details set out below:

Lessor	Beijing Properties (Shanghai) Warehouse Co., Ltd.
Address	Unit KD2-1A-1, 1st Floor, 90 Shenyang Road, China (Shanghai) Pilot Free Trade Zone
Floor area	52.18 sq.m.
Leased area	52.18 sq.m.
Daily rent	RMB1/sq.m./day
Annual rent	RMB19,045.70

Lease inception 2017-11-1

Expiry date 2024-10-31

6. Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:
- (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.
- (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.
7. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on assets of Shanghai Xinmu Cooperation Management Consultancy Company Limited and adopts alternative investigation procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the appraised entity only has monetary funds, other receivables and other payables and involves no other assets and liabilities, the valuation agency has worked with the audit firm to issue letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

The above has been extracted from the full text of the asset valuation report. In order to fully understand the valuation and have a correct understanding and use of the valuation conclusion, you should carefully read the full text of the asset valuation report.

**Full Text of the Asset Valuation Report on the
Value of Total Shareholders' Equity of
Shanghai Xinmu Cooperation Management Consultancy Company Limited
Involved with the Proposed Disposal of Equity Interest in
Shanghai Xinmu Cooperation Management
Consultancy Company Limited
by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030008

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited as at 31 August 2021, which is associated with the proposed disposal of equity interest in Shanghai Xinmu Cooperation Management Consultancy Company Limited by Beijing Properties (Holdings) Limited, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness, adopting the asset-based approach and complying with necessary valuation procedures. The asset valuation is hereby reported as follows:

**I. THE ENTRUSTING PARTY, THE APPRAISED ENTITY AND OTHER USERS OF
THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION
ENGAGEMENT CONTRACT**

The entrusting party of the valuation is Beijing Properties (Holdings) Limited; the appraised entity is Shanghai Xinmu Cooperation Management Consultancy Company Limited; other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract include the entrusting party and parties to the transaction.

(i) Overview of the entrusting party

Company name (in Chinese): 北京建設(控股)有限公司

Company name (in English): Beijing Properties (Holdings) Limited

Registered address: Clarendin House 2 Church Street Hamilton HM 11
Bermuda

Principal place of business: 66th Floor, Central Plaza, 18 Harbour Road,
Wanchai, Hong Kong

Authorised capital stock:	10,000,000,000 shares
Chairman of the Board:	Qian Xu
Main businesses:	Development and lease of commercial properties, and provision of relevant management services in the PRC; provision of logistics services, including lease of warehouse facilities and provision of relevant management services.

Beijing Properties (Holdings) Limited is a company incorporated in Bermuda with limited liability on 25 November 1997 (registration number: F8748), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00925.HK).

(ii) Overview of the appraised entity

1. Registration

Company name:	Shanghai Xinmu Cooperation Management Consultancy Company Limited (上海鑫穆企業管理諮詢有限公司)
Taxpayer Identification Number:	91310115MA1K3XM70A
Type of company:	limited liability company (sole proprietorship of foreign-funded enterprise)
Date of establishment:	6 November 2017
Legal representative:	Li Changfeng
Registered capital:	RMB1,000,000
Paid-in capital:	RMB500,000
Registered address:	Unit KD2-1A-1, 1st Floor, 90 Shenyang Road, China (Shanghai) Pilot Free Trade Zone

Business scope: Corporation management consultancy, trade consultancy services, real estate consultancy.
(For items that are subject to the approval of relevant authorities, business activities can only be conducted after such items have been approved.)

2. Shareholders, shareholding and changes of equity interests

On 6 November 2017, the company was established by Jade (Shanghai) Investments Company Ltd, with pledged contribution of RMB1,000,000.

Name of shareholder	Pledged contribution (RMB)	Paid-in capital (RMB)	Shareholding proportion (%)	Way of investment
Jade (Shanghai) Investments Company Ltd	1,000,000.00	500,000.00	100.00	In monetary terms
Total	1,000,000.00	500,000.00	100.00	

As at the Valuation Reference Date, no changes have occurred to the equity interests.

3. Accounting policies and taxation policies

The appraised entity conducts financial accounting in accordance with the Accounting Standards for Business Enterprises, calculates and pays the enterprise income tax based on the taxable income, without any preferential taxation policy.

4. Assets, financial position and business operation in the last three years

Financial position of the appraised entity in the last three years is set out in the table below:

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	429,683.10	411,278.43	410,860.12
Long-term equity investments	66,917,069.91	66,917,069.91	66,917,069.91
Total assets	67,346,753.01	67,328,348.34	67,327,930.03
Current liabilities	66,917,069.91	66,917,069.91	66,917,069.91
Non-current liabilities	–	–	–
Total liabilities	66,917,069.91	66,917,069.91	66,917,069.91
Owner's equity	429,683.10	411,278.43	410,860.12

Business operation of the appraised entity in the last three years is set out in the table below:

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	–	–	–
Less: Cost of sales and services	–	–	–
Business taxes and surcharges	–	–	–
Selling and distribution expenses	–	–	–
Administrative expenses	19,045.70	19,045.70	–
R&D expenses	–	–	–
Finance costs	(425.23)	(641.03)	418.31
Add: Investment incomes	–	–	–
II. Profit	(18,620.47)	(18,404.67)	(418.31)
Add: Non-operating incomes	–	–	–
Less: Non-operating expenses	–	–	–
III Total profit	(18,620.47)	(18,404.67)	(418.31)
Less: Income tax expenses	–	–	–
IV. Net profit	(18,620.47)	(18,404.67)	(418.31)

The financial statements of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen (2021) No. 1248) and the unqualified opinion issued.

5. Relationship between the entrusting party and the appraised entity

The appraised entity is a wholly-owned subsidiary of Jade (Shanghai) Investments Company Ltd, which is a wholly-owned subsidiary of Beijing Properties (HK) Limited (北京建設(香港)有限公司), while Beijing Properties (HK) Limited is a wholly-owned subsidiary of the entrusting party.

(iii) Other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract

The asset valuation report is only for the entrusting party, parties to the transaction and users of the asset valuation report stipulated by national laws and regulations, and should not be used or relied upon by any other third party.

II. PURPOSE OF VALUATION

The proposed disposal of equity interest in Shanghai Xinmu Cooperation Management Consultancy Company Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited and its subsidiary Tianjin Transwell International Logistics Co., Ltd., to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of Jade (Shanghai) Investments Company Ltd and the Minutes of the Board Meeting of Shanghai Xinmu Cooperation Management Consultancy Company Limited.

III. TARGET AND SCOPE OF VALUATION

(i) Target of valuation

The target of the valuation is the value of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited.

(ii) Scope of valuation

The scope of valuation covers all assets and liabilities of the appraised entity. As at the Valuation Reference Date, assets within the valuation scope include current assets and long-term equity investments, and the book value of total assets amounts to RMB67,327,900; liabilities include current liabilities and non-current liabilities, and the book value of total liabilities amounts to RMB66,917,100; the book value of net asset amounts to RMB410,900. The specific scope is subject to the reporting of the appraised entity.

Balance sheet as at 31 August 2021 (parent company)

Item	Book value (RMB'0,000)
Current assets	41.09
Non-current assets	6,691.71
Including: Long-term equity investments	6,691.71
Total assets	6,732.79
Current liabilities	6,691.71
Non-current liabilities	—
Total liabilities	6,691.71
Owner's equity (net asset)	41.09

As at the Valuation Reference Date, Shanghai Xinmu Cooperation Management Consultancy Company Limited has one item of investment, with details of the investee set out below:

No.	Company name	Registered capital	Shareholding proportion
1	Tianjin Transwell International Logistics Co., Ltd.	USD6,660,000	30%

Tianjin Transwell International Logistics Co., Ltd. was established on 28 September 2002, with Xue Gang acting as the legal representative, registered capital being USD6,660,000, Unified Social Credit Identifier of 91120118741383782A and domicile at No.19 Third Avenue, Airport International Logistics Zone, Tianjin Pilot Free Trade Zone (Airport Economic Area). The business scope covers: construction and lease of plants and warehouses within the Airport Logistics Zone; international forwarding agent for goods imported and exported by sea, air or land transportation, including canvassing, booking space, warehousing, transfer, less than container load and devanning and settlement of freight and miscellaneous charges; customs clearance, quarantine inspection, insurance and relevant short-distance transport services and consultancy businesses (for items that are subject to the approval of relevant authorities, business activities can only be conducted after such items have been approved). The current business status of Tianjin Transwell International Logistics Co., Ltd. is going concern (in operation, open, registered).

Financial position of Tianjin Transwell International Logistics Co., Ltd. in the last three years is set out in the table below:

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	46,334,906.34	51,893,325.99	55,349,186.21
Investment properties	21,944,718.50	20,867,223.14	20,148,892.90
Fixed assets	382,449.11	295,563.96	254,866.31
Long-term deferred expenses	116,971.73	63,957.57	115,348.49
Total assets	68,779,045.68	73,120,070.66	75,868,293.91
Current liabilities	5,697,559.22	4,947,077.03	3,687,424.01
Non-current liabilities	—	—	—
Total liabilities	5,697,559.22	4,947,077.03	3,687,424.01
Owner's equity	63,081,486.46	68,172,993.63	72,180,869.90

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of Tianjin Transwell International Logistics Co., Ltd. in the last three years is set out in the table below:

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	12,333,615.16	12,897,729.89	8,433,376.81
Less: Cost of sales and services	1,989,822.93	1,648,869.06	1,163,230.95
Business taxes and surcharges	892,352.88	883,304.63	549,390.59
Selling and distribution expenses	–	–	–
Administrative expenses	3,392,852.43	3,600,217.57	1,871,066.67
R&D expenses	–	–	–
Finance costs	(6,672.38)	(2,743.29)	(3,249.95)
Add: Other incomes	12,671.48	20,595.02	8,557.10
II. Profit	6,077,930.78	6,788,676.94	4,861,495.65
Add: Non-operating incomes	3,185.84	–	60,199.86
Less: Non-operating expenses	–	0.71	–
III. Total profit	6,081,116.62	6,788,676.23	4,921,695.51
Less: Income tax expenses	1,529,635.48	1,697,169.06	913,819.24
IV. Net profit	4,551,481.14	5,091,507.17	4,007,876.27

The target and scope which the entrusting party engages to appraise is the same as the valuation target and scope related to the economic activity. As at the Valuation Reference Date and for 2020, the book values of assets and liabilities within the valuation scope have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen (2021) No. 1248) and the unqualified opinion issued. The financial data of 2019 have been audited by CAC CPA Limited Liability Partnership, with the audit report (reference number: CAC Shen Zi [2020] No. 0802) and the unqualified opinion issued.

Types and amounts of off-balance sheet assets reported

The appraised entity has not reported any off-balance sheet assets.

Type, quantity and carrying amount (or appraised values) of assets associated with the reference to conclusions contained in reports issued by other agencies

No reference is made to reports issued by other agencies, the conclusions of which contain types, quantities and carrying amounts (or appraised values) of assets associated.

IV. TYPE OF VALUE

Based on the purpose of valuation, the type of value of valuation target is determined as market value.

Market value is the estimated value amount of the valuation target in an arm's length transaction as at the Valuation Reference Date between a willing buyer and a willing seller, each acting rationally and without any coercion.

According to Article 13 of the Guiding Opinions on Types of Value under Asset Valuation, when performing appraisal businesses, asset valuers should fully consider the purpose of valuation, market conditions and specific conditions of the valuation target in selecting and using the types of value. Based on the purpose of this valuation, market conditions and specific conditions of the valuation target, the type of value adopted in this valuation is market value.

V. VALUATION REFERENCE DATE

The Valuation Reference Date of the report is 31 August 2021.

The Valuation Reference Date is determined by the entrusting party in accordance with the principle that the Valuation Reference Date should be close to the date of materialising the economic activity that is corresponding to the asset valuation. In the asset valuation, definition of valuation scope, selection of valuation parameters and determination of appraised value are based on the enterprise's internal financial statements, external economic environment and market conditions as at the Valuation Reference Date. All valuing standards in the report are the effective price standards as at the Valuation Reference Date.

VI. BASIS OF VALUATION**(i) Basis of economic activity**

1. Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8;
2. Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited;
3. Minutes of the Board Meeting of Jade (Shanghai) Investments Company Ltd;
4. Minutes of the Board Meeting of Shanghai Xinmu Cooperation Management Consultancy Company Limited;

(ii) Basis of laws and regulations

1. The Asset Appraisal Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);
2. The Company Law of the People's Republic of China (amended at the 6th Session of the Standing Committee of the 13th National People's Congress on 26 October 2018);
3. Measures for the Fiscal Supervision and Administration of the Asset Appraisal Industry (Order No. 86 of the Ministry of Finance, amended by Order No. 97 of the Ministry of Finance on 2 January 2019);
4. Enterprise Income Tax Law of the People's Republic of China (amended at the 7th Session of the 13th National People's Congress on 29 December 2018);
5. Law of the People's Republic of China on the State-owned Assets of Enterprises (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);
6. Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 709 of the State Council);
7. Administrative Measures for the Assessment of State-owned Assets (Order No. 732 of the State Council);
8. Notice on Issuing the Detailed Rules for the Implementation of the Administrative Measures for the Assessment of State-owned Assets (Guo Zi Ban Fa [1992] No. 36);
9. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
10. Notice on Strengthening the Administration of Assessment of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);
11. Notice on Matters Related to the Audit of Valuation Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);
12. Guidelines for the Filing for Recordation of the Assessment Projects of State-owned Assets of Enterprises (Guo Zi Fa Chan Quan [2013] No. 64);

13. Interim Measures of Beijing Municipality on the Administration of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2008] No. 5);
14. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);
15. Accounting Standards for Business Enterprises – Basic Standards (Order No. 33 of the Ministry of Finance), Decision of the Ministry of Finance on Amending the Accounting Standards for Business Enterprises – Basic Standards (Order No. 76 of the Ministry of Finance);
16. Detailed Rules for the Implementation of the Interim Regulation of the People’s Republic of China on Value-Added Tax (Order No. 65 of the Ministry of Finance and the State Taxation Administration);
17. Notice on the Comprehensive Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36);
18. Interim Regulations of the People’s Republic of China on Urban and Town Land Use Tax (2 March 2019, Order No. 709 of the State Council of the People’s Republic of China);
19. Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, hereinafter referred to as Announcement No. 39);
20. Opinions of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality and the Beijing Municipal Finance Bureau on the Implementation of the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Jing Guo Zi Fa [2017] No. 10);
21. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2019] No. 2);

22. Notice of the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality Regarding Matters on Further Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2020] No. 9);
23. Civil Code of the People's Republic of China (adopted at the 3rd Session of the 13th National People's Congress on 28 May 2020);
24. Urban Real Estate Administration Law of the People's Republic of China (amended at the 12th Session of the Standing Committee of the 13th National People's Congress on 26 August 2019);
25. Land Administration Law of the People's Republic of China (adopted at the 12th Session of the Standing Committee of the 13th National People's Congress on 26 August 2019);
26. Foreign Investment Law of the People's Republic of China (adopted at the 2nd Session of the 13th National People's Congress on 15 March 2019);
27. Regulation for Implementing the Foreign Investment Law of the People's Republic of China (Order No. 723 of the State Council of the People's Republic of China).

(iii) Basis of valuation standards

1. Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
2. Practice Guidelines for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
3. Practice Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practice Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
5. Practice Guidelines for Asset Valuation – Asset Valuation Methodology (Zhong Ping Xie [2019] No. 35);
6. Practice Guidelines for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38);
7. Practice Guidelines for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);

8. Practice Guidelines for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
9. Guidance on Valuation Report of State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
10. Quality Control Guidance on the Business of Asset Valuation Agency (Zhong Ping Xie [2017] No. 46);
11. Guiding Opinions on Types of Value under Asset Valuation (Zhong Ping Xie [2017] No. 47);
12. Guiding Opinions on Legal Ownership of the Asset Valuation Target (Zhong Ping Xie [2017] No. 48);
13. Basic Rules for Asset Appraisal (Cai Zi [2017] No. 43);
14. Practice Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
15. Practice Guidelines for Asset Valuation – Intangible Assets (Zhong Ping Xie [2017] No. 37);
16. Terms for Asset Valuation Standards 2020 (Zhong Ping Xie [2020] No. 31);
17. Guiding Opinions on Appraisal of Investment Properties (Zhong Ping Xie [2017] No. 53).

(iv) Ownership basis

1. Contracts for transfer of property rights;
2. Property ownership certificates;
3. Vehicle Registration Certificate;
4. Other property certificates.

(v) Pricing basis

1. Financial statements and audit reports of prior years provided by the enterprise;
2. WIND database, national macro economic and industry statistics analysis;
3. Profit forecast and relevant information provided by the appraised entity;
4. Other relevant valuation information collected by valuers;
5. Other materials related to the asset valuation.

(vi) Other basis

1. The list of assets and the reporting forms for asset valuation provided by the appraised entity;
2. Audit report issued by Beijing Xiwen Certified Public Accountants (北京希文會計師事務所有限公司);
3. Code for Real Estate Appraisal;
4. Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic.

VII. VALUATION METHODOLOGY

Income approach refers to the approach in which the expected return of the valuation target shall be capitalised or discounted so as to determine its value.

Market approach refers to the approach in which the valuation target shall be compared with the transaction data of comparable listed companies so as to determine its value.

Asset-based approach refers to the approach in which, based on the balance sheet of the valuation target as at the Valuation Reference Date, the value of identifiable assets and liabilities in and out of the balance sheet shall be reasonably appraised so as to determine the value of the valuation target.

As stated in the Practice Guidelines for Asset Valuation – Enterprise Value, when performing any evaluation of enterprise value, asset valuation professionals shall analyse the suitability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach, based on the purpose and target of the valuation, the type of value and the collected information, and select the appropriate valuation method. If different valuation methods are suitable for the evaluation of enterprise value, asset valuation professionals should adopt two or more valuation methods.

The valuation adopts the asset-based approach for the following reasons:

(i) Income approach

The appraised entity is a management company without real businesses and primarily relies on its sole joint venture, Tianjin Transwell International Logistics Co., Ltd., for business operation. Valuers have adopted the asset-based approach and the income approach to appraise Tianjin Transwell International Logistics Co., Ltd., therefore, the income approach is adopted in this valuation.

(ii) Market approach

As there is limited channel for acquiring information of transactions in the domestic property exchange market and enterprises of the same class differ greatly from each other in terms of product structure and core business, it is difficult to select comparable transactions from the market to serve as reference. Therefore, the market approach is not adopted.

(iii) Asset-based approach

The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

1. Current assets

For monetary funds, which include bank deposits, the value is determined by the verified value after bank statements and bank confirmations have been reviewed. For items denominated in foreign currencies, the value is determined by RMB equivalent based on the central parity rate announced by the People's Bank of China as at the Valuation Reference Date.

For other receivables, valuers determine their appraised values based on the recoverable amount of each item after verifying such other receivables. If valuers have good reason to believe such items can be fully recovered, they determine the appraised value based on the full receivable amount. If some portions of the items may probably not be recovered, valuers estimate the amount of such unrecoverable portions in accordance with the ageing analysis method when it is difficult to determine the unrecoverable amount, with reference to historical information and on-site investigations and by analysing the specific amounts, the time and reasons of default, the recovery of funds and the capital position, credit standing and business operation of the defaulters, and deduct such unrecoverable amount as risk loss from the original amount to determine the appraised value. If there is conclusive evidence to indicate the items can not be recovered, the value is determined as zero; the item of “provision for bad debts” in the book is determined as zero.

2. Long-term equity investments

As non-controlling long-term equity investments do not meet the conditions of collective assessment, valuers consider the actual conditions of investees, acquire the financial statements of investees as at the Valuation Reference Date, conduct appropriate analysis of the investees’ financial statements and determine the appraised value of such non-controlling long-term equity investments by multiplying the reasonable value of shareholders’ equity of investees with the shareholding proportion. For the valuation of the long-term investment of “Tianjin Transwell International Logistics Co., Ltd.”, valuers adopt the asset-based approach and the income approach for the following reasons:

- 1) The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.
- 2) In light of conditions for applying the income approach, valuers consider that such conditions are fulfilled after they have discussed with the management and conducted investigation and analysis, as the enterprise has independent profitability, the management of the appraised entity provides the profit forecast for future years, the profit levels of future years can be reasonably estimated based on historical business data and internal and external business environments, and the risks related to future revenues can be reasonably quantified.

3. Liabilities

The assessment of liabilities mainly involves review and verification. Valuers review the relevant documents, contracts, account books and relevant evidences to verify the truthfulness, after which, valuers determine the appraised value by the verified book value or the liabilities to be actually assumed.

VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

Valuers appraise the assets and liabilities associated with the valuation target. The main implementation process and status of valuation procedures are as follows:

(i) Acceptance of engagement

We and the entrusting party reach an agreement on the basic matters related to the valuation service, including the purpose, target and scope of the valuation and the Valuation Reference Date, and the rights and obligations of each party. Through negotiations, we and the entrusting party prepare the relevant valuation plan, the time and way for delivering the valuation report and other basic matters related to the valuation service.

(ii) First-phase preparation

Based on the basic valuation matters, we prepare the valuation plan, build the valuation team and provide trainings to personnel involving in the project.

(iii) On-site investigation

Valuers conduct necessary verification on the assets and liabilities associated with the valuation target, and carry out necessary due diligence on the operation and management of the appraised entity.

1. *Guide the appraised entity on how to complete the relevant forms and to prepare materials to be provided to the valuation agency*

While the financial and asset management personnel of the appraised entity check the assets of the enterprise, valuers guide them to report carefully and accurately the assets that fall within the valuation scope according to the Asset Valuation Schedule and the instructions provided thereon and the list of information provided by the valuation agency, to collect and prepare property certificates of assets and documents reflecting the performance, state, economic and technical indicators and other information.

2. *Preliminarily review and improve the Asset Valuation Schedule completed by the appraised entity*

Valuers acquire the detailed information of assets falling within the valuation scope through consulting relevant materials, and carefully review all the Asset Valuation Schedules to check if there are any incomplete information, errors or unclear statements of asset items. Based on the experience and the information obtained, valuers check if there is any omission from the Asset Valuation Schedule and provide the feedback to the appraised entity for improving the Asset Valuation Schedule.

3. *Conduct on-site survey*

In accordance with the relevant provisions of asset valuation standards, valuers conduct on-site survey on assets falling within the valuation scope in terms of type, quantity and distribution under the cooperation of relevant personnel of the appraised entity. Different survey methods are adopted in light of the nature and characteristics of different assets. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other receivables and other payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification.

4. *Supplement, revise and improve the Asset Valuation Schedule*

Based on the result of on-site survey and the thorough communication with relevant personnel of the appraised entity, valuers further improve the Asset Valuation Schedule to ensure the consistency among the book, the form and the actual condition.

5. *Verify property certificates*

Valuers verify the property certificates of assets falling within the valuation scope, and require the enterprise to check or provide the relevant property documents for assets with incomplete ownership information or unclear ownership.

(iv) Collection of information

Based on specific conditions of the valuation, valuers collect the relevant information, which include the information obtained directly and independently from the market and other channels, the information obtained from the entrusting party and other relevant parties and the information obtained from governmental authorities, professional institutions and other relevant departments, and conduct necessary analysis, induction and collation of the collected information to develop the basis for valuation and estimate.

(v) Valuation and estimate

Based on the specific conditions of assets and the valuation method adopted, valuers select the corresponding formulas and parameters to make analysis, calculation and judgements and to reach a preliminary valuation conclusion. The project leader summarises the preliminary valuation conclusion in respect of the assets, prepares and finalises the preliminary asset valuation report.

(vi) Internal review

According to our measures for the management of valuation business process, the project leader submits the preliminary asset valuation report to our company for internal review. Following the internal review, the project leader communicates with the entrusting party or other relevant parties agreed by the entrusting party about the relevant content of the asset valuation report, reasonably improves the report based on the feedback, and then issues and delivers the final asset valuation report.

(vii) Archiving of valuation documents

In accordance with the requirements of asset valuation standards, we sort working papers, the asset valuation report and other relevant materials to maintain the valuation archive.

IX. VALUATION ASSUMPTIONS

The following assumptions are adopted for the analysis and estimate in the asset valuation report:

(i) Basic assumptions

1. Open market assumption assumes that the parties to the asset transaction or the proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the asset;
2. Transaction assumption assumes that all the assets to be appraised are already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be appraised. Transaction assumption is the most fundamental assumption for the valuation of assets;
3. Going-concern assumption assumes that the appraised entity will not cease to operate for various reasons in the foreseeable future based on the conditions of existing assets and resources, but will operate legally and on a going-concern basis.

(ii) General assumptions

1. It is assumed that there is no material change in the current laws, regulations and policies, and the macroeconomic situation of the country, and there is no material change in the political, economic and social environment of the regions where the parties to this transaction are located;
2. It is assumed that there is no material change in the interest rate, exchange rate, tax base and tax rate, policy levy and other expenses related to the appraised entity after the Valuation Reference Date;
3. It is assumed that the management of the appraised entity is responsible, stable and capable of assuming its duties after the Valuation Reference Date;
4. Unless otherwise stated, it is assumed that the appraised entity fully complies with all relevant laws and regulations;
5. It is assumed that all the parameters deriving from the valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Reference Date;
6. It is assumed that there is no force majeure and unforeseeable factors after the Valuation Reference Date, which will have a significant adverse impact on the appraised entity.

(iii) Special assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Reference Date are consistent with the accounting policies adopted in preparing the asset valuation report in material aspects.
2. It is assumed that the business scope and the operation mode of the appraised entity after the Valuation Reference Date are consistent with the current ones based on the existing management mode and management level.
3. It is assumed that the general information, property right information, policy documents and other relevant materials associated with the business operation provided by the entrusting party and the appraised entity are true and valid.
4. It is assumed that the purchase, acquisition and construction process of assets associated with the valuation target comply with relevant laws and regulations of the country.
5. It is assumed that the cash inflows and outflows of the appraised entity after the Valuation Reference Date are even.

6. It is assumed that the company will not have major changes in business scope and operation mode in future operation periods and maintains the structure of main businesses, the composition of revenues and costs, the marketing strategy related to future businesses and the cost control the same as those of recent years without material changes. The valuation does not consider possible changes in operation capability, business scale and business structure in the future caused by changes in the management, business strategies, further investments and the business environment, although such changes may probably occur. That means the valuation assumes the company continues as a going concern based on the operation capability, business scale and operation mode as at the Valuation Reference Date, without consideration of special changes caused by possible over-productions or production cuts.
7. It is assumed that the operating and administrative expenses and other costs in future operation periods will not change significantly from the current basis, will maintain the trends in recent years and change in line with the change of business scale.
8. The company can continue to use the planned premises and equipment and will not bear any unexpected expenses incurred due to changes of asset ownership.

The valuation conclusion of this asset valuation report stands as at the Valuation Reference Date based on the above assumptions. In the event of any material changes to the above assumptions, the undersigned asset valuers and the valuation agency shall not be responsible for deducing different valuation conclusions due to any changes of the assumptions.

X. VALUATION CONCLUSION

As at the Valuation Reference Date, 31 August 2021, the value of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited is assessed as follows:

As at the Valuation Reference Date, the book value of total assets of Shanghai Xinmu Cooperation Management Consultancy Company Limited is RMB67,328,000, and the appraised value is RMB70,900,800, representing an appreciation of RMB3,572,800 and an appreciation rate of 5.31%. The book value of total liabilities is RMB66,917,100, and the appraised value is RMB66,917,100, indicating no changes of value. The book value of total shareholders' equity is RMB410,900, and the appraised value is RMB3,983,700, representing an appreciation of RMB3,572,800 and an appreciation rate of 869.59%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of valuation results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	C = B - A	
I. Current assets	1	41.09	41.09	–	–
II. Non-current assets	2	6,691.71	7,048.99	357.28	5.34
Long-term equity investments	3	6,691.71	7,048.99	357.28	5.34
Total assets	4	6,732.80	7,090.08	357.28	5.31
III. Current liabilities	5	6,691.71	6,691.71	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	6,691.71	6,691.71	–	–
Value of total shareholders' equity	8	41.09	398.37	357.28	869.59

The appraised value of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited is RMB3,983,700.

Differences between the valuation result under the asset-based approach and the book value and their reasons are as follows:

1. Differences between the valuation result under the asset-based approach and the book value

The comparison of the valuation result and the book value indicates an appreciation of RMB3,572,800 and an appreciation rate of 869.59%. In specific,

- (1) Current assets: The appraised value is RMB410,900, indicating no increase or decrease from the book value.
- (2) Long-term equity investments: The appraised value is RMB70,489,900, representing an increase of RMB3,572,800 from the book value and an appreciation rate of 5.34%.
- (3) Liabilities: The appraised value indicates no increase or decrease from the book value.

2. Analysis of the valuation result under the asset-based approach

The comparison of the valuation result and the book value of assets appraised reflects some changes.

The changes are mainly in the following aspects:

In the accounting process, the book value of long-term equity investments is stated at the historical cost. The core business of the investee is to lease warehouses to third parties. The income approach is adopted to appraise the investment properties for operating purposes, which results in a significant increase of value.

XI. NOTES ON SPECIAL MATTERS

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

- (i) The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.

- (ii) This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, which does not represent any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.
- (iii) Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Shanghai Xinmu Cooperation Management Consultancy Company Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen (2021) No. 1248). Shanghai Xinmu Cooperation Management Consultancy Company Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity of Shanghai Xinmu Cooperation Management Consultancy Company Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the said audit report when using this asset valuation report.
- (iv) Notes on the reference to conclusions contained in reports issued by other institutions and the impact on the valuation conclusion;

The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen (2021) No. 1248 issued by Beijing Xiwen Certified Public Accountants.

- (v) Shanghai Xinmu Cooperation Management Consultancy Company Limited has not provided the valuation agency with information about other mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

The premise of Shanghai Xinmu Cooperation Management Consultancy Company Limited is leased, with details set out below:

Lessor	Beijing Properties (Shanghai) Warehouse Co., Ltd.
Address	Unit KD2-1A-1, 1st Floor, 90 Shenyang Road, China (Shanghai) Pilot Free Trade Zone
Gross floor area	52.18 sq.m.
Leased area	52.18 sq.m.
Daily rent	RMB1/sq.m./day
Annual rent	RMB19,045.70
Lease inception	2017-11-1
Expiry date	2024-10-31

- (vi) Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion;

- (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

- (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.
- (vii) Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on Shanghai Xinmu Cooperation Management Consultancy Company Limited and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the appraised entity only has monetary funds, other receivables and other payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

Users of the asset valuation report should note the impact of the said special matters on the valuation conclusion.

XII. RESTRICTIONS ON THE USE OF THE ASSET VALUATION REPORT

- (i) This asset valuation report shall be used for the valuation purpose and uses as set out herein only and by the users specified herein only. The extraction of, reference to or public disclosure of all or any part of this asset valuation report shall be subject to the review of the valuation agency, unless otherwise provided in the laws or regulations or agreed between the relevant parties;
- (ii) The asset valuation agency and asset valuers take no responsibility if the entrusting party or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report;
- (iii) Except for the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated in the laws and administrative regulations, other institution and individual shall not become the user of the asset valuation report;

- (iv) Users of the asset valuation report should correctly interpret and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target;
- (v) This asset valuation report shall not be put into use unless and until it has been signed by the asset valuers undertaking the valuation business with the seal of the valuation agency and filed with the authorities of supervision and administration of state-owned assets or enterprises that make capital contributions;
- (vi) The valuation conclusion in this asset valuation report is effective for the economic activity stated herein only, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this asset valuation report is 30 May 2022.

XIV. SEAL AND SIGNATURES OF THE VALUATION AGENCY AND ASSET VALUERS

Asset valuer:

Asset valuer:

Beijing Guorongxinghua Assets Appraisal Co., Ltd.

30 May 2022

ANNEXES TO THE ASSET VALUATION REPORT

- Annex I. Documents of the economic activity corresponding to the valuation purpose;
- Annex II. Special audit report of the appraised entity;
- Annex III. Business licenses of the entrusting party and the appraised entity;
- Annex IV. Important ownership certificates associated with the valuation target;
- Annex V. Letters of undertaking from the entrusting party and other relevant parties;
- Annex VI. Letter of undertaking from undersigned asset valuers;
- Annex VII. Certificates of qualifications of undersigned asset valuers;
- Annex VIII. Registration documents or qualification certificates of the valuation agency;
- Annex IX. Copy of the business license of the valuation agency;
- Annex X. Asset Valuation Engagement Contract;
- Annex XI. Asset Valuation Schedule; and
- Annex XII. Notes on the significant difference between the book value of assets and the valuation conclusion.

This asset valuation report is prepared in accordance with PRC Asset Valuation Standards

**Asset Valuation Report on the Value of Total
Shareholders' Equity of Hong Kong High Broad
International Investment Group Limited Involved
with the Proposed Disposal of Equity Interest in Hong Kong
High Broad International Investment Group Limited
by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030004

(1 of 1)

Valuation agency: Beijing Guorongxinghua Assets Appraisal Co., Ltd.

Date of valuation report: 30 May 2022

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DECLARATION

I. This asset valuation report is prepared in accordance with the Basic Rules for Asset Appraisal issued by the Ministry of Finance and the Practice Guidelines for Asset Appraisal and the Code of Ethics for Asset Appraisal issued by the China Appraisal Society.

II. The asset valuation agency and asset valuers have complied with the laws, administrative regulations and asset appraisal standards, abided by the principles of independence, objectivity and fairness, and have assumed responsibilities for the published asset valuation report in accordance with laws.

III. The entrusting party or other users of the asset valuation report shall use the asset valuation report in accordance with laws and administrative regulations and within the scope of use set out in the asset valuation report. The asset valuation agency and asset valuers take no responsibility for any non-compliance with the above-mentioned requirements in the use of the asset valuation report by the entrusting party or other users of the asset valuation report.

This asset valuation report shall only be used by the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations. Save for the above, other institution and individual cannot become the user of the asset valuation report.

The asset valuation agency and asset valuers advise that users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target.

IV. The list of assets and liabilities related to the valuation target and the business operation forecast information should be reported by the entrusting party and the appraised entity and certified by signature, seal or other means permitted by laws. The entrusting party and other relevant parties shall be responsible for the truthfulness, completeness and legality of the materials provided in accordance with laws.

V. The asset valuers have conducted on-site inspection on the valuation target and the assets involved, and given necessary consideration to the legal ownership status of the valuation target and the assets involved, verified the information regarding the legal ownership of the valuation target and the assets involved, made proper disclosure in respect of the issues identified and requested the entrusting party and other relevant parties to consummate the titles in order to fulfil the requirements for the issuance of the asset valuation report.

Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets.

VI. The asset valuation agency and asset valuers have no existing or expected relationship of interests either with the valuation target as set out in the asset valuation report, or with the relevant parties, and have no prejudice against the relevant parties.

VII. The analyses, judgements and conclusion in the asset valuation report issued by the asset valuation agency are subject to the assumptions and limitations contained therein. Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

**Summary of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Hong Kong High Broad
International Investment Group Limited Involved with the
Proposed Disposal of Equity Interest in Hong Kong High Broad
International Investment Group Limited
by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030004

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Hong Kong High Broad International Investment Group Limited as at the Valuation Reference Date, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness and complying with necessary valuation procedures. The asset valuation report is hereby summarised as follows:

Purpose of Valuation: The proposed disposal of equity interest in Hong Kong High Broad International Investment Group Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Hong Kong High Broad International Investment Group Limited and its controlling subsidiary Tianjin Transwell International Logistics Co., Ltd., to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board of Directors of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of Fubao Global Limited and the Minutes of the Board Meeting of Hong Kong High Broad International Investment Group Limited.

Target of Valuation: Value of total shareholders' equity of Hong Kong High Broad International Investment Group Limited.

Scope of Valuation: All assets and liabilities of the appraised entity, including current assets, long-term equity investments and liabilities. The specific scope is subject to the reporting of the appraised entity.

Valuation Reference Date: 31 August 2021

Type of Value: Market value

Valuation Method: Asset-based approach

Valuation Conclusion: This asset valuation report adopts the results under the asset-based approach as the valuation conclusion, with details set out below:

As at the Valuation Reference Date, the book value of total assets of Hong Kong High Broad International Investment Group Limited is RMB38,236,700, and the appraised value is RMB164,505,600, representing an appreciation of RMB126,268,900 and an appreciation rate of 330.23%. The book value of total liabilities is RMB275,800, and the appraised value is RMB275,800, indicating no changes of value. The book value of total shareholders' equity is RMB37,960,900, and the appraised value is RMB164,229,800, representing an appreciation of RMB126,268,900 and an appreciation rate of 332.63%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	C = B - A	
I. Current assets	1	2.92	2.92	–	–
II. Non-current assets	2	3,820.75	16,447.64	12,626.89	330.48
Long-term equity investments	3	3,820.75	16,447.64	12,626.89	330.48
Total assets	4	3,823.67	16,450.56	12,626.89	330.23
III. Current liabilities	5	27.58	27.58	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	27.58	27.58	–	–
Net assets	8	3,796.09	16,422.98	12,626.89	332.63

This asset valuation report is issued for the sole purpose of providing value reference for the economic activity stated herein, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

Notes on Special Matters:

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

1. The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters on the valuation conclusion, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.
2. This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, but not to provide any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.
3. Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Hong Kong High Broad International Investment Group Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen (2021) No. 1245). Hong Kong High Broad International Investment Group Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity of Hong Kong High Broad International Investment Group Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the audit report when using this asset valuation report.
4. The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen (2021) No. 1245 issued by Beijing Xiwen Certified Public Accountants.
5. Hong Kong High Broad International Investment Group Limited has not provided the valuation agency with information about mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

The appraised entity is not involved in any lease. Hong Kong High Broad International Investment Group Limited doesn't need to pay for the tenancy of the premises. Instead, Beijing Properties will pay the rental and deal with relevant matters.

6. Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:
 - (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

- (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.
7. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas assets only consist of monetary funds, other receivables and other payables, and involve no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

The above has been extracted from the full text of the asset valuation report. In order to fully understand the valuation and have a correct understanding of the valuation conclusion, you should carefully read the full text of the asset valuation report.

**Full Text of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Hong Kong High Broad
International Investment Group Limited Involved with the
Proposed Disposal of Equity Interest in Hong Kong High
Broad International Investment Group Limited
by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030004

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Hong Kong High Broad International Investment Group Limited as at 31 August 2021, which is associated with the proposed disposal of equity interest in Hong Kong High Broad International Investment Group Limited by Beijing Properties (Holdings) Limited, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness, adopting the asset-based approach and complying with necessary valuation procedures. The asset valuation is hereby reported as follows:

**I. THE ENTRUSTING PARTY, THE APPRAISED ENTITY AND OTHER USERS OF
THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION
ENGAGEMENT CONTRACT**

The entrusting party of the valuation is Beijing Properties (Holdings) Limited; the appraised entity is Hong Kong High Broad International Investment Group Limited; other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract include the entrusting party and parties to the transaction.

(i) Overview of the entrusting party

Company name (in Chinese):	北京建設(控股)有限公司
Company name (in English):	Beijing Properties (Holdings) Limited
Registered address:	Clarendin House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business:	66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Authorised capital stock:	10,000,000,000 shares

Chairman of the Board:	Qian Xu
Main businesses:	Development and lease of commercial properties, and provision of relevant management services in the PRC; provision of logistics services, including lease of warehouse facilities and provision of relevant management services.

Beijing Properties (Holdings) Limited is a company incorporated in Bermuda with limited liability on 25 November 1997 (registration number: F8748), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00925.HK).

(ii) Overview of the appraised entity

1. Registration

Company name:	Hong Kong High Broad International Investment Group Limited (香港海博國際投資集團有限公司)
Registration number:	33909554-000-09-20-4
Domicile of company:	66/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Date of establishment:	2003-09-11
Registered capital:	HK\$1,000,000
Type of company:	limited liability company (sole proprietorship of corporation in Hong Kong, Macau or Taiwan)
Business scope:	Investment and trade

2. Shareholders, shareholding and changes of equity interests

Hong Kong Transwell International Investment Group Limited (香港萬士隆國際投資集團有限公司) was established in Hong Kong on 11 September 2003, with authorised capital stock of 1,000,000 shares at HK\$1 each, issued capital stock of 100 shares, paid-in capital of HK\$100, Fan Ping (holding 99 shares) and Bai Hong (holding 1 share) acting as the shareholders.

On 25 August 2004, the name was changed to Hong Kong High Broad International Investment Group Limited.

On 3 May 2007, Bai Hong transferred the 1 share of High Broad to Fan Ping, who then became the sole shareholder of High Broad.

On 5 September 2012, Fan Ping transferred the 100 shares of High Broad to Well Luck Group Limited, which then became the sole shareholder of High Broad.

On 12 April 2013, Well Luck Group Limited transferred the 100 shares of High Broad to China Logistics Infrastructures (Holdings) Limited, which then became the sole shareholder of High Broad.

The new Companies Ordinance (Cap. 622) of Hong Kong became effective on 3 March 2014, which abolished the concepts of authorised capital stock and par value. Accordingly, the share capital of High Broad under the new Companies Ordinance was revised as issued capital stock of 100 shares and paid-in capital of HK\$100.

On 24 February 2017, China Logistics Infrastructures (Holdings) Limited transferred the 100 shares of High Broad to the wholly-owned subsidiary Fubao Global Limited by the way of internal transfer, which then became the sole shareholder of High Broad.

Name of shareholder	Pledged contribution (HK\$'0,000)	Paid-in capital (HK\$'0,000)	Shareholding proportion (%)	Way of investment
Fubao Global Limited	100.00	0.01	100.00	In monetary terms
Total	100.00	0.01	100.00	

As at the Valuation Reference Date, no changes have occurred to the equity interests.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

3. Assets, financial position and business operation in the last three years

Financial position of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	46,337,221.09	51,922,550.42	55,378,405.26
Investment properties	21,944,718.50	20,867,223.14	20,148,892.90
Fixed assets	382,449.11	295,563.96	254,866.31
Long-term deferred expenses	116,971.73	63,957.57	115,348.49
Total assets	68,781,360.43	73,149,295.09	75,897,512.96
Current liabilities	5,961,706.74	5,222,837.01	3,963,183.99
Non-current liabilities	–	–	–
Total liabilities	5,961,706.74	5,222,837.01	3,963,183.99
Equity attributable to owner of the parent company	60,303,341.87	63,882,694.11	66,688,202.12
Minority interests	2,516,311.82	4,043,763.97	5,246,126.85
Owner's equity	62,819,653.69	67,926,458.08	71,934,328.97

Financial position of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	2,314.75	29,224.43	29,219.05
Long-term equity investments	39,305,883.64	38,394,099.12	38,207,525.87
Total assets	39,308,198.39	38,423,323.55	38,236,744.92
Current liabilities	264,147.52	275,759.98	275,759.98
Non-current liabilities	–	–	–
Total liabilities	264,147.52	275,759.98	275,759.98
Owner's equity	39,044,050.87	38,147,563.57	37,960,984.94

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below (consolidated data):

<i>Unit: RMB</i>			
Item	2019	2020	January to August 2021
I. Revenue	12,333,615.16	12,897,729.89	8,433,376.81
Less: Cost of sales and services	1,989,822.93	1,648,869.06	1,163,230.95
Business taxes and surcharges	892,352.88	883,304.63	549,390.59
Selling and distribution expenses	–	–	–
Administrative expenses	3,393,170.80	3,600,217.57	1,871,066.67
R&D expenses	–	–	–
Finance costs	(2,685,149.69)	893,744.01	183,328.68
Add: Investment incomes	12,671.48	20,595.02	8,557.10
II. Profit	8,756,089.72	5,892,189.64	4,674,917.02
Add: Non-operating incomes	3,185.84	–	60,199.86
Less: Non-operating expenses	–	0.71	–
III. Total profit	8,759,275.56	5,892,188.93	4,735,116.88
Less: Income tax expenses	1,529,635.48	1,697,169.06	913,819.24
IV. Net profit	7,229,640.08	4,195,019.87	3,821,297.64
Net profit attributable to owner of the parent company	5,864,195.74	2,667,567.72	2,618,934.76
Minority interest income	1,365,444.34	1,527,452.15	1,202,362.88

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	–	–	–
Less: Cost of sales and services	–	–	–
Business taxes and surcharges	–	–	–
Selling and distribution expenses	–	–	–
Administrative expenses	318.37	–	–
R&D expenses	–	–	–
Finance costs	(2,678,477.31)	896,487.30	186,578.63
Add: Investment incomes	–	–	–
II. Profit	2,678,158.94	(896,487.30)	(186,578.63)
Add: Non-operating incomes	–	–	–
Less: Non-operating expenses	–	–	–
III. Total profit	2,678,158.94	(896,487.30)	(186,578.63)
Less: Income tax expenses	–	–	–
IV. Net profit	2,678,158.94	(896,487.30)	(186,578.63)

The financial statements of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen (2021) No. 1248) and the unqualified opinion issued. The financial data for 2019 has been audited by Ernst & Young and the unqualified opinion issued.

4. Relationship between the entrusting party and the appraised entity

The appraised entity is a wholly-owned subsidiary of Fubao Global Limited, which is a wholly-owned subsidiary of the entrusting party.

(iii) Other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract

The asset valuation report is only for the entrusting party, parties to the transaction and users of the asset valuation report stipulated by national laws and regulations, and should not be used or relied upon by any other third party.

II. PURPOSE OF VALUATION

The proposed disposal of equity interest in Hong Kong High Broad International Investment Group Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Hong Kong High Broad International Investment Group Limited and its controlling subsidiary Tianjin Transwell International Logistics Co., Ltd., to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of Fubao Global Limited and the Minutes of the Board Meeting of Hong Kong High Broad International Investment Group Limited.

III. TARGET AND SCOPE OF VALUATION

(i) Target of valuation

The target of the valuation is the value of total shareholders' equity of Hong Kong High Broad International Investment Group Limited.

(ii) Scope of valuation

The scope of valuation covers all assets and liabilities of the appraised entity. As at the Valuation Reference Date, assets within the valuation scope include current assets and long-term equity investments, and the book value of total assets amounts to RMB38,236,700; liabilities include current liabilities and non-current liabilities, and the book value of total liabilities amounts to RMB275,800; the book value of net asset amounts to RMB37,960,900. The specific scope is subject to the reporting of the appraised entity.

Balance sheet as at 31 August 2021 (parent company)

Item	Book value (RMB'0,000)
Current assets	2.92
Non-current assets	3,820.75
Including: Long-term equity investments	3,820.75
Total assets	3,823.67
Current liabilities	27.58
Non-current liabilities	—
Total liabilities	27.58
Owner's equity (net asset)	3,796.09

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

As at the Valuation Reference Date, Hong Kong High Broad International Investment Group Limited has one controlling investee, with details of the investee set out below:

No.	Company name	Registered capital	Shareholding proportion
1	Tianjin Transwell International Logistics Co., Ltd.	USD6,660,000	70%

Tianjin Transwell International Logistics Co., Ltd. was established on 28 September 2002, with Xue Gang acting as the legal representative, registered capital being USD6,660,000, Unified Social Credit Identifier of 91120118741383782A and domicile at No. 19 Third Avenue, Airport International Logistics Zone, Tianjin Pilot Free Trade Zone (Airport Economic Area). The business scope covers: construction and lease of plants and warehouses within the Airport Logistics Zone; international forwarding agent for goods imported and exported by sea, air or land transportation, including canvassing, booking space, warehousing, transfer, less than container load and devanning and settlement of freight and miscellaneous charges; customs clearance, quarantine inspection, insurance and relevant short-distance transport services and consultancy businesses (for items that are subject to the approval of relevant authorities, business activities can only be conducted after such items have been approved). The current business status of Tianjin Transwell International Logistics Co., Ltd. is going concern (in operation, open, registered).

Financial position of Tianjin Transwell International Logistics Co., Ltd. in the last three years is set out in the table below:

<i>Unit: RMB</i>			
Item	31 December 2019	31 December 2020	31 August 2021
Current assets	46,334,906.34	51,893,325.99	55,349,186.21
Investment properties	21,944,718.50	20,867,223.14	20,148,892.90
Fixed assets	382,449.11	295,563.96	254,866.31
Long-term deferred expenses	116,971.73	63,957.57	115,348.49
Total assets	68,779,045.68	73,120,070.66	75,868,293.91
Current liabilities	5,697,559.22	4,947,077.03	3,687,424.01
Non-current liabilities	—	—	—
Total liabilities	5,697,559.22	4,947,077.03	3,687,424.01
Owner's equity	63,081,486.46	68,172,993.63	72,180,869.90

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of Tianjin Transwell International Logistics Co., Ltd. in the last three years is set out in the table below:

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	12,333,615.16	12,897,729.89	8,433,376.81
Less: Cost of sales and services	1,989,822.93	1,648,869.06	1,163,230.95
Business taxes and surcharges	892,352.88	883,304.63	549,390.59
Selling and distribution expenses	–	–	–
Administrative expenses	3,392,852.43	3,600,217.57	1,871,066.67
R&D expenses	–	–	–
Finance costs	(6,672.38)	(2,743.29)	(3,249.95)
Add: Other incomes	12,671.48	20,595.02	5,876.29
II. Profit	6,077,930.78	6,788,676.94	4,861,495.65
Add: Non-operating incomes	3,185.84	–	60,199.86
Less: Non-operating expenses	–	0.71	–
III. Total profit	6,081,116.62	6,788,676.23	4,921,695.51
Less: Income tax expenses	1,529,635.48	1,697,169.06	913,819.24
IV. Net profit	4,551,481.14	5,091,507.17	4,007,876.27

The target and scope which the entrusting party engages to appraise is the same as the valuation target and scope related to the economic activity. As at the Valuation Reference Date and for 2020, the book values of assets and liabilities within the valuation scope have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen (2021) No. 1248) and the unqualified opinion issued. The financial data of 2019 have been audited by CAC CPA Limited Liability Partnership, with the audit report (reference number: CAC Shen Zi [2020] No. 0802) and the unqualified opinion issued.

Types and amounts of off-balance sheet assets reported

The appraised entity has not reported any off-balance sheet assets.

Type, quantity and carrying amounts (or appraised values) of assets associated with the reference to conclusions contained in reports issued by other agencies

No reference is made to reports issued by other agencies, the conclusions of which contain types, quantities and carrying amounts (or appraised values) of assets associated.

IV. TYPE OF VALUE

Based on the purpose of valuation, the type of value of valuation target is determined as market value.

Market value is the estimated value amount of the valuation target in an arm's length transaction as at the Valuation Reference Date between a willing buyer and a willing seller, each acting rationally and without any coercion.

According to Article 13 of the Guiding Opinions on Types of Value under Asset Valuation, when performing appraisal businesses, asset valuers should fully consider the purpose of valuation, market conditions and specific conditions of the valuation target in selecting and using the types of value. Based on the purpose of this valuation, market conditions and specific conditions of the valuation target, the type of value adopted in this valuation is market value.

V. VALUATION REFERENCE DATE

The Valuation Reference Date of the report is 31 August 2021.

The Valuation Reference Date is determined by the entrusting party in accordance with the principle that the Valuation Reference Date should be close to the date of materialising the economic activity that is corresponding to the asset valuation. In the asset valuation, definition of valuation scope, selection of valuation parameters and determination of appraised value are based on the enterprise's internal financial statements, external economic environment and market conditions as at the Valuation Reference Date. All valuing standards in the report are the effective price standards as at the Valuation Reference Date.

VI. BASIS OF VALUATION**(i) Basis of economic activity**

1. Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8;
2. Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited;
3. Minutes of the Board Meeting of Fubao Global Limited;
4. Minutes of the Board Meeting of Hong Kong High Broad International Investment Group Limited;

(ii) Basis of laws and regulations

1. The Asset Appraisal Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);
2. The Company Law of the People's Republic of China (amended at the 6th Session of the Standing Committee of the 13th National People's Congress on 26 October 2018);
3. Measures for the Fiscal Supervision and Administration of the Asset Appraisal Industry (Order No. 86 of the Ministry of Finance, amended by Order No. 97 of the Ministry of Finance on 2 January 2019);
4. Enterprise Income Tax Law of the People's Republic of China (amended at the 7th Session of the 13th National People's Congress on 29 December 2018);
5. Law of the People's Republic of China on the State-owned Assets of Enterprises (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);
6. Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 709 of the State Council);
7. Administrative Measures for the Assessment of State-owned Assets (Order No. 732 of the State Council);
8. Notice on Issuing the Detailed Rules for the Implementation of the Administrative Measures for the Assessment of State-owned Assets (Guo Zi Ban Fa [1992] No. 36);
9. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
10. Notice on Strengthening the Administration of Assessment of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);
11. Notice on Matters Related to the Audit of Valuation Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);
12. Guidelines for the Filing for Recordation of the Assessment Projects of State-owned Assets of Enterprises (Guo Zi Fa Chan Quan [2013] No. 64);

13. Interim Measures of Beijing Municipality on the Administration of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2008] No. 5);
14. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);
15. Accounting Standards for Business Enterprises – Basic Standards (Order No. 33 of the Ministry of Finance), Decision of the Ministry of Finance on Amending the Accounting Standards for Business Enterprises – Basic Standards (Order No. 76 of the Ministry of Finance);
16. Detailed Rules for the Implementation of the Interim Regulation of the People’s Republic of China on Value-Added Tax (Order No. 65 of the Ministry of Finance and the State Taxation Administration);
17. Notice on the Comprehensive Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36);
18. Interim Regulations of the People’s Republic of China on Urban and Town Land Use Tax (2 March 2019, Order No. 709 of the State Council of the People’s Republic of China);
19. Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, hereinafter referred to as Announcement No. 39);
20. Opinions of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality and the Beijing Municipal Finance Bureau on the Implementation of the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Jing Guo Zi Fa [2017] No. 10);
21. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2019] No. 2);

22. Notice of the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality Regarding Matters on Further Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2020] No. 9);
23. Civil Code of the People's Republic of China (adopted at the 3rd Session of the 13th National People's Congress on 28 May 2020);
24. Urban Real Estate Administration Law of the People's Republic of China (amended at the 10th Session of the Standing Committee of the 11th National People's Congress on 27 August 2009);
25. Land Administration Law of the People's Republic of China (adopted at the 11th Session of the Standing Committee of the 10th National People's Congress on 28 August 2004);
26. Foreign Investment Law of the People's Republic of China (adopted at the 2nd Session of the 13th National People's Congress on 15 March 2019);
27. Regulation for Implementing the Foreign Investment Law of the People's Republic of China (Order No. 723 of the State Council of the People's Republic of China).

(iii) Basis of valuation standards

1. Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
2. Practice Guidelines for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
3. Practice Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practice Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
5. Practice Guidelines for Asset Valuation – Asset Valuation Methodology (Zhong Ping Xie [2019] No. 35);
6. Practice Guidelines for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38);
7. Practice Guidelines for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);

8. Practice Guidelines for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
9. Guidance on Valuation Report of State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
10. Quality Control Guidance on the Business of Asset Valuation Agency (Zhong Ping Xie [2017] No. 46);
11. Guiding Opinions on Types of Value under Asset Valuation (Zhong Ping Xie [2017] No. 47);
12. Guiding Opinions on Legal Ownership of the Asset Valuation Target (Zhong Ping Xie [2017] No. 48);
13. Basic Rules for Asset Appraisal (Cai Zi [2017] No. 43);
14. Practice Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
15. Practice Guidelines for Asset Valuation – Intangible Assets (Zhong Ping Xie [2017] No. 37);
16. Terms for Asset Valuation Standards 2020 (Zhong Ping Xie [2020] No. 31);
17. Guiding Opinions on Appraisal of Investment Properties (Zhong Ping Xie [2017] No. 53).

(iv) Ownership basis

1. Contracts for transfer of property rights;
2. Property ownership certificates;
3. Vehicle Registration Certificate;
4. Other property certificates.

(v) Pricing basis

1. Financial statements and audit reports of prior years provided by the enterprise;
2. WIND database, national macro economic and industry statistics analysis;
3. Profit forecast and relevant information provided by the appraised entity;

4. Other relevant valuation information collected by valuers;
5. Other materials related to the asset valuation.

(vi) Other basis

1. The list of assets and the reporting forms for asset valuation provided by the appraised entity;
2. Audit report issued by Beijing Xiwen Certified Public Accountants;
3. Code for Real Estate Appraisal;
4. Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic.

VII. VALUATION METHODOLOGY

Income approach refers to the approach in which the expected return of the valuation target shall be capitalised or discounted so as to determine its value.

Market approach refers to the approach in which the valuation target shall be compared with comparable listed companies or comparable transaction case so as to determine its value.

Asset-based approach refers to the approach in which, based on the balance sheet of the valuation target as at the Valuation Reference Date, the value of identifiable assets and liabilities in and out of the balance sheet shall be reasonably appraised so as to determine the value of the valuation target.

As stated in the Practice Guidelines for Asset Valuation – Enterprise Value, when performing any evaluation of enterprise value, asset valuation professionals shall analyse the suitability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach, based on the purpose and target of the valuation, the type of value and the collected information, and select the appropriate valuation method. If different valuation methods are suitable for the evaluation of enterprise value, asset valuation professionals should adopt two or more valuation methods.

The valuation adopts the asset-based approach for the following reasons:

(i) Income approach

The appraised entity is a management company and primarily relies on its 70% owned subsidiary, Tianjin Transwell International Logistics Co., Ltd., for business operation. Valuers have adopted the asset-based approach and the income approach to appraise Tianjin Transwell International Logistics Co., Ltd., therefore, the income approach is adopted in this valuation.

(ii) Market approach

As there is limited channel for acquiring information of transactions in the domestic property exchange market and enterprises of the same class differ greatly from each other in terms of product structure and core business, it is difficult to select comparable transactions from the market to serve as reference. Therefore, the market approach is not adopted.

(iii) Asset-based approach

The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

1. Current assets

For monetary funds, which include bank deposits, the value is determined by the verified value after bank statements and bank confirmations have been reviewed. For items denominated in foreign currencies, the value is determined by RMB equivalent based on the central parity rate announced by the People's Bank of China as at the Valuation Reference Date.

For other receivables, valuers determine their appraised values based on the recoverable amount of each item after verifying such other receivables. If valuers have good reason to believe such items can be fully recovered, they determine the appraised value based on the full receivable amount. If some portions of the items may probably not be recovered, valuers estimate the amount of such unrecoverable portions in accordance with the ageing analysis method when it is difficult to determine the unrecoverable amount, with reference to historical information and on-site investigations and by analysing the specific amounts, the time and reasons of default, the recovery of funds and the capital position, credit standing and business operation of the defaulters, and deduct such unrecoverable amount as risk loss from the original amount to determine the appraised value. If there is conclusive evidence to indicate the items can not be recovered, the value is determined as zero.

2. *Long-term equity investments*

Collective assessment is adopted for the wholly-owned and controlling long-term equity investments, whereby valuers first assess the value of all shareholders' equity in the appraised entity and then multiply the proportion of equity interest held to arrive at the value of the shareholders' portion of equity. For the valuation of the long-term investment of "Tianjin Transwell International Logistics Co., Ltd.", valuers adopt the asset-based approach and the income approach for the following reasons:

- 1) The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.
- 2) In light of conditions for applying the income approach, valuers consider that such conditions are fulfilled after they have discussed with the management and conducted investigation and analysis, as the enterprise has independent profitability, the management of the appraised entity provides the profit forecast for future years, the profit levels of future years can be reasonably estimated based on historical business data and internal and external business environments, and the risks related to future revenues can be reasonably quantified.

3. *Liabilities*

The assessment of liabilities mainly involves review and verification. Valuers review the relevant documents, contracts, account books and relevant evidences to verify the truthfulness, after which, valuers determine the appraised value by the verified book value or the liabilities to be actually assumed.

VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

Valuers appraise the assets and liabilities associated with the valuation target. The main implementation process and status of valuation procedures are as follows:

(i) Acceptance of engagement

We and the entrusting party reach an agreement on the basic matters related to the valuation service, including the purpose, target and scope of the valuation and the Valuation Reference Date, and the rights and obligations of each party. Through negotiations, we and the entrusting party prepare the relevant valuation plan, the time and way for delivering the valuation report and other basic matters related to the valuation service.

(ii) First-phase preparation

Based on the basic valuation matters, we prepare the valuation plan, build the valuation team and provide trainings to personnel involving in the project.

(iii) On-site investigation

Valuers conduct necessary verification on the assets and liabilities associated with the valuation target, and carry out necessary due diligence on the operation and management of the appraised entity.

1. *Guide the appraised entity on how to complete the relevant forms and to prepare materials to be provided to the valuation agency*

While the financial and asset management personnel of the appraised entity check the assets of the enterprise, valuers guide them to report carefully and accurately the assets that fall within the valuation scope according to the Asset Valuation Schedule and the instructions provided thereon and the list of information provided by the valuation agency, to collect and prepare property certificates of assets and documents reflecting the performance, state, economic and technical indicators and other information.

2. *Preliminarily review and improve the Asset Valuation Schedule completed by the appraised entity*

Valuers acquire the detailed information of assets falling within the valuation scope through consulting relevant materials, and carefully review all the Asset Valuation Schedules to check if there are any incomplete information, errors or unclear statements of asset items. Based on the experience and the information obtained, valuers check if there is any omission from the Asset Valuation Schedule and provide the feedback to the appraised entity for improving the Asset Valuation Schedule.

3. *Conduct on-site survey*

In accordance with the relevant provisions of asset valuation standards, valuers conduct on-site survey on assets falling within the valuation scope in terms of type, quantity and distribution under the cooperation of relevant personnel of the appraised entity. Different survey methods are adopted in light of the nature and characteristics of different assets.

4. *Supplement, revise and improve the Asset Valuation Schedule*

Based on the result of on-site survey and the thorough communication with relevant personnel of the appraised entity, valuers further improve the Asset Valuation Schedule to ensure the consistency among the book, the form and the actual condition.

5. *Verify property certificates*

Valuers verify the property certificates of assets falling within the valuation scope, and require the enterprise to check or provide the relevant property documents for assets with incomplete ownership information or unclear ownership.

(iv) Collection of information

Based on specific conditions of the valuation, valuers collect the relevant information, which include the information obtained directly and independently from the market and other channels, the information obtained from the entrusting party and other relevant parties and the information obtained from governmental authorities, professional institutions and other relevant departments, and conduct necessary analysis, induction and collation of the collected information to develop the basis for valuation and estimate.

(v) Valuation and estimate

Based on the specific conditions of assets and the valuation method adopted, valuers select the corresponding formulas and parameters to make analysis, calculation and judgements and to reach a preliminary valuation conclusion. The project leader summarises the preliminary valuation conclusion in respect of the assets, prepares and finalises the preliminary asset valuation report.

(vi) Internal review

According to our measures for the management of valuation business process, the project leader submits the preliminary asset valuation report to our company for internal review. Following the internal review, the project leader communicates with the entrusting party or other relevant parties agreed by the entrusting party about the relevant content of the asset valuation report, reasonably improves the report based on the feedback, and then issues and delivers the final asset valuation report.

(vii) Archiving of valuation documents

In accordance with the requirements of asset valuation standards, we sort working papers, the asset valuation report and other relevant materials to maintain the valuation archive.

IX. VALUATION ASSUMPTIONS

The following assumptions are adopted for the analysis and estimate in the asset valuation report:

(i) Basic assumptions

1. Open market assumption assumes that the parties to the asset transaction or the proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the asset;
2. Transaction assumption assumes that all the assets to be appraised are already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be appraised. Transaction assumption is the most fundamental assumption for the valuation of assets;
3. Going-concern assumption assumes that the appraised entity will not cease to operate for various reasons in the foreseeable future based on the conditions of existing assets and resources, but will operate legally and on a going-concern basis.

(ii) General assumptions

1. It is assumed that there is no material change in the current laws, regulations and policies, and the macroeconomic situation of the country, and there is no material change in the political, economic and social environment of the regions where the parties to this transaction are located;
2. It is assumed that there is no material change in the interest rate, exchange rate, tax base and tax rate, policy levy and other expenses related to the appraised entity after the Valuation Reference Date;
3. It is assumed that the management of the appraised entity is responsible, stable and capable of assuming its duties after the Valuation Reference Date;
4. Unless otherwise stated, it is assumed that the appraised entity fully complies with all relevant laws and regulations;

5. It is assumed that all the parameters deriving from the valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Reference Date;
6. It is assumed that there is no force majeure and unforeseeable factors after the Valuation Reference Date, which will have a significant adverse impact on the appraised entity.

(iii) Special assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Reference Date are consistent with the accounting policies adopted in preparing the asset valuation report in material aspects.
2. It is assumed that the business scope and the operation mode of the appraised entity after the Valuation Reference Date are consistent with the current ones based on the existing management mode and management level.
3. It is assumed that the general information, property right information, policy documents and other relevant materials associated with the business operation provided by the entrusting party and the appraised entity are true and valid.
4. It is assumed that the purchase, acquisition and construction process of assets associated with the valuation target comply with relevant laws and regulations of the country.
5. It is assumed that the cash inflows and outflows of the appraised entity after the Valuation Reference Date are even.
6. It is assumed that the company will not have major changes in business scope and operation mode in future operation periods and maintains the structure of main businesses, the composition of revenues and costs, the marketing strategy related to future businesses and the cost control the same as those of recent years without material changes. The valuation does not consider possible changes in operation capability, business scale and business structure in the future caused by changes in the management, business strategies, further investments and the business environment, although such changes may probably occur. That means the valuation assumes the company continues as a going concern based on the operation capability, business scale and operation mode as at the Valuation Reference Date, without consideration of special changes caused by possible over-productions or production cuts.

7. It is assumed that the operating and administrative expenses and other costs in future operation periods will not change significantly from the current basis, will maintain the trends in recent years and change in line with the change of business scale.
8. The company can continue to use the planned premises and equipment and will not bear any unexpected expenses incurred due to changes of asset ownership.

The valuation conclusion of this asset valuation report stands as at the Valuation Reference Date based on the above assumptions. In the event of any material changes to the above assumptions, the undersigned asset valuers and the valuation agency shall not be responsible for deducing different valuation conclusions due to any changes of the assumptions.

X. VALUATION CONCLUSION

As at the Valuation Reference Date, 31 August 2021, the value of total shareholders' equity of Hong Kong High Broad International Investment Group Limited is assessed as follows:

As at the Valuation Reference Date, the book value of total assets of Hong Kong High Broad International Investment Group Limited is RMB38,236,700, and the appraised value is RMB164,505,600, representing an appreciation of RMB126,268,900 and an appreciation rate of 330.23%. The book value of total liabilities is RMB275,800, and the appraised value is RMB275,800, indicating no changes of value. The book value of total shareholders' equity is RMB37,960,900, and the appraised value is RMB164,229,800, representing an appreciation of RMB126,268,900 and an appreciation rate of 332.63%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of valuation results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	C = B - A	
I. Current assets	1	2.92	2.92	–	–
II. Non-current assets	2	3,820.75	16,447.64	12,626.89	330.48
Long-term equity investments	3	3,820.75	16,447.64	12,626.89	330.48
Total assets	4	3,823.67	16,450.56	12,626.89	330.23
III. Current liabilities	5	27.58	27.58	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	27.58	27.58	–	–
Net assets	8	3,796.09	16,422.98	12,626.89	332.63

The appraised value of total shareholders' equity of Hong Kong High Broad International Investment Group Limited is RMB164,229,800.

Differences between the valuation result under the asset-based approach and the book value and their reasons are as follows:

1. Differences between the valuation result under the asset-based approach and the book value

The comparison of the valuation result and the book value indicates an appreciation of RMB126,268,900 and an appreciation rate of 332.63%. In specific,

- (1) Current assets: The appraised value is RMB29,200, indicating no increase or decrease from the book value.
- (2) Long-term equity investments: The appraised value is RMB164,476,400, representing an increase of RMB126,268,900 from the book value and an appreciation rate of 330.48%.
- (3) Liabilities: The appraised value indicates no increase or decrease from the book value.

2. Analysis of the valuation result under the asset-based approach

The comparison of the valuation result and the book value of assets appraised reflects some changes.

The changes are mainly in the following aspects:

In the accounting process, the book value of long-term equity investments is stated at the historical cost. The core business of the investee is to lease warehouses to third parties. The income approach is adopted to appraise the investment properties for operating purposes, which results in a significant increase of value.

XI. NOTES ON SPECIAL MATTERS

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

- (i) The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters on the valuation conclusion, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.
- (ii) This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, which does not represent any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.
- (iii) Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Hong Kong High Broad International Investment Group Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen (2021) No. 1245). Hong Kong High Broad International Investment Group Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity of Hong Kong High Broad International Investment Group Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the said audit report when using this asset valuation report.
- (iv) Notes on the reference to conclusions contained in reports issued by other institutions and the impact on the valuation conclusion;

The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen (2021) No. 1245 issued by Beijing Xiwen Certified Public Accountants.

- (v) Hong Kong High Broad International Investment Group Limited has not provided the valuation agency with information about other mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

The appraised entity is not involved in any lease. Hong Kong High Broad International Investment Group Limited doesn't need to pay for the tenancy of the premises. Instead, Beijing Properties will pay the rental and deal with relevant matters.

- (vi) Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion;
 - (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.
 - (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.
- (vii) Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative investigation procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas assets only consist of monetary funds, other receivables and other payables, and involve no other assets and liabilities, the valuation agency has worked with the audit firm to issue letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

Users of the asset valuation report should note the impact of the said special matters on the valuation conclusion.

XII. RESTRICTIONS ON THE USE OF THE ASSET VALUATION REPORT

- (i) This asset valuation report shall be used for the valuation purpose and uses as set out herein only and by the users specified herein only. The extraction of, reference to or public disclosure of all or any part of this asset valuation report shall be subject to the review of the valuation agency, unless otherwise provided in the laws or regulations or agreed between the relevant parties;
- (ii) The asset valuation agency and asset valuers take no responsibility if the entrusting party or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report;
- (iii) Except for the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated in the laws and administrative regulations, other institution and individual shall not become the user of the asset valuation report;
- (iv) Users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target;
- (v) This asset valuation report shall not be put into use unless and until it has been signed by the asset valuers undertaking the valuation business with the seal of the valuation agency and filed with the authorities of supervision and administration of state-owned assets or enterprises that make capital contributions;
- (vi) The valuation conclusion in this asset valuation report is effective for the economic activity stated herein only, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this asset valuation report is 30 May 2022.

XIV. SEAL AND SIGNATURES OF THE VALUATION AGENCY AND ASSET VALUERS

Asset valuer:

Asset valuer:

Beijing Guorongxinghua Assets Appraisal Co., Ltd.

30 May 2022

Annexes to the Asset Valuation Report

- Annex I. Documents of the economic activity corresponding to the valuation purpose;
- Annex II. Special audit report of the appraised entity;
- Annex III. Business licenses of the entrusting party and the appraised entity;
- Annex IV. Important ownership certificates associated with the valuation target;
- Annex V. Letters of undertaking from the entrusting party and other relevant parties;
- Annex VI. Letter of undertaking from undersigned asset valuers;
- Annex VII. Certificates of qualifications of undersigned asset valuers;
- Annex VIII. Registration documents or qualification certificates of the valuation agency;
- Annex IX. Copy of the business license of the valuation agency;
- Annex X. Asset Valuation Engagement Contract;
- Annex XI. Asset Valuation Schedule; and
- Annex XII. Notes on the significant difference between the book value of assets and the valuation conclusion.

This asset valuation report is prepared in accordance with PRC Asset Valuation Standards

**Asset Valuation Report on the Value of Total
Shareholders' Equity of Hong Kong High Church
Group Limited Involved with the Proposed Disposal
of Equity Interest in Hong Kong High Church Group
Limited by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030007

(1 of 1)

Valuation agency: Beijing Guorongxinghua Assets Appraisal Co., Ltd.

Date of valuation report: 30 May 2022

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DECLARATION

I. This asset valuation report is prepared in accordance with the Basic Rules for Asset Appraisal issued by the Ministry of Finance and the Practice Guidelines for Asset Appraisal and the Code of Ethics for Asset Appraisal issued by the China Appraisal Society.

II. The asset valuation agency and asset valuers have complied with the laws, administrative regulations and asset appraisal standards, abided by the principles of independence, objectivity and fairness, and have assumed responsibilities for the published asset valuation report in accordance with laws.

III. The entrusting party or other users of the asset valuation report shall use the asset valuation report in accordance with laws and administrative regulations and within the scope of use set out in the asset valuation report. The asset valuation agency and asset valuers take no responsibility for any non-compliance with the above-mentioned requirements in the use of the asset valuation report by the entrusting party or other users of the asset valuation report.

This asset valuation report shall only be used by the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations. Save for the above, other institution and individual cannot become the user of the asset valuation report.

The asset valuation agency and asset valuers advise that users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target.

IV. The list of assets and liabilities related to the valuation target and the business operation forecast information should be reported by the entrusting party and the appraised entity and certified by signature, seal or other means permitted by laws. The entrusting party and other relevant parties shall be responsible for the truthfulness, completeness and legality of the materials provided in accordance with laws.

V. The asset valuers have conducted on-site inspection on the valuation target and the assets involved, and given necessary consideration to the legal ownership status of the valuation target and the assets involved, verified the information regarding the legal ownership of the valuation target and the assets involved, made proper disclosure in respect of the issues identified and requested the entrusting party and other relevant parties to consummate the titles in order to fulfil the requirements for the issuance of the asset valuation report.

Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets.

VI. The asset valuation agency and asset valuers have no existing or expected relationship of interests either with the valuation target as set out in the asset valuation report, or with the relevant parties, and have no prejudice against the relevant parties.

VII. The analyses, judgements and conclusion in the asset valuation report issued by the asset valuation agency are subject to the assumptions and limitations contained therein. Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

**Summary of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Hong Kong High Church
Group Limited Involved with the Proposed Disposal of
Equity Interest in Hong Kong High Church Group Limited
by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030007

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Hong Kong High Church Group Limited as at the Valuation Reference Date, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness and complying with necessary valuation procedures. The asset valuation report is hereby summarised as follows:

Purpose of Valuation: The proposed disposal of equity interest in Hong Kong High Church Group Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Hong Kong High Church Group Limited and its wholly-owned subsidiary Transwealth Logistics (Tianjin) Co., Ltd., to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Board of Directors of Hong Heng Limited, the Board of Directors of Integral Success Investments Limited and the Board of Directors of Hong Kong High Church Group Limited.

Target of Valuation: Value of total shareholders' equity of Hong Kong High Church Group Limited

Scope of Valuation: All assets and liabilities of the appraised entity, including current assets, long-term equity investments and liabilities. The specific scope is subject to the reporting of the appraised entity.

Valuation Reference Date: 31 August 2021

Type of Value: Market value

Valuation Method: Asset-based approach

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Valuation Conclusion: This asset valuation report adopts the results under the asset-based approach as the valuation conclusion, with details set out below:

As at the Valuation Reference Date, the book value of total assets of Hong Kong High Church Group Limited is RMB63,642,900, and the appraised value is RMB86,811,100, representing an appreciation of RMB23,168,200 and an appreciation rate of 36.40%. The book value of total liabilities is RMB167,000, and the appraised value is RMB167,000, indicating no changes of value. The book value of total shareholders' equity is RMB63,475,900, and the appraised value is RMB86,644,100, representing an appreciation of RMB23,168,200 and an appreciation rate of 36.50%.

Details of results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	C = B - A	
I. Current assets	1	8.46	8.46	–	–
II. Non-current assets	2	6,355.83	8,672.65	2,316.82	36.45
Long-term equity investments	3	6,355.83	8,672.65	2,316.82	36.45
Total assets	4	6,364.29	8,681.11	2,316.82	36.40
III. Current liabilities	5	16.70	16.70	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	16.70	16.70	–	–
Value of total shareholders' equity	8	6,347.59	8,664.41	2,316.82	36.50

This asset valuation report is issued for the sole purpose of providing value reference for the economic activity stated herein, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

Notes on Special Matters:

Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

1. The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters on the valuation conclusion, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.
2. This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, but not to provide any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.
3. Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Hong Kong High Church Group Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen (2021) No. 1242). Hong Kong High Church Group Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity of Hong Kong High Church Group Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the audit report when using this asset valuation report.
4. The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen (2021) No. 1242 issued by Beijing Xiwen Certified Public Accountants.
5. Hong Kong High Church Group Limited has not provided the valuation agency with information about mortgage, pledge, guarantee, contingent liabilities and other matters related to the appraised assets.
6. Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:
 - (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

- (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.
7. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on the overseas assets and adopts alternative investigation procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs monetary funds, other receivables and other payables and involves no other assets and liabilities, the valuation agency has worked with the audit firm to issue letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

The valuation agency works with the audit firm to send letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

The above has been extracted from the full text of the asset valuation report. In order to fully understand the valuation and have a correct understanding of the valuation conclusion, you should carefully read the full text of the asset valuation report.

**Full Text of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Hong Kong High Church
Group Limited Involved with the Proposed Disposal of
Equity Interest in Hong Kong High Church Group Limited
by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030007

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Hong Kong High Church Group Limited as at 31 August 2021, which is associated with the proposed disposal of equity interest in Hong Kong High Church Group Limited by Beijing Properties (Holdings) Limited, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness, adopting the asset-based approach and complying with necessary valuation procedures. The asset valuation is hereby reported as follows:

**I. THE ENTRUSTING PARTY, THE APPRAISED ENTITY AND OTHER USERS OF
THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION
ENGAGEMENT CONTRACT**

The entrusting party of the valuation is Beijing Properties (Holdings) Limited; the appraised entity is Hong Kong High Church Group Limited; other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract include the entrusting party and parties to the transaction.

(i) Overview of the entrusting party

Company name (in Chinese):	北京建設(控股)有限公司
Company name (in English):	Beijing Properties (Holdings) Limited
Registered address:	Clarendin House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business:	66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Authorised capital stock:	10,000,000,000 shares
Chairman of the Board:	Qian Xu

Main businesses: Development and lease of commercial properties, and provision of relevant management services in the PRC; provision of logistics services, including lease of warehouse facilities and provision of relevant management services.

Beijing Properties (Holdings) Limited is a company incorporated in Bermuda with limited liability on 25 November 1997 (registration number: F8748), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00925.HK).

(ii) Overview of the appraised entity

1. Registration

Company name:	Hong Kong High Church Group Limited (香港海誠集團有限公司)
Registration number:	38889242-000-01-21-A
Company address:	66/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Date of establishment:	24 January 2008
Registered capital:	HK\$10,000
Type of company:	limited liability company (solely owned by legal person in Hong Kong, Macau or Taiwan)
Business scope:	The entity conducts no practical businesses, but primarily invests in the lease of warehouse facilities through the sole wholly-owned subsidiary Transwealth Logistics (Tianjin) Co., Ltd.

2. History

Hong Kong High Church Group Limited was established in Hong Kong on 24 January 2008, with authorised capital stock of 10,000 shares at HK\$1 each, issued capital stock of 1 share, paid-in capital of HK\$1, Fan Ping (holding 1 share) acting as the shareholder.

On 19 November 2008, Fan Ping transferred the 1 share of High Church to High Senior B Limited, which then became the sole shareholder of High Church.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

On 26 May 2010, High Senior B Limited transferred the 1 share of High Church to Well Luck Group Limited, which then became the sole shareholder of High Church.

On 8 November 2012, High Church issued additional 99 shares, which Well Luck Group Limited fully subscribed for. After completion of the issuance, the issued capital stock was 100 shares, and the paid-in capital was HK\$100.

On 24 September 2013, Well Luck Group Limited transferred the 70 shares of High Church it held to China Logistics Infrastructures (Holdings) Limited.

The Companies Ordinance (Cap. 622) of Hong Kong became effective on 3 March 2014, which abolished the concepts of authorised capital stock and par value. Accordingly, the share capital of High Church under the Companies Ordinance was revised as issued capital stock of 100 shares and paid-in capital of HK\$100.

On 9 June 2014, China Logistics Infrastructures (Holdings) Limited transferred the 70 shares of High Church it held to the wholly-owned subsidiary Hong Heng Limited by the way of internal transfer.

On 25 October 2017, Well Luck Group Limited transferred the 30 shares of High Church it held to Integral Success Investments Limited.

As at 31 August 2021, the total registered capital and the capital structure of Hong Kong High Church Group Limited is set out below:

Name of shareholder	Registered	Percentage of
	capital Amount (USD' 0,000)	total registered capital
Hong Heng Limited	686	70%
Integral Success Investments Limited	294	30%
Total	980	100%

3. *Accounting policies and taxation policies*

The appraised entity conducts financial accounting in accordance with the Accounting Standards for Business Enterprises, and its major tax is the enterprise income tax, without any preferential taxation policy.

4. Assets, financial position and business operation in the last three years

Financial position of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	541,880.82	1,410,184.30	6,509,442.79
Investment properties	120,230,701.88	116,882,495.00	114,650,357.08
Fixed assets	160,945.80	127,293.28	91,210.72
Long-term deferred expenses	89,422.43	37,585.79	9,694.48
Total assets	121,022,950.93	118,457,558.37	121,260,705.07
Current liabilities	66,991,570.89	59,161,065.27	59,648,582.14
Non-current liabilities	—	—	—
Total liabilities	66,991,570.89	59,161,065.27	59,648,582.14
Owner's equity	54,031,380.04	59,296,493.10	61,612,122.93

Financial position of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	92,749.00	85,253.96	84,621.44
Long-term equity investments	68,337,360.00	64,370,124.00	63,558,331.20
Total assets	68,430,109.00	64,455,377.96	63,642,952.64
Current liabilities	179,205.15	168,612.16	167,038.89
Non-current liabilities	—	—	—
Total liabilities	179,205.15	168,612.16	167,038.89
Owner's equity	68,250,903.85	64,286,765.80	63,475,913.75

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	14,253,775.51	15,141,082.18	7,922,406.16
Less: Cost of sales and services	5,660,655.29	4,695,523.29	2,314,791.04
Business taxes and surcharges	1,671,763.46	1,622,855.05	769,959.86
Selling expenses	–	–	–
Administrative expenses	1,244,099.63	521,732.98	334,688.70
R&D expenses	–	–	–
Finance costs	1,745,261.08	6,504,232.96	2,462,878.49
Add: Investment incomes	–	162.74	–
II. Profit	3,931,996.05	1,796,900.64	2,040,088.07
Add: Non-operating incomes	–	4,050.00	–
Less: Non-operating expenses	–	–	–
III. Total profit	3,931,996.05	1,800,950.64	2,040,088.07
Less: Income tax expenses	–	503,073.58	536,251.04
IV. Net profit	3,931,996.05	1,297,877.06	1,503,837.03

Business operation of the appraised entity in the last three years is set out in the table below (parent company data):

Unit: RMB

Item	2019	2020	January to August
			2021
I. Revenue	-	-	-
Less: Cost of sales and services	-	-	-
Business taxes and surcharges	-	-	-
Selling expenses	-	-	-
Administrative expenses	46,798.34	520.15	-
R&D expenses	-	-	-
Finance costs	365,397.15	3,963,617.90	810,852.05
Add: Investment incomes	-	-	-
II. Profit	(412,195.49)	(3,964,138.05)	(810,852.05)
Add: Non-operating incomes	-	-	-
Less: Non-operating expenses	-	-	-
III. Total profit	(412,195.49)	(3,964,138.05)	(810,852.05)
Less: Income tax expenses	-	-	-
IV. Net profit	(412,195.49)	(3,964,138.05)	(810,852.05)

The financial data of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen (2021) No. 1242) and the unqualified opinion issued. The financial data of parent company for 2019 have been audited by Ernst & Young and the unqualified opinion issued.

5. Relationship between the entrusting party and the appraised entity

The shareholders of appraised entity are Hong Heng Limited and Integral Success Investments Limited, while Hong Heng Limited and Integral Success Investments Limited are each a wholly-owned subsidiary of the entrusting party.

(iii) Other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract

The asset valuation report is only for the entrusting party, parties to the transaction and users of the asset valuation report stipulated by national laws and regulations, and should not be used or relied upon by any other third party.

II. PURPOSE OF VALUATION

The proposed disposal of equity interest in Hong Kong High Church Group Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Hong Kong High Church Group Limited and its wholly-owned subsidiary Transwealth Logistics (Tianjin) Co., Ltd., to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Board of Directors of Hong Heng Limited, the Board of Directors of Integral Success Investments Limited and the Board of Directors of Hong Kong High Church Group Limited.

III. TARGET AND SCOPE OF VALUATION

(i) Target of valuation

The target of the valuation is the value of total shareholders' equity of Hong Kong High Church Group Limited.

(ii) Scope of valuation

The scope of valuation covers all assets and liabilities of the appraised entity. As at the Valuation Reference Date, assets within the valuation scope include current assets and long-term equity investments, and the book value of total assets amounts to RMB63,642,900; liabilities include current liabilities and non-current liabilities, and the book value of total liabilities amounts to RMB167,000; the book value of net asset amounts to RMB63,475,900. The specific scope is subject to the reporting of the appraised entity.

Balance sheet as at 31 August 2021 (parent company)

Item	Book value (RMB'0,000)
Current assets	8.46
Non-current assets	6,355.83
Including: Long-term equity investments	6,355.83
Total assets	6,364.29
Current liabilities	16.70
Non-current liabilities	—
Total liabilities	16.70
Owner's equity (net asset)	6,347.59

As at the Valuation Reference Date, Hong Kong High Church Group Limited has one wholly-owned subsidiary, with details of the investee set out below:

No.	Company name	Registered capital	Shareholding proportion
1	Transwealth Logistics (Tianjin) Co., Ltd.	USD9,800,000	100%

Transwealth Logistics (Tianjin) Co., Ltd. was established under the approval of Tianjin Municipal People's Government with the Certificate of Approval for Taiwan, Hong Kong or Macau-funded Enterprise of People's Republic of China (Shang Wai Zi Jin Tai Gang Ao Qiao Zi [2008] No. 03022) issued on 2 June 2008. It is a sole proprietorship of Taiwan, Hong Kong or Macau-funded enterprise established by Hong Kong High Church Group Limited through capital contribution, and the renewed business license was issued by Tianjin Municipal Administration for Industry and Commerce on 30 September 2013, on which the Unified Social Credit Identifier was stated as 911201186759537901. The registered capital amounting to USD9,800,000 was fully paid on 1 June 2015. Li Changfeng acted as the legal representative. The registered address is No. 19 Third Avenue, Airport International Logistics Zone, Tianjin Pilot Free Trade Zone (Airport Economic Area). The company has the board of directors, which is responsible for making important decisions and managing the implementation of daily work. On 18 May 2021, the legal representative was changed from Li Changfeng to Xue Gang.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Financial position of Transwealth Logistics (Tianjin) Co., Ltd. in the last three years is set out in the table below:

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	449,131.82	1,324,930.34	6,424,821.35
Investment properties	120,230,701.88	116,882,495.00	114,650,357.08
Fixed assets	160,945.80	127,293.28	91,210.72
Long-term deferred expenses	89,422.43	37,585.79	9,694.48
Total assets	120,930,201.93	118,372,304.41	121,176,083.63
Current liabilities	66,812,365.74	58,992,453.11	59,481,543.25
Non-current liabilities	—	—	—
Total liabilities	66,812,365.74	58,992,453.11	59,481,543.25
Owner's equity	54,117,836.19	59,379,851.30	61,694,540.38

Business operation of Transwealth Logistics (Tianjin) Co., Ltd. in the last three years is set out in the table below:

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	14,253,775.51	15,141,082.18	7,922,406.16
Less: Cost of sales and services	5,660,655.29	4,695,523.29	2,314,791.04
Business taxes and surcharges	1,671,763.46	1,622,855.05	769,959.86
Selling and distribution expenses	—	—	—
Administrative expenses	1,197,301.29	521,212.83	334,688.70
R&D expenses	—	—	—
Finance costs	1,379,863.93	2,540,615.06	1,652,026.44
Add: Other incomes	—	162.74	—
II. Profit	4,344,191.54	5,761,038.69	2,850,940.12
Add: Non-operating incomes	—	4,050.00	—
Less: Non-operating expenses	—	—	—
III. Total profit	4,344,191.54	5,765,088.69	2,850,940.12
Less: Income tax expenses	—	503,073.58	536,251.04
IV. Net profit	4,344,191.54	5,262,015.11	2,314,689.08

The financial data of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen (2021) No. 1242) and the unqualified opinion issued. The financial data of 2019 have been audited by CAC CPA Limited Liability Partnership, with the audit report (reference number: CAC Shen Zi [2020] No. 0802) and the unqualified opinion issued.

Types and amounts of off-balance sheet assets reported

The appraised entity has not reported any off-balance sheet assets.

Type, quantity and carrying amounts (or appraised values) of assets associated with the reference to conclusions contained in reports issued by other agencies

No reference is made to reports issued by other agencies, the conclusions of which contain types, quantities and carrying amounts (or appraised values) of assets associated.

IV. TYPE OF VALUE

Based on the purpose of valuation, the type of value of valuation target is determined as market value.

Market value is the estimated value amount of the valuation target in an arm's length transaction as at the Valuation Reference Date between a willing buyer and a willing seller, each acting rationally and without any coercion.

According to Article 13 of the Guiding Opinions on Types of Value under Asset Valuation, when performing appraisal businesses, asset valuers should fully consider the purpose of valuation, market conditions and specific conditions of the valuation target in selecting and using the types of value. Based on the purpose of this valuation, market conditions and specific conditions of the valuation target, the type of value adopted in this valuation is market value.

V. VALUATION REFERENCE DATE

The Valuation Reference Date of the report is 31 August 2021.

The Valuation Reference Date is determined by the entrusting party in accordance with the principle that the Valuation Reference Date should be close to the date of materialising the economic activity that is corresponding to the asset valuation. In the asset valuation, definition of valuation scope, selection of valuation parameters and determination of appraised value are based on the enterprise's internal financial statements, external economic environment and market conditions as at the Valuation Reference Date. All valuing standards in the report are the effective price standards as at the Valuation Reference Date.

VI. BASIS OF VALUATION**(i) Basis of economic activity**

1. Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8;
2. Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited;
3. Minutes of the Board Meeting of Hong Heng Limited;
4. Minutes of the Board Meeting of Integral Success Investments Limited;
5. Minutes of the Board Meeting of Hong Kong High Church Group Limited;

(ii) Basis of laws and regulations

1. The Asset Appraisal Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);
2. The Company Law of the People's Republic of China (amended at the 6th Session of the Standing Committee of the 13th National People's Congress on 26 October 2018);
3. Measures for the Fiscal Supervision and Administration of the Asset Appraisal Industry (Order No. 86 of the Ministry of Finance, amended by Order No. 97 of the Ministry of Finance on 2 January 2019);
4. Enterprise Income Tax Law of the People's Republic of China (amended at the 7th Session of the 13th National People's Congress on 29 December 2018);
5. Law of the People's Republic of China on the State-owned Assets of Enterprises (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);
6. Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 709 of the State Council);
7. Administrative Measures for the Assessment of State-owned Assets (Order No. 732 of the State Council);

8. Notice on Issuing the Detailed Rules for the Implementation of the Administrative Measures for the Assessment of State-owned Assets (Guo Zi Ban Fa [1992] No. 36);
9. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
10. Notice on Strengthening the Administration of Assessment of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);
11. Notice on Matters Related to the Audit of Valuation Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);
12. Guidelines for the Filing for Recordation of the Assessment Projects of State-owned Assets of Enterprises (Guo Zi Fa Chan Quan [2013] No. 64);
13. Interim Measures of Beijing Municipality on the Administration of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2008] No. 5);
14. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);
15. Accounting Standards for Business Enterprises – Basic Standards (Order No. 33 of the Ministry of Finance), Decision of the Ministry of Finance on Amending the Accounting Standards for Business Enterprises – Basic Standards (Order No. 76 of the Ministry of Finance);
16. Detailed Rules for the Implementation of the Interim Regulation of the People's Republic of China on Value-Added Tax (Order No. 65 of the Ministry of Finance and the State Taxation Administration);
17. Notice on the Comprehensive Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36);
18. Interim Regulations of the People's Republic of China on Urban and Town Land Use Tax (2 March 2019, Order No. 709 of the State Council of the People's Republic of China);

19. Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, hereinafter referred to as Announcement No. 39);
20. Opinions of the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality and the Beijing Municipal Finance Bureau on the Implementation of the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Jing Guo Zi Fa [2017] No. 10);
21. Notice of the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality Regarding Matters on Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2019] No. 2);
22. Notice of the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality Regarding Matters on Further Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2020] No. 9);
23. Civil Code of the People's Republic of China (adopted at the 3rd Session of the 13th National People's Congress on 28 May 2020);
24. Urban Real Estate Administration Law of the People's Republic of China (amended at the 12th Session of the Standing Committee of the 13th National People's Congress on 26 August 2019);
25. Land Administration Law of the People's Republic of China (adopted at the 12th Session of the Standing Committee of the 13th National People's Congress on 26 August 2019);
26. Foreign Investment Law of the People's Republic of China (adopted at the 2nd Session of the 13th National People's Congress on 15 March 2019);
27. Regulation for Implementing the Foreign Investment Law of the People's Republic of China (Order No. 723 of the State Council of the People's Republic of China).

(iii) Basis of valuation standards

1. Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
2. Practice Guidelines for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
3. Practice Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practice Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
5. Practice Guidelines for Asset Valuation – Asset Valuation Methodology (Zhong Ping Xie [2019] No. 35);
6. Practice Guidelines for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38);
7. Practice Guidelines for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);
8. Practice Guidelines for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
9. Guidance on Valuation Report of State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
10. Quality Control Guidance on the Business of Asset Valuation Agency (Zhong Ping Xie [2017] No. 46);
11. Guiding Opinions on Types of Value under Asset Valuation (Zhong Ping Xie [2017] No. 47);
12. Guiding Opinions on Legal Ownership of the Asset Valuation Target (Zhong Ping Xie [2017] No. 48);
13. Basic Rules for Asset Appraisal (Cai Zi [2017] No. 43);
14. Practice Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
15. Terms for Asset Valuation Standards 2020 (Zhong Ping Xie [2020] No. 31);
16. Guiding Opinions on Appraisal of Investment Properties (Zhong Ping Xie [2017] No. 53).

(iv) Ownership basis

1. Contracts for transfer of property rights;
2. Property ownership certificates;
3. Other property certificates.

(v) Pricing basis

1. Financial statements and audit reports of prior years provided by the enterprise;
2. WIND database, national macro economic and industry statistics analysis;
3. Profit forecast and relevant information provided by the appraised entity;
4. Other relevant valuation information collected by valuers;
5. Other materials related to the asset valuation.

(vi) Other basis

1. The list of assets and the reporting forms for asset valuation provided by the appraised entity;
2. Audit report issued by Beijing Xiwen Certified Public Accountants (北京希文會計師事務所有限公司);
3. Code for Real Estate Appraisal;
4. Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic.

VII. VALUATION METHODOLOGY

Income approach refers to the approach in which the expected return of the valuation target shall be capitalised or discounted so as to determine its value.

Market approach refers to the approach in which the valuation target shall be compared with comparable listed companies or comparable transaction precedents so as to determine its value.

Asset-based approach refers to the approach in which, based on the balance sheet of the valuation target as at the Valuation Reference Date, the value of identifiable assets and liabilities in and out of the balance sheet shall be reasonably appraised so as to determine the value of the valuation target.

As stated in the Practice Guidelines for Asset Valuation – Enterprise Value, when performing any evaluation of enterprise value, asset valuation professionals shall analyse the suitability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach, based on the purpose and target of the valuation, the type of value and the collected information, and select the appropriate valuation method. If different valuation methods are suitable for the evaluation of enterprise value, asset valuation professionals should adopt two or more valuation methods.

The valuation adopts the asset-based approach for the following reasons:

(i) Income approach

The appraised entity is a management company and primarily relies on its sole wholly-owned subsidiary, Transwealth Logistics (Tianjin) Co., Ltd., for business operation. Valuers have adopted the asset-based approach and the income approach to appraise Transwealth Logistics (Tianjin) Co., Ltd., therefore, the income approach is adopted in this valuation.

(ii) Market approach

As there is limited channel for acquiring information of transactions in the domestic property exchange market and enterprises of the same class differ greatly from each other in terms of product structure and core business, it is difficult to select comparable transactions from the market to serve as reference. Therefore, the market approach is not adopted.

(iii) Asset-based approach

The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

1. Current assets

For monetary funds, which include bank deposits, the value is determined by the verified value after bank statements and bank confirmations have been reviewed. For items denominated in foreign currencies, the value is determined by RMB equivalent based on the central parity rate announced by the People's Bank of China as at the Valuation Reference Date.

For other receivables, valuers determine their appraised values based on the recoverable amount of each item after verifying such other receivables. If valuers have good reason to believe such items can be fully recovered, they determine the appraised value based on the full receivable amount. If some portions of the items may probably not be recovered, valuers estimate the amount of such unrecoverable portions in accordance with the ageing analysis method when it is difficult to determine the unrecoverable amount, with reference to historical information and on-site investigations and by analysing the specific amounts, the time and reasons of default, the recovery of funds and the capital position, credit standing and business operation of the defaulters, and deduct such unrecoverable amount as risk loss from the original amount to determine the appraised value. If there is conclusive evidence to indicate the items can not be recovered, the value is determined as zero.

2. Long-term equity investments

In the overall valuation of wholly-owned and controlling long-term equity investments, the valuers assess the value of the entire shareholders' equity in the investee, which is multiplied by the shareholding percentages to arrive at the values of the shareholders' shares of equity. For the valuation of the long-term investment of "Transwealth Logistics (Tianjin) Co., Ltd.", valuers adopt the asset-based approach and the income approach for the following reasons:

- 1) The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.
- 2) In light of conditions for applying the income approach, valuers consider that such conditions are fulfilled after they have discussed with the management and conducted investigation and analysis, as the enterprise has independent profitability, the management of the appraised entity provides the profit forecast for future years, the profit levels of future years can be reasonably estimated based on historical business data and internal and external business environments, and the risks related to future revenues can be reasonably quantified.

3. Liabilities

The assessment of liabilities mainly involves review and verification. Valuers review the relevant documents, contracts, account books and relevant evidences to verify the truthfulness, after which, valuers determine the appraised value by the verified book value or the liabilities to be actually assumed.

VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

Valuers appraise the assets and liabilities associated with the valuation target. The main implementation process and status of valuation procedures are as follows:

(i) Acceptance of engagement

We and the entrusting party reach an agreement on the basic matters related to the valuation service, including the purpose, target and scope of the valuation and the Valuation Reference Date, and the rights and obligations of each party. Through negotiations, we and the entrusting party prepare the relevant valuation plan, the time and way for delivering the valuation report and other basic matters related to the valuation service.

(ii) First-phase preparation

Based on the basic valuation matters, we prepare the valuation plan, build the valuation team and provide trainings to personnel involving in the project.

(iii) On-site investigation

Valuers conduct necessary verification on the assets and liabilities associated with the valuation target, and carry out necessary due diligence on the operation and management of the appraised entity.

1. *Guide the appraised entity on how to complete the relevant forms and to prepare materials to be provided to the valuation agency*

While the financial and asset management personnel of the appraised entity check the assets of the enterprise, valuers guide them to report carefully and accurately the assets that fall within the valuation scope according to the Asset Valuation Schedule and the instructions provided thereon and the list of information provided by the valuation agency, to collect and prepare property certificates of assets and documents reflecting the performance, state, economic and technical indicators and other information.

2. *Preliminarily review and improve the Asset Valuation Schedule completed by the appraised entity*

Valuers acquire the detailed information of assets falling within the valuation scope through consulting relevant materials, and carefully review all the Asset Valuation Schedules to check if there are any incomplete information, errors or unclear statements of asset items. Based on the experience and the information obtained, valuers check if there is any omission from the Asset Valuation Schedule and provide the feedback to the appraised entity for improving the Asset Valuation Schedule.

3. *Conduct on-site survey*

In accordance with the relevant provisions of asset valuation standards, valuers conduct on-site survey on assets falling within the valuation scope in terms of type, quantity and distribution under the cooperation of relevant personnel of the appraised entity. Different survey methods are adopted in light of the nature and characteristics of different assets. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other receivables and other payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification.

4. *Supplement, revise and improve the Asset Valuation Schedule*

Based on the result of on-site survey and the thorough communication with relevant personnel of the appraised entity, valuers further improve the Asset Valuation Schedule to ensure the consistency among the book, the form and the actual condition.

5. *Verify property certificates*

Valuers verify the property certificates of assets falling within the valuation scope, and require the enterprise to check or provide the relevant property documents for assets with incomplete ownership information or unclear ownership.

(iv) Collection of information

Based on specific conditions of the valuation, valuers collect the relevant information, which include the information obtained directly and independently from the market and other channels, the information obtained from the entrusting party and other relevant parties and the information obtained from governmental authorities, professional institutions and other relevant departments, and conduct necessary analysis, induction and collation of the collected information to develop the basis for valuation and estimate.

(v) Valuation and estimate

Based on the specific conditions of assets and the valuation method adopted, valuers select the corresponding formulas and parameters to make analysis, calculation and judgements and to reach a preliminary valuation conclusion. The project leader summarises the preliminary valuation conclusion in respect of the assets, prepares and finalises the preliminary asset valuation report.

(vi) Internal review

According to our measures for the management of valuation business process, the project leader submits the preliminary asset valuation report to our company for internal review. Following the internal review, the project leader communicates with the entrusting party or other relevant parties agreed by the entrusting party about the relevant content of the asset valuation report, reasonably improves the report based on the feedback, and then issues and delivers the final asset valuation report.

(vii) Archiving of valuation documents

In accordance with the requirements of asset valuation standards, we sort working papers, the asset valuation report and other relevant materials to maintain the valuation archive.

IX. VALUATION ASSUMPTIONS

The following assumptions are adopted for the analysis and estimate in the asset valuation report:

(i) Basic assumptions

1. Open market assumption assumes that the parties to the asset transaction or the proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the asset;
2. Transaction assumption assumes that all the assets to be appraised are already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be appraised. Transaction assumption is the most fundamental assumption for the valuation of assets;
3. Going-concern assumption assumes that the appraised entity will not cease to operate for various reasons in the foreseeable future based on the conditions of existing assets and resources, but will operate legally and on a going-concern basis.

(ii) General assumptions

1. It is assumed that there is no material change in the current laws, regulations and policies, and the macroeconomic situation of the country, and there is no material change in the political, economic and social environment of the regions where the parties to this transaction are located;
2. It is assumed that there is no material change in the interest rate, exchange rate, tax base and tax rate, policy levy and other expenses related to the appraised entity after the Valuation Reference Date;
3. It is assumed that the management of the appraised entity is responsible, stable and capable of assuming its duties after the Valuation Reference Date;
4. Unless otherwise stated, it is assumed that the appraised entity fully complies with all relevant laws and regulations;
5. It is assumed that all the parameters deriving from the valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Reference Date;
6. It is assumed that there is no force majeure and unforeseeable factors after the Valuation Reference Date, which will have a significant adverse impact on the appraised entity.

(iii) Special assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Reference Date are consistent with the accounting policies adopted in preparing the asset valuation report in material aspects.
2. It is assumed that the business scope and the operation mode of the appraised entity after the Valuation Reference Date are consistent with the current ones based on the existing management mode and management level.
3. It is assumed that the general information, property right information, policy documents and other relevant materials associated with the business operation provided by the entrusting party and the appraised entity are true and valid.
4. It is assumed that the purchase, acquisition and construction process of assets associated with the valuation target comply with relevant laws and regulations of the country.
5. It is assumed that the cash inflows and outflows of the appraised entity after the Valuation Reference Date are even.

6. It is assumed that the company will not have major changes in business scope and operation mode in future operation periods and maintains the structure of main businesses, the composition of revenues and costs, the marketing strategy related to future businesses and the cost control the same as those of recent years without material changes. The valuation does not consider possible changes in operation capability, business scale and business structure in the future caused by changes in the management, business strategies, further investments and the business environment, although such changes may probably occur. That means the valuation assumes the company continues as a going concern based on the operation capability, business scale and operation mode as at the Valuation Reference Date, without consideration of special changes caused by possible over-productions or production cuts.
7. It is assumed that the operating and administrative expenses and other costs in future operation periods will not change significantly from the current basis, will maintain the trends in recent years and change in line with the change of business scale.
8. The company can continue to use the planned premises and equipment and will not bear any unexpected expenses incurred due to changes of asset ownership.

The valuation conclusion of this asset valuation report stands as at the Valuation Reference Date based on the above assumptions. In the event of any material changes to the above assumptions, the undersigned asset valuers and the valuation agency shall not be responsible for deducing different valuation conclusions due to any changes of the assumptions.

X. VALUATION CONCLUSION

As at the Valuation Reference Date, 31 August 2021, the value of total shareholders' equity of Hong Kong High Church Group Limited is assessed as follows:

As at the Valuation Reference Date, the book value of total assets of Hong Kong High Church Group Limited is RMB63,642,900, and the appraised value is RMB86,811,100, representing an appreciation of RMB23,168,200 and an appreciation rate of 36.40%. The book value of total liabilities is RMB167,000, and the appraised value is RMB167,000, indicating no changes of value. The book value of total shareholders' equity is RMB63,475,900, and the appraised value is RMB86,644,100, representing an appreciation of RMB23,168,200 and an appreciation rate of 36.50%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of valuation results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	C = B - A	
I. Current assets	1	8.46	8.46	–	–
II. Non-current assets	2	6,355.83	8,672.65	2,316.82	36.45
Long-term equity investments	3	6,355.83	8,672.65	2,316.82	36.45
Total assets	4	6,364.29	8,681.11	2,316.82	36.40
III. Current liabilities	5	16.70	16.70	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	16.70	16.70	–	–
Value of total shareholders' equity	8	6,347.59	8,664.41	2,316.82	36.50

The appraised value of total shareholders' equity of Hong Kong High Church Group Limited is RMB86,644,100.

Differences between the valuation result under the asset-based approach and the book value and their reasons are as follows:

1. Differences between the valuation result under the asset-based approach and the book value

The comparison of the valuation result and the book value indicates an appreciation of RMB23,168,200 and an appreciation rate of 36.50%. In specific,

- (1) Current assets: The appraised value is RMB84,600, indicating no increase or decrease from the book value.
- (2) Long-term equity investments: The appraised value is RMB86,726,500, representing an increase of RMB23,168,200 from the book value and an appreciation rate of 36.45%.
- (3) Liabilities: The appraised value indicates no increase or decrease from the book value.

2. Analysis of the valuation result under the asset-based approach

The comparison of the valuation result and the book value of assets appraised reflects some changes.

The changes are mainly in the following aspects:

In the accounting process, the book value of long-term equity investments is stated at the historical cost. The core business of the investee is to lease warehouses to third parties. The income approach is adopted to appraise the investment properties for operating purposes, which results in a significant increase of value.

XI. NOTES ON SPECIAL MATTERS

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

- (i) The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.

- (ii) This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, which does not represent any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.
- (iii) Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Hong Kong High Church Group Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen (2021) No. 1242). Hong Kong High Church Group Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity of Hong Kong High Church Group Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the said audit report when using this asset valuation report.
- (iv) Notes on the reference to conclusions contained in reports issued by other institutions and the impact on the valuation conclusion:

The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen (2021) No. 1242 issued by Beijing Xiwen Certified Public Accountants.
- (v) Hong Kong High Church Group Limited has not provided the valuation agency with information about other mortgage, pledge, guarantee, contingent liabilities and other matters related to the appraised assets.
- (vi) Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:
 - (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

- (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.
- (vii) Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on the overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs monetary funds, other receivables and other payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

Users of the asset valuation report should note the impact of the said special matters on the valuation conclusion.

XII. RESTRICTIONS ON THE USE OF THE ASSET VALUATION REPORT

- (i) This asset valuation report shall be used for the valuation purpose and uses as set out herein only and by the users specified herein only. The extraction of, reference to or public disclosure of all or any part of this asset valuation report shall be subject to the review of the valuation agency, unless otherwise provided in the laws or regulations or agreed between the relevant parties;
- (ii) The asset valuation agency and asset valuers take no responsibility if the entrusting party or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report;
- (iii) Except for the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated in the laws and administrative regulations, other institution and individual shall not become the user of the asset valuation report;

- (iv) Users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target;
- (v) This asset valuation report shall not be put into use unless and until it has been signed by the asset valuers undertaking the valuation business with the seal of the valuation agency and filed with the authorities of supervision and administration of state-owned assets or enterprises that make capital contributions;
- (vi) The valuation conclusion in this asset valuation report is effective for the economic activity stated herein only, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this asset valuation report is 30 May 2022.

XIV. SEAL AND SIGNATURES OF THE VALUATION AGENCY AND ASSET VALUERS

Asset valuer:

Asset valuer:

Beijing Guorongxinghua Assets Appraisal Co., Ltd.

30 May 2022

ANNEXES TO THE ASSET VALUATION REPORT

- Annex I. Documents of the economic activity corresponding to the valuation purpose;
- Annex II. Special audit report of the appraised entity;
- Annex III. Business licenses of the entrusting party and the appraised entity;
- Annex IV. Important ownership certificates associated with the valuation target;
- Annex V. Letters of undertaking from the entrusting party and other relevant parties;
- Annex VI. Letter of undertaking from undersigned asset valuers;
- Annex VII. Certificates of qualifications of undersigned asset valuers;
- Annex VIII. Registration documents or qualification certificates of the valuation agency;
- Annex IX. Copy of the business license of the valuation agency;
- Annex X. Asset Valuation Engagement Contract;
- Annex XI. Asset Valuation Schedule;
- Annex XII. Notes on the significant difference between the book value of assets and the valuation conclusion.

This asset valuation report is prepared in accordance with PRC Asset Valuation Standards

**Asset Valuation Report on the Value of Total
Shareholders' Equity of Phoenix Real Estate Fund
Wai Gao Qiao Holdings Limited Involved with the
Proposed Disposal of Equity Interest in Phoenix Real
Estate Fund Wai Gao Qiao Holdings Limited by
Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030005

(1 of 1)

Valuation agency: Beijing Guorongxinghua Assets Appraisal Co., Ltd.

Date of valuation report: 30 May 2022

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DECLARATION

I. This asset valuation report is prepared in accordance with the Basic Rules for Asset Appraisal issued by the Ministry of Finance and the Practice Guidelines for Asset Appraisal and the Code of Ethics for Asset Appraisal issued by the China Appraisal Society.

II. The asset valuation agency and asset valuers have complied with the laws, administrative regulations and asset appraisal standards, abided by the principles of independence, objectivity and fairness, and have assumed responsibilities for the published asset valuation report in accordance with laws.

III. The entrusting party or other users of the asset valuation report shall use the asset valuation report in accordance with laws and administrative regulations and within the scope of use set out in the asset valuation report. The asset valuation agency and asset valuers take no responsibility for any non-compliance with the above-mentioned requirements in the use of the asset valuation report by the entrusting party or other users of the asset valuation report.

This asset valuation report shall only be used by the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations. Save for the above, other institution and individual cannot become the user of the asset valuation report.

The asset valuation agency and asset valuers advise that users of the asset valuation report should correctly interpret and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target.

IV. The list of assets and liabilities related to the valuation target and the business operation forecast information should be reported by the entrusting party and the appraised entity and certified by signature, seal or other means permitted by laws. The entrusting party and other relevant parties shall be responsible for the truthfulness, completeness and legality of the materials provided in accordance with laws.

V. The asset valuers have conducted necessary inspection on the valuation target and the assets involved, and given necessary consideration to the legal ownership status of the valuation target and the assets involved, verified the information regarding the legal ownership of the valuation target and the assets involved, made proper disclosure in respect of the issues identified and requested the entrusting party and other relevant parties to consummate the titles in order to fulfil the requirements for the issuance of the asset valuation report.

Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets.

VI. The asset valuation agency and asset valuers have no existing or expected relationship of interests either with the valuation target as set out in the asset valuation report, or with the relevant parties, and have no prejudice against the relevant parties.

VII. The analyses, judgements and conclusion in the asset valuation report issued by the asset valuation agency are subject to the assumptions and limitations contained therein. Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

**Summary of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Phoenix Real Estate Fund
Wai Gao Qiao Holdings Limited Involved with the Proposed
Disposal of Equity Interest in Phoenix Real Estate Fund Wai
Gao Qiao Holdings Limited by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030005

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited as at the Valuation Reference Date, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness and complying with necessary valuation procedures. The asset valuation report is hereby summarised as follows:

Purpose of Valuation: The proposed disposal of equity interest in Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited, to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

Target of Valuation: Total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited

Scope of Valuation: All assets and liabilities of the appraised entity, including current assets, long-term equity investments, deferred income tax assets, long-term deferred expenses and liabilities. The specific scope is subject to the reporting of the appraised entity

Valuation Reference Date: 31 August 2021

Type of Value: Market value

Valuation Method: Asset-based approach

Valuation Conclusion: This asset valuation report adopts the results under the asset-based approach as the valuation conclusion, with details set out below:

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

As at the Valuation Reference Date, the book value of total assets of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited is RMB836,299,600, and the appraised value is RMB1,546,566,300, representing an appreciation of RMB710,266,700 and an appreciation rate of 84.93%. The book value of total liabilities is RMB271,666,900, and the appraised value is RMB271,666,900, indicating no changes of value. The book value of total shareholders' equity is RMB564,632,800, and the appraised value of total shareholders' equity is RMB1,274,899,500, representing an appreciation of RMB710,266,700 and an appreciation rate of 125.79%.

Details of results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	C = B - A	
I. Current assets	1	19,439.61	19,439.61	–	–
II. Non-current assets	2	64,190.35	135,217.02	71,026.67	110.65
Long-term equity investments	3	63,882.61	134,909.28	71,026.67	111.18
Long-term deferred expenses	4	36.45	36.45	–	–
Deferred income tax assets	5	271.29	271.29	–	–
Total assets	6	83,629.96	154,656.63	71,026.67	84.93
III. Current liabilities	7	461.04	461.04	–	–
IV. Non-current liabilities	8	26,705.65	26,705.65	–	–
Total liabilities	9	27,166.69	27,166.69	–	–
Value of total shareholders' equity	10	56,463.28	127,489.95	71,026.67	125.79

This asset valuation report is issued for the sole purpose of providing value reference for the economic activity stated herein, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

Notes on Special Matters:

1. Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen Zi (2021) No. 1254). Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity value of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the audit report when using this asset valuation report.
2. The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen Zi (2021) No. 1254 issued by Beijing Xiwen Certified Public Accountants.
3. The long-term loan of China CITIC Bank International Limited amounting to RMB267,056,453.61 with a term of 3 years is pledged by the appraised entity with the 100% equity interest of Beijing Properties (Shanghai) Warehouse Co., Ltd. and by Advance Wit Limited with the 100% equity interest of the appraised entity, secured and guaranteed by Beijing Properties (Shanghai) Warehouse Co., Ltd. with the 23 properties under its ownership.
4. The loan amounting to RMB116,400,000.00 with a term of 3 years, which Beijing Properties (Shanghai) Warehouse Co., Ltd. borrows from Shanghai Branch of China CITIC Bank International Limited, is pledged by Beijing Properties (Shanghai) Warehouse Co., Ltd. with the 23 properties under its ownership and the account receivables.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Information of pledged properties is set out below:

Property Certificate No.	Name of property	Location
Hu Fang Di Pu Zi (2015) No. 033401	Warehouse KE2-1A	240 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033427	Warehouse KE2-2A	239 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033429	Warehouse KE2-3A	200 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033424	Warehouse KE2-4A	199 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033399	Warehouse KE2-1B	240 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033419	Warehouse KE2-2B	239 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033390	Warehouse KE2-3B	200 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033417	Warehouse KE2-4B	199 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033396	Warehouse KE1-1A	160 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033410	Warehouse KE1-2A	159 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033414	Warehouse KE1-3A	120 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033416	Warehouse KE1-4A	119 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033404	Warehouse KE1-1B	160 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033422	Warehouse KE1-2B	159 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033394	Warehouse KE1-3B	120 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033421	Warehouse KE1-4B	119 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033430	Warehouse KD2-1A	90 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033413	Warehouse KD2-2A	89 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033409	Warehouse KD2-3A	60 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033418	Warehouse KD2-4A	59 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033415	Warehouse KD2-1B	90 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033428	Warehouse KD2-3B	60 Shenyua Road
Hu Fang Di Pu Zi (2015) No. 033411	Warehouse KD2-4B	59 Shenfei Road

Except for above matters, Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited has not provided the valuation agency with information about mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

5. Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion;
 - (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

- (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.
6. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As overseas only has monetary funds, other receivables, long-term deferred expenses, deferred income tax assets, other payables and long-term borrowings and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.
7. The property certificate for the investment properties of Beijing Properties (Shanghai) Warehouse Co., Ltd. that fall within the valuation scope shows that the occupied land area is 192,249.00 sq.m., while the occupied land area actually reported is 153,617.67 sq.m. The reason for the difference is that a total of 28 warehouses have been built on the parcel of land, and 23 of such warehouses are owned by the appraised entity. Therefore, the actual occupied land area is smaller than the area of the parcel.

The above has been extracted from the full text of the asset valuation report. In order to fully understand the valuation and have a correct understanding of the valuation conclusion, you should carefully read the full text of the asset valuation report.

**Full Text of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Phoenix Real Estate Fund
Wai Gao Qiao Holdings Limited Involved with the Proposed
Disposal of Equity Interest in Phoenix Real Estate Fund Wai
Gao Qiao Holdings Limited by Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030005

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited as at 31 August 2021, which is associated with the proposed disposal of equity interest in Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited by Beijing Properties (Holdings) Limited, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness, adopting the asset-based approach and complying with necessary valuation procedures. The asset valuation is hereby reported as follows:

I. THE ENTRUSTING PARTY, THE APPRAISED ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION ENGAGEMENT CONTRACT

The entrusting party of the valuation is Beijing Properties (Holdings) Limited; the appraised entity is Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited; other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract include the entrusting party and parties to the transaction.

(i) Overview of the entrusting party

Company name (in Chinese):	北京建設(控股)有限公司
Company name (in English):	Beijing Properties (Holdings) Limited
Registered address:	Clarendin House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business:	66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Authorised capital stock:	10,000,000,000 shares

Chairman of the Board: Qian Xu

Main businesses: Development and lease of commercial properties, and provision of relevant management services in the PRC; provision of logistics services, including lease of warehouse facilities and provision of relevant management services.

Beijing Properties (Holdings) Limited is a company incorporated in Bermuda with limited liability on 25 November 1997 (registration number: F8748), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00925.HK).

(ii) Overview of the appraised entity

1. Registration

Company name:	Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited (凡宜和外高橋控股有限公司)
English name of company:	Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited
Register number of Hong Kong:	37790159-000-03-21-8
Company address:	66/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Date of establishment:	16 March 2007
Registered capital:	HK\$1,094
Paid-in capital:	HK\$1,094
Type of company:	Private company limited
Business scope:	Principal activities related to investment holding

2. *Shareholders, shareholding and changes of equity interests*

(1) Establishment

New City Wai Gao Qiao Holdings Limited (“**New City**”) was established in Hong Kong on 16 March 2007, with authorised capital stock of 10,000 shares at HK\$1 each, issued capital stock of 1 share, paid-in capital of HK\$1, Harefield Limited acting as the subscribing shareholder.

(2) Changes in the past years

On 16 April 2007, Harefield Limited transferred the 1 share of New City it held to Phoenix Real Estate Fund Wai Gao Qiao (Cayman Islands) Limited (“**Phoenix Cayman**”), which then became the sole shareholder of New City.

On 1 May 2008, New City issued additional 749 shares, which Phoenix Cayman fully subscribed for at HK\$584,523,000. After completion of the issuance, the issued capital stock was 750 shares, and the paid-in capital was HK\$584,523,001.

On 1 July 2008, New City issued additional 30 shares, which Phoenix Cayman fully subscribed for at HK\$23,418,300. After completion of the issuance, the issued capital stock was 780 shares, and the paid-in capital was HK\$607,941,301.

On 7 April 2009, New City was changed to the name of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited (“**Phoenix Real Estate**”).

On 30 December 2009, Phoenix Real Estate issued additional 37 shares, which Phoenix Cayman fully subscribed for at HK\$28,835,069.15. After completion of the issuance, the issued capital stock was 817 shares, and the paid-in capital was HK\$636,776,370.15.

On 30 December 2010, Phoenix Real Estate issued additional 277 shares, which Phoenix Cayman fully subscribed for at HK\$211,221,572. After completion of the issuance, the issued capital stock was 1,094 shares, and the paid-in capital was HK\$847,997,942.15.

On 1 November 2013, Phoenix Cayman transferred the 1,094 shares of Phoenix Real Estate it held to China Logistics Infrastructures (Holdings) Limited, which then became the sole shareholder of Phoenix Real Estate.

The new Companies Ordinance (Cap. 622) of Hong Kong became effective on 3 March 2014, which abolished the concepts of authorised capital stock and par value. Accordingly, the share capital of Phoenix Real Estate under the new Companies Ordinance was revised as issued capital stock of 1,094 shares and paid-in capital of HK\$847,997,942.15.

On 13 August 2014, China Logistics Infrastructures (Holdings) Limited transferred the 1,094 shares of Phoenix Real Estate it held to the wholly-owned subsidiary Advance Wit Limited (the name in Chinese:晉穎有限公司) by the way of internal transfer.

Name of shareholder	Pledged contribution (HK\$)	Paid-in capital (HK\$)	Shareholding proportion (%)	Way of investment
Advance Wit Limited	1,094	1,094	100.00	In monetary terms
Total	1,094	1,094	100.00	

As at the Valuation Reference Date, no changes have occurred to the equity interests.

3. *Accounting policies and taxation policies*

The appraised entity conducts financial accounting in accordance with the Accounting Standards for Business Enterprises, and the main tax is income tax. The portion of taxable income within HK\$2 million is subject to corporate income tax at a rate of 8.25%, and the portion exceeding HK\$2 million is subject to corporate income tax at a rate of 16.5% without any preferential taxation policy.

4. Assets, financial position and business operation in the last three years

Financial position of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	286,841,588.05	202,938,146.34	213,620,148.11
Investment properties	962,210,913.91	935,205,738.07	917,200,598.03
Fixed assets	222,176.38	124,932.08	68,624.97
Long-term deferred expenses	200,207.06	1,845,849.30	364,514.00
Deferred income tax assets	–	–	2,712,896.40
Total assets	1,249,474,885.40	1,140,114,665.79	1,133,966,781.51
Current liabilities	326,749,807.62	29,558,526.45	29,177,298.69
Non-current liabilities	213,554,250.00	385,667,407.02	378,656,453.61
Total liabilities	540,304,057.62	415,225,933.47	407,833,752.30
Owner's equity	709,170,827.78	724,888,732.32	726,133,029.21

Financial position of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	144,352,521.66	197,370,064.49	194,396,149.60
Long-term equity investments	686,860,200.00	646,985,430.00	638,826,084.00
Long-term deferred expenses	200,207.06	1,845,849.30	364,514.00
Deferred income tax assets	–	–	2,712,896.40
Total assets	831,412,928.72	846,201,343.79	836,299,644.00
Current liabilities	–	91,875.00	4,610,404.06
Non-current liabilities	213,554,250.00	270,467,407.02	267,056,453.61
Total liabilities	213,554,250.00	270,559,282.02	271,666,857.67
Owner's equity	617,858,678.72	575,642,061.77	564,632,786.33

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	75,514,238.30	62,529,408.03	34,667,348.85
Less: Cost of sales and services	32,392,854.56	28,430,763.21	20,415,853.34
Business taxes and surcharges	865,790.59	841,769.68	540,082.12
Selling and distribution expenses	–	–	–
Administrative expenses	4,215,659.62	2,753,486.18	2,122,278.40
R&D expenses	–	–	–
Finance costs	12,760,707.59	50,775,468.15	17,890,208.02
Add: other profits	65,425.32	29,220.85	8,378.86
II. Profit	25,344,651.26	(20,242,858.34)	(6,292,694.17)
Add: Non-operating incomes	789,771.53	1,156,839.63	43.52
Less: Non-operating expenses	–	3,990.00	–
III. Total profit	26,134,422.79	(19,090,008.71)	(6,292,650.65)
Less: Income tax expenses	6,722,674.58	4,964,379.29	727,113.85
IV. Net profit	19,411,748.21	(24,054,388.00)	(7,019,764.50)

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below (parent company data):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	–	–	–
Less: Cost of sales and services	–	–	–
Business taxes and surcharges	–	–	–
Selling and distribution expenses	–	–	–
Administrative expenses	201,481.92	238,947.54	815,664.69
R&D expenses	–	–	–
Finance costs	(494,946.03)	41,977,669.41	10,193,610.75
Add: Investment incomes	–	–	–
II. Profit	293,464.11	(42,216,616.95)	(11,009,275.44)
Add: Non-operating incomes	61,565.02	–	–
Less: Non-operating expenses	–	–	–
III. Total profit	355,029.13	(42,216,616.95)	(11,009,275.44)
Less: Income tax expenses	–	–	–
IV. Net profit	355,029.13	(42,216,616.95)	(11,009,275.44)

The financial statements of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen Zi (2021) No. 1254) and the unqualified opinion issued. Financial date of 2019 have been audited by Ernst & Young Hua Ming LLP and the unqualified opinion issued.

5. Relationship between the entrusting party and the appraised entity

The appraised entity is a wholly-owned subsidiary of Advance Wit Limited, which is a wholly-owned subsidiary of the entrusting party.

(iii) Other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract

The asset valuation report is only for the entrusting party, parties to the transaction and users of the asset valuation report stipulated by national laws and regulations, and should not be used or relied upon by any other third party.

II. PURPOSE OF VALUATION

The proposed disposal of equity interest in Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited by Beijing Properties (Holdings) Limited requires the valuation of the market value of total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited on Valuation Reference Date to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of Advance Wit Limited and the Minutes of the Board Meeting of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited.

III. TARGET AND SCOPE OF VALUATION**(i) Target of valuation**

The target of the valuation is value of total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited.

(ii) Scope of valuation

The scope of valuation covers all assets and liabilities of the appraised entity. As at the Valuation Reference Date, assets within the valuation scope include current assets and long-term equity investments, long-term deferred expenses, deferred income tax assets, and the book value of total assets amounts to RMB836,299,600; liabilities include current liabilities and non-current liabilities, and the book value of total liabilities amounts to RMB271,666,900; the book value of total shareholders' equity amounts to RMB564,632,800. The specific scope is subject to the reporting of the appraised entity.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Balance sheet as at 31 August 2021 (parent company)

Item	Book value (RMB'0,000)
Current assets	19,439.61
Non-current assets	64,190.35
Including: Long-term equity investments	63,882.61
Long-term deferred expenses	36.45
Deferred income tax assets	271.29
Total assets	83,629.96
Current liabilities	461.04
Non-current liabilities	26,705.65
Total liabilities	27,166.69
Owner's equity (value of total shareholders' equity)	56,463.28

As at the Valuation Reference Date, Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited has one wholly-owned subsidiary, with details of the investee set out below:

No.	Company name	Registered capital	Shareholding proportion	Invested date	Invested amount (RMB)
1	Beijing Properties (Shanghai) Warehouse Co., Ltd.	USD98,500,000	100%	2013/11/1	638,826,084.00

Beijing Properties (Shanghai) Warehouse Co., Ltd. was established on 9 July 2007 in Shanghai Pilot Free Trade Zone, with an operating term of 50 years, registered capital being USD98,500,000, Unified Social Credit Identifier of 91310000662486193L and domicile at the first floor KE1-3A warehouse, No. 120 Shen Ya Road, China (Shanghai) Pilot Free Trade Zone with Liu Guoqing acting as the legal representative. The business scope covers: logistics warehousing, warehouse, yard leasing and related supporting services (for items that are subject to the approval of relevant authorities, business activities can only be conducted after such items have been approved).

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Financial position of Beijing Properties (Shanghai) Warehouse Co., Ltd. in the last three years is set out in the table below:

	<i>Unit: RMB</i>		
Item	31 December 2019	31 December 2020	31 August 2021
Current assets	144,084,450.67	85,907,443.46	100,159,673.37
Investment properties	962,210,913.91	935,205,738.07	917,200,598.03
Fixed assets	222,176.38	124,932.08	68,624.97
Total assets	1,106,517,540.96	1,021,238,113.61	1,017,428,896.37
Current liabilities	328,345,881.60	109,704,225.30	105,505,497.12
Non-current liabilities	–	115,200,000.00	111,600,000.00
Total liabilities	328,345,881.60	224,904,225.30	217,105,497.12
Owner's equity	778,171,659.36	796,333,888.31	800,323,399.25

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of Beijing Properties (Shanghai) Warehouse Co., Ltd. in the last three years is set out in the table below:

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	75,514,238.30	62,529,408.03	34,667,348.85
Less: Cost of sales and services	32,392,854.56	28,430,763.21	20,415,853.34
Business taxes and surcharges	865,790.59	841,769.68	540,082.12
Selling and distribution expenses	–	–	–
Administrative expenses	4,014,177.70	2,514,538.64	1,306,613.71
R&D expenses	–	–	–
Finance costs	13,255,653.62	8,797,798.74	7,696,597.27
Add: Other incomes	65,425.32	29,220.85	8,378.86
II. Profit	25,051,187.15	21,973,758.61	4,716,581.27
Add: Non-operating incomes	728,206.51	1,156,839.63	43.52
Less: Non-operating expenses	–	3,990.00	–
III. Total profit	25,779,393.66	23,126,608.24	4,716,624.79
Less: Income tax expenses	6,722,674.58	4,964,379.29	727,113.85
IV. Net profit	19,056,719.08	18,162,228.95	3,989,510.94

The target and scope which the entrusting party engages to appraise is the same as the valuation target and scope related to the economic activity. As at the Valuation Reference Date, the book values of assets and liabilities within the valuation scope have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen Zi (2021) No. 1254) and the unqualified opinion issued. The financial data of 2019 have been audited by Ernst & Young Hua Ming LLP, and the unqualified opinion issued.

1. Types and amounts of off-balance sheet assets reported

The appraised entity has not reported any off-balance sheet assets.

2. Type, quantity and carrying amount (or appraised values) of assets associated with the reference to conclusions contained in reports issued by other agencies

IV. TYPE OF VALUE

Based on the purpose of valuation, the type of value of valuation target is determined as market value.

Market value is the estimated value amount of the valuation target in an arm's length transaction as at the Valuation Reference Date between a willing buyer and a willing seller, each acting rationally and without any coercion.

V. VALUATION REFERENCE DATE

The Valuation Reference Date of the report is 31 August 2021.

The Valuation Reference Date is determined by the entrusting party in accordance with the principle that the Valuation Reference Date should be close to the date of materialising the economic activity that is corresponding to the asset valuation. In the asset valuation, definition of valuation scope, selection of valuation parameters and determination of appraised value are based on the enterprise's internal financial statements, external economic environment and market conditions as at the Valuation Reference Date. All valuing standards in the report are the effective price standards as at the Valuation Reference Date.

VI. BASIS OF VALUATION**(i) Basis of economic activity**

1. Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8;
2. Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited;
3. Minutes of the Board Meeting of Advance Wit Limited;
4. Minutes of the Board Meeting of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited.

(ii) Basis of laws and regulations

1. The Asset Appraisal Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);
2. The Company Law of the People's Republic of China (amended at the 6th Session of the Standing Committee of the 13th National People's Congress on 26 October 2018);

3. Measures for the Fiscal Supervision and Administration of the Asset Appraisal Industry (Order No. 86 of the Ministry of Finance, amended by Order No. 97 of the Ministry of Finance on 2 January 2019);
4. Enterprise Income Tax Law of the People's Republic of China (amended at the 7th Session of the 13th National People's Congress on 29 December 2018);
5. Law of the People's Republic of China on the State-owned Assets of Enterprises (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);
6. Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 709 of the State Council);
7. Administrative Measures for the Assessment of State-owned Assets (Order No. 732 of the State Council);
8. Notice on Issuing the Detailed Rules for the Implementation of the Administrative Measures for the Assessment of State-owned Assets (Guo Zi Ban Fa [1992] No. 36);
9. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
10. Notice on Strengthening the Administration of Assessment of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);
11. Notice on Matters Related to the Audit of Valuation Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);
12. Guidelines for the Filing for Recordation of the Assessment Projects of State-owned Assets of Enterprises (Guo Zi Fa Chan Quan [2013] No. 64);
13. Interim Measures of Beijing Municipality on the Administration of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2008] No. 5);
14. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);

15. Accounting Standards for Business Enterprises – Basic Standards (Order No. 33 of the Ministry of Finance), Decision of the Ministry of Finance on Amending the Accounting Standards for Business Enterprises – Basic Standards (Order No. 76 of the Ministry of Finance);
16. Detailed Rules for the Implementation of the Interim Regulation of the People’s Republic of China on Value-Added Tax (Order No. 65 of the Ministry of Finance and the State Taxation Administration);
17. Notice on the Comprehensive Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36);
18. Interim Regulations of the People’s Republic of China on Urban and Town Land Use Tax (2 March 2019, Order No. 709 of the State Council of the People’s Republic of China);
19. Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, hereinafter referred to as Announcement No. 39);
20. Opinions of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality and the Beijing Municipal Finance Bureau on the Implementation of the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Jing Guo Zi Fa [2017] No. 10);
21. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2019] No. 2);
22. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Further Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2020] No. 9);
23. Civil Code of the People’s Republic of China (adopted at the 3rd Session of the 13th National People’s Congress on 28 May 2020);
24. Urban Real Estate Administration Law of the People’s Republic of China (amended at the 12th Session of the Standing Committee of the 13th National People’s Congress on 26 August 2019);

25. Land Administration Law of the People's Republic of China (adopted at the 12th Session of the Standing Committee of the 13th National People's Congress on 26 August 2019);
26. Foreign Investment Law of the People's Republic of China (adopted at the 2nd Session of the 13th National People's Congress on 15 March 2019);
27. Regulation for Implementing the Foreign Investment Law of the People's Republic of China (Order No. 723 of the State Council of the People's Republic of China).

(iii) Basis of valuation standards

1. Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
2. Practice Guidelines for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
3. Practice Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practice Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
5. Practice Guidelines for Asset Valuation – Asset Valuation Methodology (Zhong Ping Xie [2019] No. 35);
6. Practice Guidelines for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38);
7. Practice Guidelines for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);
8. Practice Guidelines for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
9. Guidance on Valuation Report of State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
10. Quality Control Guidance on the Business of Asset Valuation Agency (Zhong Ping Xie [2017] No. 46);
11. Guiding Opinions on Types of Value under Asset Valuation (Zhong Ping Xie [2017] No. 47);

12. Guiding Opinions on Legal Ownership of the Asset Valuation Target (Zhong Ping Xie [2017] No. 48);
13. Basic Rules for Asset Appraisal (Cai Zi [2017] No. 43);
14. Practice Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
15. Terms for Asset Valuation Standards 2020 (Zhong Ping Xie [2020] No. 31);
16. Guiding Opinions on Appraisal of Investment Properties (Zhong Ping Xie [2017] No. 53).

(iv) Ownership basis

1. Contracts for transfer of property rights;
2. Property ownership certificates;
3. Vehicle Registration Certificate;
4. Other property certificates.

(v) Pricing basis

1. Financial statements and audit reports of prior years provided by the enterprise;
2. Other relevant valuation information collected by valuers;
3. Other materials related to the asset valuation;
4. WIND database;
5. National macro economic and industry statistics analysis;
6. Profit forecast and relevant information provided by the appraised entity.

(vi) Other basis

1. The list of assets and the reporting forms for asset valuation provided by the appraised entity;
2. Audit report issued by Beijing Xiwen Certified Public Accountants;
3. Code for Real Estate Appraisal;

4. Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic.

VII. VALUATION METHODOLOGY

Income approach refers to the approach in which the expected return of the valuation target shall be capitalised or discounted so as to determine its value.

Market approach refers to the approach in which the valuation target shall be compared with comparable listed companies or comparable transaction case so as to determine its value.

Asset-based approach refers to the approach in which, based on the balance sheet of the valuation target as at the Valuation Reference Date, the value of identifiable assets and liabilities in and out of the balance sheet shall be reasonably appraised so as to determine the value of the valuation target.

As stated in the Practice Guidelines for Asset Valuation – Enterprise Value, when performing any evaluation of enterprise value, asset valuation professionals shall analyse the suitability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach, based on the purpose and target of the valuation, the type of value and the collected information, and select the appropriate valuation method. If different valuation methods are suitable for the evaluation of enterprise value, asset valuation professionals should adopt two or more valuation methods.

The valuation adopts the asset-based approach for the following reasons:

(i) Income approach

The appraised entity is a management company and primarily relies on its sole wholly-owned subsidiary, Beijing Properties (Shanghai) Warehouse Co., Ltd., for business operation. Valuers have adopted the asset-based approach and the income approach to appraise Beijing Properties (Shanghai) Warehouse Co., Ltd., therefore, the income approach is adopted in this valuation.

(ii) Market approach

As there is limited channel for acquiring information of transactions in the domestic property exchange market and enterprises of the same class differ greatly from each other in terms of product structure and core business, it is difficult to select comparable transactions from the market to serve as reference. Therefore, the market approach is not adopted.

(iii) Asset-based approach

The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

1. Current assets

- (1) For monetary funds, which include bank deposits, the value is determined by the verified value after bank statements and bank confirmations have been reviewed. For items denominated in foreign currencies, the value is determined by RMB equivalent based on the central parity rate announced by the People's Bank of China as at the Valuation Reference Date.

- (2) For other receivables, valuers determine their appraised values based on the recoverable amount of each item after verifying such other receivables. If valuers have good reason to believe such items can be fully recovered, they determine the appraised value based on the full receivable amount. If some portions of the items may probably not be recovered, valuers estimate the amount of such unrecoverable portions in accordance with the ageing analysis method when it is difficult to determine the unrecoverable amount, with reference to historical information and on-site investigations and by analysing the specific amounts, the time and reasons of default, the recovery of funds and the capital position, credit standing and business operation of the defaulters, and deduct such unrecoverable amount as risk loss from the original amount to determine the appraised value. If there is conclusive evidence to indicate the items can not be recovered, the value is determined as zero.

2. Long-term equity investments

For the overall valuation of the wholly-owned and controlling long-term equity investments, valuers first assess the value of all shareholders' equity in the investee and then multiply the proportion of equity interest held to arrive at the value of the shareholders' portion of equity. For the valuation of the long-term investment of "Beijing Properties (Shanghai) Warehouse Co., Ltd.", valuers adopt the asset-based approach and the income approach for the following reasons:

- 1) The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.
- 2) In light of conditions for applying the income approach, valuers consider that such conditions are fulfilled after they have discussed with the management and conducted investigation and analysis, as the enterprise has independent profitability, the management of the appraised entity provides the profit forecast for future years, the profit levels of future years can be reasonably estimated based on historical business data and internal and external business environments, and the risks related to future revenues can be reasonably quantified.

3. Long-term deferred expenses

The item under the long-term deferred expenses in accounting is administrative expenses for loans. Valuers review the appraised entity's accounting policy related to long-term deferred expenses and determine the appraised value by the interest the enterprise will enjoy in the future years.

4. Deferred tax assets

The item under the deferred tax assets in accounting is the deferred tax asset arising from the expenses for purchasing tax reserve certificates that are not deducted. Valuers review the appraised entity's accounting policy related to deferred tax assets and determine the appraised value by the verified book value.

5. Liabilities

The assessment of liabilities mainly involves review and verification. Valuers review the relevant documents, contracts, account books and relevant evidences to verify the truthfulness, after which, valuers determine the appraised value by the verified book value or the liabilities to be actually assumed.

VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

Valuers appraise the assets and liabilities associated with the valuation target. The main implementation process and status of valuation procedures are as follows:

(i) Acceptance of engagement

We and the entrusting party reach an agreement on the basic matters related to the valuation service, including the purpose, target and scope of the valuation and the Valuation Reference Date, and the rights and obligations of each party. Through negotiations, we and the entrusting party prepare the relevant valuation plan, the time and way for delivering the valuation report and other basic matters related to the valuation service.

(ii) First-phase preparation

Based on the basic valuation matters, we prepare the valuation plan, build the valuation team and provide trainings to personnel involving in the project.

(iii) On-site investigation

Valuers conduct necessary verification on the assets and liabilities associated with the valuation target, and carry out necessary due diligence on the operation and management of the appraised entity.

1. *Guide the appraised entity on how to complete the relevant forms and to prepare materials to be provided to the valuation agency*

While the financial and asset management personnel of the appraised entity check the assets of the enterprise, valuers guide them to report carefully and accurately the assets that fall within the valuation scope according to the Asset Valuation Schedule and the instructions provided thereon and the list of information provided by the valuation agency, to collect and prepare property certificates of assets and documents reflecting the performance, state, economic and technical indicators and other information.

2. *Preliminarily review and improve the Asset Valuation Schedule completed by the appraised entity*

Valuers acquire the detailed information of assets falling within the valuation scope through consulting relevant materials, and carefully review all the Asset Valuation Schedules to check if there are any incomplete information, errors or unclear statements of asset items. Based on the experience and the information obtained, valuers check if there is any omission from the Asset Valuation Schedule and provide the feedback to the appraised entity for improving the Asset Valuation Schedule.

3. *Conduct on-site survey*

In accordance with the relevant provisions of asset valuation standards, valuers conduct necessary survey on assets falling within the valuation scope in terms of type, quantity and distribution under the cooperation of relevant personnel of the appraised entity. Different survey methods are adopted in light of the nature and characteristics of different assets. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs monetary funds, other receivables, long-term deferred expenses, deferred income tax assets, other payables and long-term borrowings and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification.

4. *Supplement, revise and improve the Asset Valuation Schedule*

Based on the result of survey and the thorough communication with relevant personnel of the appraised entity, valuers further improve the Asset Valuation Schedule to ensure the consistency among the book, the form and the actual condition.

5. *Verify property certificates*

Valuers verify the property certificates of assets falling within the valuation scope, and require the enterprise to check or provide the relevant property documents for assets with incomplete ownership information or unclear ownership.

(iv) Collection of information

Based on specific conditions of the valuation, valuers collect the relevant information, which include the information obtained directly and independently from the market and other channels, the information obtained from the entrusting party and other relevant parties and the information obtained from governmental authorities, professional institutions and other relevant departments, and conduct necessary analysis, induction and collation of the collected information to develop the basis for valuation and estimate.

(v) Valuation and estimate

Based on the specific conditions of assets and the valuation method adopted, valuers select the corresponding formulas and parameters to make analysis, calculation and judgements and to reach a preliminary valuation conclusion. The project leader summarises the preliminary valuation conclusion in respect of the assets, prepares and finalises the preliminary asset valuation report.

(vi) Internal review

According to our measures for the management of valuation business process, the project leader submits the preliminary asset valuation report to our company for internal review. Following the internal review, the project leader communicates with the entrusting party or other relevant parties agreed by the entrusting party about the relevant content of the asset valuation report, reasonably improves the report based on the feedback, and then issues and delivers the final asset valuation report.

(vii) Archiving of valuation documents

In accordance with the requirements of asset valuation standards, we sort working papers, the asset valuation report and other relevant materials to maintain the valuation archive.

IX. VALUATION ASSUMPTIONS

The following assumptions are adopted for the analysis and estimate in the asset valuation report:

(i) Basic assumptions

1. Open market assumption assumes that the parties to the asset transaction or the proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the asset;
2. Transaction assumption assumes that all the assets to be appraised are already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be appraised. Transaction assumption is the most fundamental assumption for the valuation of assets;
3. Going-concern assumption assumes that the appraised entity will not cease to operate for various reasons in the foreseeable future based on the conditions of existing assets and resources, but will operate legally and on a going-concern basis.

(ii) General assumptions

1. It is assumed that there is no material change in the current laws, regulations and policies, and the macroeconomic situation of the country, and there is no material change in the political, economic and social environment of the regions where the parties to this transaction are located;
2. It is assumed that there is no material change in the interest rate, exchange rate, tax base and tax rate, policy levy and other expenses related to the appraised entity after the Valuation Reference Date;
3. It is assumed that the management of the appraised entity is responsible, stable and capable of assuming its duties after the Valuation Reference Date;
4. Unless otherwise stated, it is assumed that the appraised entity fully complies with all relevant laws and regulations;
5. It is assumed that all the parameters deriving from the valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Reference Date;

6. It is assumed that there is no force majeure and unforeseeable factors after the Valuation Reference Date, which will have a significant adverse impact on the appraised entity.

(iii) Special assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Reference Date are consistent with the accounting policies adopted in preparing the asset valuation report in material aspects.
2. It is assumed that the business scope and the operation mode of the appraised entity after the Valuation Reference Date are consistent with the current ones based on the existing management mode and management level.
3. It is assumed that the general information, property right information, policy documents and other relevant materials associated with the business operation provided by the entrusting party and the appraised entity are true and valid.
4. It is assumed that the purchase, acquisition and construction process of assets associated with the valuation target comply with relevant laws and regulations of the country.
5. It is assumed that the cash inflows and outflows of the appraised entity after the Valuation Reference Date are even.
6. It is assumed that the company will not have major changes in business scope and operation mode in future operation periods and maintains the structure of main businesses, the composition of revenues and costs, the marketing strategy related to future businesses and the cost control the same as those of recent years without material changes. The valuation does not consider possible changes in operation capability, business scale and business structure in the future caused by changes in the management, business strategies, further investments and the business environment, although such changes may probably occur. That means the valuation assumes the company continues as a going concern based on the operation capability, business scale and operation mode as at the Valuation Reference Date, without consideration of special changes caused by possible over-productions or production cuts.

7. It is assumed that the operating and administrative expenses and other costs in future operation periods will not change significantly from the current basis, will maintain the trends in recent years and change in line with the change of business scale.
8. The company can continue to use the planned premises and equipment and will not bear any unexpected expenses incurred due to changes of asset ownership.

The valuation conclusion of this asset valuation report stands as at the Valuation Reference Date based on the above assumptions. In the event of any material changes to the above assumptions, the undersigned asset valuers and the valuation agency shall not be responsible for deducing different valuation conclusions due to any changes of the assumptions.

X. VALUATION CONCLUSION

As at the Valuation Reference Date, 31 August 2021, the value of total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited is assessed as follows:

As at the Valuation Reference Date, the book value of total assets of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited is RMB836,299,600, and the appraised value is RMB1,546,566,300, representing an appreciation of RMB710,266,700 and an appreciation rate of 84.93%. The book value of total liabilities is RMB271,666,900, and the appraised value is RMB271,666,900, indicating no changes of value. The book value of total shareholders' equity is RMB564,632,800, and the appraised value of total shareholders' equity is RMB1,274,899,500, representing an appreciation of RMB710,266,700 and an appreciation rate of 125.79%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of valuation results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	C = B - A	
I. Current assets	1	19,439.61	19,439.61	–	–
II. Non-current assets	2	64,190.35	135,217.02	71,026.67	110.65
Long-term equity investments	3	63,882.61	134,909.28	71,026.67	111.18
Long-term deferred expenses	4	36.45	36.45	–	–
Deferred income tax assets	5	271.29	271.29	–	–
Total assets	6	83,629.96	154,656.63	71,026.67	84.93
III. Current liabilities	7	461.04	461.04	–	–
IV. Non-current liabilities	8	26,705.65	26,705.65	–	–
Total liabilities	9	27,166.69	27,166.69	–	–
Value of total shareholders' equity	10	56,463.28	127,489.95	71,026.67	125.79

The appraised value of total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited is RMB1,274,899,500.

Differences between the valuation result under the asset-based approach and the book value and their reasons are as follows:

1. Differences between the valuation result under the asset-based approach and the book value

The comparison of the valuation result and the book value indicates an appreciation of RMB710,266,700 and an appreciation rate of 125.79%. In specific,

- (1) Current assets: The appraised value is RMB194,396,100, indicating no increase or decrease from the book value.
- (2) Long-term equity investments: The appraised value is RMB1,349,092,800, representing an increase of RMB710,266,700 from the book value and an appreciation rate of 111.18%.
- (3) Long-term deferred expenses: The appraised value is RMB364,500, indicating no increase or decrease from the book value.
- (4) Deferred tax assets: The appraised value is RMB2,712,900, indicating no increase or decrease from the book value.
- (5) Liabilities: The appraised value is RMB271,666,900, indicating no increase or decrease from the book value.

2. Analysis of the valuation result under the asset-based approach

The comparison of the valuation result and the book value of assets appraised reflects some changes.

The changes are mainly in the following aspects:

In the accounting process, the book value of long-term equity investments is stated at the historical cost. The core business of the investee is to lease warehouses to third parties. The income approach is adopted to appraise the investment properties for operating purposes, which results in a significant increase of value.

XI. NOTES ON SPECIAL MATTERS

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

- (i) The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters on the valuation conclusion, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.
- (ii) This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, which does not represent any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.
- (iii) Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen Zi (2021) No. 1254). Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited has reported the results adjusted in accordance with the audit findings. The appraisal of value of total shareholders' equity of Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the said audit report when using this asset valuation report.
- (iv) Notes on the reference to conclusions contained in reports issued by other institutions and the impact on the valuation conclusion;

The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen Zi (2021) No. 1254 issued by Beijing Xiwen Certified Public Accountants.

- (v) The long-term loan of China CITIC Bank International Limited amounting to RMB267,056,453.61 with a term of 3 years is pledged by the appraised entity with the 100% equity interest of Beijing Properties (Shanghai) Warehouse Co., Ltd. and by Advance Wit Limited with the 100% equity interest of the appraised entity, secured and guaranteed by Beijing Properties (Shanghai) Warehouse Co., Ltd. with the 23 properties under its ownership.

The loan amounting to RMB116,400,000.00 with a term of 3 years, which Beijing Properties (Shanghai) Warehouse Co., Ltd. borrows from Shanghai Branch of China CITIC Bank International Limited, is pledged by Beijing Properties (Shanghai) Warehouse Co., Ltd. with the 23 properties under its ownership and the account receivables.

Information of pledged properties is set out below:

Property Certificate No.	Name of property	Location
Hu Fang Di Pu Zi (2015) No. 033401	Warehouse KE2-1A	240 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033427	Warehouse KE2-2A	239 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033429	Warehouse KE2-3A	200 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033424	Warehouse KE2-4A	199 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033399	Warehouse KE2-1B	240 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033419	Warehouse KE2-2B	239 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033390	Warehouse KE2-3B	200 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033417	Warehouse KE2-4B	199 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033396	Warehouse KE1-1A	160 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033410	Warehouse KE1-2A	159 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033414	Warehouse KE1-3A	120 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033416	Warehouse KE1-4A	119 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033404	Warehouse KE1-1B	160 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033422	Warehouse KE1-2B	159 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033394	Warehouse KE1-3B	120 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033421	Warehouse KE1-4B	119 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033430	Warehouse KD2-1A	90 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033413	Warehouse KD2-2A	89 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033409	Warehouse KD2-3A	60 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033418	Warehouse KD2-4A	59 Shenfei Road
Hu Fang Di Pu Zi (2015) No. 033415	Warehouse KD2-1B	90 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033428	Warehouse KD2-3B	60 Shenyang Road
Hu Fang Di Pu Zi (2015) No. 033411	Warehouse KD2-4B	59 Shenfei Road

Except for above matters, Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited has not provided the valuation agency with information about other mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

- (vi) Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion;
 - (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.
 - (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.
- (vii) Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative investigation procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As overseas only has monetary funds, other receivables, long-term deferred expenses, deferred income tax assets, other payables and long-term borrowings and involves no other assets and liabilities, the valuation agency has worked with the audit firm to issue letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.
- (viii) The property certificate for the investment properties of Beijing Properties (Shanghai) Warehouse Co., Ltd. that fall within the valuation scope shows that the occupied land area is 192,249.00 sq.m., while the occupied land area actually reported is 153,617.67 sq.m. The reason for the difference is that a total of 28 warehouses have been built on the parcel of land, and 23 of such warehouses are owned by the appraised entity. Therefore, the actual occupied land area is smaller than the area of the parcel.

Users of the asset valuation report should note the impact of the said special matters on the valuation conclusion.

XII. RESTRICTIONS ON THE USE OF THE ASSET VALUATION REPORT

- (i) This asset valuation report shall be used for the valuation purpose and uses as set out herein only and by the users specified herein only. The extraction of, reference to or public disclosure of all or any part of this asset valuation report shall be subject to the review of the valuation agency, unless otherwise provided in the laws or regulations or agreed between the relevant parties;
- (ii) The asset valuation agency and asset valuers take no responsibility if the entrusting party or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report;
- (iii) Except for the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated in the laws and administrative regulations, other institution and individual shall not become the user of the asset valuation report;
- (iv) Users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target;
- (v) This asset valuation report shall not be put into use unless and until it has been signed by the asset valuers undertaking the valuation business with the seal of the valuation agency and filed with the authorities of supervision and administration of state-owned assets or enterprises (approved) that make capital contributions;
- (vi) The valuation conclusion in this asset valuation report is effective for the economic activity stated herein only, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this asset valuation report is 30 May 2022.

XIV. SEAL AND SIGNATURES OF THE VALUATION AGENCY AND ASSET VALUERS

Asset valuer:

Asset valuer:

Beijing Guorongxinghua Assets Appraisal Co., Ltd.

30 May 2022

ANNEXES TO THE ASSET VALUATION REPORT

- Annex I. Documents of the economic activity corresponding to the valuation purpose;
- Annex II. Special audit report of the appraised entity;
- Annex III. Business licenses of the entrusting party and the appraised entity;
- Annex IV. Important ownership certificates associated with the valuation target;
- Annex V. Letters of undertaking from the entrusting party and other relevant parties;
- Annex VI. Letter of undertaking from undersigned asset valuers;
- Annex VII. Certificates of qualifications of undersigned asset valuers;
- Annex VIII. Registration documents or qualification certificates of the valuation agency;
- Annex IX. Copy of the business license of the valuation agency;
- Annex X. Asset Valuation Engagement Contract;
- Annex XI. Asset Valuation Schedule; and
- Annex XII. Notes on the significant difference between the book value of assets and the valuation conclusion.

This asset valuation report is prepared in accordance with PRC Asset Valuation Standards

**Asset Valuation Report on the Value of Total
Shareholders' Equity of Tianjin Tong Da You Zhi
Logistics Investments Limited Involved with the
Proposed Disposal of Equity Interest in Tianjin Tong
Da You Zhi Logistics Investments Limited by
Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030006

(1 of 1)

Valuation agency: Beijing Guorongxinghua Assets Appraisal Co., Ltd.

Date of valuation report: 30 May 2022

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DECLARATION

I. This asset valuation report is prepared in accordance with the Basic Rules for Asset Appraisal issued by the Ministry of Finance and the Practice Guidelines for Asset Appraisal and the Code of Ethics for Asset Appraisal issued by the China Appraisal Society.

II. The asset valuation agency and asset valuers have complied with the laws, administrative regulations and asset appraisal standards, abided by the principles of independence, objectivity and fairness, and have assumed responsibilities for the published asset valuation report in accordance with laws.

III. The entrusting party or other users of the asset valuation report shall use the asset valuation report in accordance with laws and administrative regulations and within the scope of use set out in the asset valuation report. The asset valuation agency and asset valuers take no responsibility for any non-compliance with the above-mentioned requirements in the use of the asset valuation report by the entrusting party or other users of the asset valuation report.

This asset valuation report shall only be used by the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations. Save for the above, other institution and individual cannot become the user of the asset valuation report.

The asset valuation agency and asset valuers advise that users of the asset valuation report should correctly interpret and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target.

IV. The list of assets and liabilities related to the valuation target and the business operation forecast information should be reported by the entrusting party and the appraised entity and certified by signature, seal or other means permitted by laws. The entrusting party and other relevant parties shall be responsible for the truthfulness, completeness and legality of the materials provided in accordance with laws.

V. The asset valuers have conducted necessary inspection on the valuation target and the assets involved, and given necessary consideration to the legal ownership status of the valuation target and the assets involved, verified the information regarding the legal ownership of the valuation target and the assets involved, made proper disclosure in respect of the issues identified and requested the entrusting party and other relevant parties to consummate the titles in order to fulfil the requirements for the issuance of the asset valuation report.

Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets.

VI. The asset valuation agency and asset valuers have no existing or expected relationship of interests either with the valuation target as set out in the asset valuation report, or with the relevant parties, and have no prejudice against the relevant parties.

VII. The analyses, judgements and conclusion in the asset valuation report issued by the asset valuation agency are subject to the assumptions and limitations contained therein. Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

**Summary of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Tianjin Tong Da You Zhi
Logistics Investments Limited Involved with the Proposed
Disposal of Equity Interest in Tianjin Tong Da You Zhi Logistics
Investments Limited by Beijing Properties
(Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030006

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited as at the Valuation Reference Date, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness and complying with necessary valuation procedures. The asset valuation report is hereby summarised as follows:

Purpose of Valuation: The proposed disposal of equity interest in Tianjin Tong Da You Zhi Logistics Investments Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited, to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

Target of Valuation: Value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited

Scope of Valuation: All assets and liabilities of the appraised entity, including current assets, long-term equity investments and liabilities. The specific scope is subject to the reporting of the appraised entity

Valuation Reference Date: 31 August 2021

Type of Value: Market value

Valuation Method: Asset-based approach

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Valuation Conclusion: This asset valuation report adopts the results under the asset-based approach as the valuation conclusion, with details set out below:

As at the Valuation Reference Date, the book value of total assets of Tianjin Tong Da You Zhi Logistics Investments Limited is RMB16,629,800, and the appraised value is RMB68,384,400, representing an appreciation of RMB51,754,600 and an appreciation rate of 311.22%. The book value of total liabilities is RMB4,500, and the appraised value is RMB4,500, indicating no changes of value. The book value of total shareholders' equity is RMB16,625,300, and the appraised value of total shareholders' equity is RMB68,380,000, representing an appreciation of RMB51,754,600 and an appreciation rate of 311.30%.

Details of results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	$C = B - A$	
I. Current assets	1	0.02	0.02	–	–
II. Non-current assets	2	1,662.96	6,838.42	5,175.46	311.22
Long-term equity investments	3	1,662.96	6,838.42	5,175.46	311.22
Total assets	4	1,662.98	6,838.44	5,175.46	311.22
III. Current liabilities	5	0.45	0.45	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	0.45	0.45	–	–
Value of total shareholders' equity	8	1,662.53	6,838.00	5,175.46	311.30

This asset valuation report is issued for the sole purpose of providing value reference for the economic activity stated herein, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

Notes on Special Matters:

1. Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Tianjin Tong Da You Zhi Logistics Investments Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen Zi (2021) No. 1260). Tianjin Tong Da You Zhi Logistics Investments Limited has reported the results adjusted in accordance with the audit findings. The appraisal of the value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the audit report when using this asset valuation report.
2. The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen Zi (2021) No. 1260 issued by Beijing Xiwen Certified Public Accountants.
3. Tianjin Tong Da You Zhi Logistics Investments Limited has not provided the valuation agency with information about mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.
4. Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:
 - (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.
 - (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.

5. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative investigation procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As there are only other receivables and other payables and no other assets and liabilities are involved overseas, the valuation agency has worked with the audit firm to issue letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

The above has been extracted from the full text of the asset valuation report. In order to fully understand the valuation and have a correct understanding of the valuation conclusion, you should carefully read the full text of the asset valuation report.

**Full Text of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Tianjin Tong Da You Zhi
Logistics Investments Limited Involved with the Proposed
Disposal of Equity Interest in Tianjin Tong Da You Zhi
Logistics Investments Limited by Beijing Properties
(Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030006

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited as at 31 August 2021, which is associated with the proposed disposal of equity interest in Tianjin Tong Da You Zhi Logistics Investments Limited by Beijing Properties (Holdings) Limited, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness, adopting the asset-based approach and complying with necessary valuation procedures. The asset valuation is hereby reported as follows:

**I. THE ENTRUSTING PARTY, THE APPRAISED ENTITY AND OTHER USERS OF
THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION
ENGAGEMENT CONTRACT**

The entrusting party of the valuation is Beijing Properties (Holdings) Limited; the appraised entity is Tianjin Tong Da You Zhi Logistics Investments Limited; other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract include the entrusting party and parties to the transaction.

(i) Overview of the entrusting party

Company name (in Chinese):	北京建設(控股)有限公司
Company name (in English):	Beijing Properties (Holdings) Limited
Registered address:	Clarendin House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business:	66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Authorised capital stock:	10,000,000,000 shares

Chairman of the Board: Qian Xu

Main businesses: Development and lease of commercial properties, and provision of relevant management services in the PRC; provision of logistics services, including lease of warehouse facilities and provision of relevant management services.

Beijing Properties (Holdings) Limited is a company incorporated in Bermuda with limited liability on 25 November 1997 (registration number: F8748), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00925.HK).

(ii) Overview of the appraised entity

1. Registration

Company name:	天津通達優智物流投資有限公司
English name of company:	Tianjin Tong Da You Zhi Logistics Investments Limited
Register number of Hong Kong:	38622769-000-10-20-7
Company address:	66/F CENTRAL PLAZA 18 HARBOUR ROAD WAN CHAI HK
Date of establishment:	31 October 2007
Registered capital:	HK\$1
Paid-in capital:	HK\$1
Type of company:	private company limited by shares
Business scope:	mainly engaged in investment holding.

2. *Shareholders, shareholding and changes of equity interests*

(1) Establishment

Kerry Logistics (Tianjin) Investment Corp. (嘉里物流(天津)投資有限公司) (“**Kerry Tianjin**”) was established in Hong Kong on 31 October 2007, with authorised capital stock of 10,000 shares at HK\$1 each, issued capital stock of 1 share, paid-in capital of HK\$1, Harefield Limited acting as the subscribing shareholder.

(2) Changes in past years

On 15 November 2007, Harefield Limited transferred the 1 share of Kerry Tianjin it held to Kerry Logistics (Tianjin) Investment Limited, which then became the sole shareholder of Kerry Tianjin.

On 21 October 2008, Kerry Logistics (Tianjin) Investment Limited transferred the 1 share of Kerry Tianjin it held to Kerry Logistics (China) Limited, which then became the sole shareholder of Kerry Tianjin.

The new Companies Ordinance (Cap. 622) of Hong Kong became effective on 3 March 2014, which abolished the concepts of authorised capital stock and par value. Accordingly, the share capital of Tong Da (Tianjin) under the new Companies Ordinance was revised as issued capital stock of 1 share and paid-in capital of HK\$1.

On 30 December 2016, Kerry Logistics (China) Limited transferred the 1 share of Kerry Tianjin it held to Beijing Properties (Holdings) Limited, which then became the sole shareholder of Kerry Tianjin. On the same day, the name was changed to Tianjin Tong Da You Zhi Logistics Co., Ltd (“**Tong Da (Tianjin)**”).

On 24 February 2017, Beijing Properties (Holdings) Limited transferred the 1 share of Tong Da (Tianjin) it held to the wholly-owned subsidiary Superior Gain Global Limited (the name in Chinese: 卓得環球有限公司) by the way of internal transfer, which then became the sole shareholder of Tong Da (Tianjin).

Name of shareholder	Pledged contribution (HK\$)	Paid-in capital (HK\$)	Shareholding proportion (%)	Way of investment
Superior Gain Global Limited	1	1	100.00	In monetary terms
Total	1	1	100.00	

As at the Valuation Reference Date, no changes have occurred to the equity interests.

3. Accounting policies and taxation policies

The appraised entity conducts financial accounting in accordance with the Accounting Standards for Business Enterprises, and its key tax item is the enterprise income tax, which is paid at the rate of 8.25% for the portion of taxable income that is below HK\$2,000,000 and at the rate of 16.5% for the portion of taxable income that is over HK\$2,000,000, without any preferential taxation policy.

4. Assets, financial position and business operation in the last three years

Financial position of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB			
Item	31 December 2019	31 December 2020	31 August 2021
Current assets	10,910,929.16	13,608,927.77	15,732,456.98
Investment properties	28,217,016.52	27,500,004.11	26,954,190.59
Fixed assets	54,417.11	36,484.64	24,531.04
Long-term deferred expenses	1,291,115.36	1,097,448.08	968,336.56
Total assets	40,473,478.15	42,242,864.60	43,679,515.17
Current liabilities	8,512,614.33	7,670,197.73	7,680,261.76
Non-current liabilities	—	—	—
Total liabilities	8,512,614.33	7,670,197.73	7,680,261.76
Owner's equity	31,960,863.82	34,572,666.87	35,999,253.41

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Financial position of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	–	210.53	210.53
Long-term equity investments	17,880,000.00	16,842,000.00	16,629,600.00
Total assets	17,880,000.00	16,842,210.53	16,629,810.53
Current liabilities	4,527.22	4,474.92	4,474.92
Non-current liabilities	–	–	–
Total liabilities	4,527.22	4,474.92	4,474.92
Owner's equity	17,875,472.78	16,837,735.61	16,625,335.61

Business operation of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	5,425,720.44	5,614,010.36	3,006,532.72
Less: Cost of sales and services	1,292,526.55	1,264,869.74	828,120.27
Business taxes and surcharges	550,438.64	556,444.56	409,796.86
Selling and distribution expenses	–	–	–
Administrative expenses	1,536,118.69	1,411,396.82	447,389.58
R&D expenses	–	–	–
Finance costs	(944,790.03)	577,282.91	79,168.52
Add: Other incomes	11,195.65	4,522.79	74.86
II. Profit	3,002,622.24	1,808,539.12	1,242,132.35
Add: Non-operating incomes	–	–	20.00
Less: Non-operating expenses	–	–	–
III. Total profit	3,002,622.24	1,808,539.12	1,242,152.35
Less: Income tax expenses	187,436.67	234,736.07	27,965.81
IV. Net profit	2,815,185.57	1,573,803.05	1,214,186.54

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	–	–	–
Less: Cost of sales and services	–	–	–
Business taxes and surcharges	–	–	–
Selling and distribution expenses	–	–	–
Administrative expenses	317.58	220.07	–
R&D expenses	–	–	–
Finance costs	(641,189.48)	1,037,517.10	212,400.00
Add: Investment incomes	–	–	–
II. Profit	640,871.90	(1,037,737.17)	(212,400.00)
Add: Non-operating incomes	–	–	–
Less: Non-operating expenses	–	–	–
III. Total profit	640,871.90	(1,037,737.17)	(212,400.00)
Less: Income tax expenses	–	–	–
IV. Net profit	640,871.90	(1,037,737.17)	(212,400.00)

The financial statements of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen Zi (2021) No. 1260) and the unqualified opinion issued. The financial data for 2019 have been audited by CAC CPA Limited Liability Partnership LLP with the unqualified opinion issued.

5. Relationship between the entrusting party and the appraised entity

The appraised entity is a wholly-owned subsidiary of Superior Gain Global Limited, which is a wholly-owned subsidiary of the entrusting party.

(iii) Other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract

The asset valuation report is only for the entrusting party, the parties under the transaction and users of the asset valuation report stipulated by national laws and regulations, and should not be used or relied upon by any other third party.

II. PURPOSE OF VALUATION

The proposed disposal of equity interest in Tianjin Tong Da You Zhi Logistics Investments Limited by Beijing Properties (Holdings) Limited requires the valuation of the market value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited as at the Valuation Reference Date, to provide a reference for the said economic activity to the market value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of Superior Gain Global Limited and the Minutes of the Board Meeting of Tianjin Tong Da You Zhi Logistics Investments Limited.

III. TARGET AND SCOPE OF VALUATION

(i) Target of valuation

The target of the valuation is the value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited.

(ii) Scope of valuation

The scope of valuation covers all assets and liabilities of the appraised entity. As at the Valuation Reference Date, assets within the valuation scope include current assets and long-term equity investments, and the book value of total assets amounts to RMB16,629,800; liabilities include current liabilities and non-current liabilities, and the book value of total liabilities amounts to RMB4,500; the book value of the value of total shareholders' equity amounts to RMB16,625,300. The specific scope is subject to the reporting of the appraised entity.

Balance sheet as at 31 August 2021 (parent company)

Item	Book value (RMB'0,000)
Current assets	0.02
Non-current assets	1,662.96
Including: Long-term equity investments	1,662.96
Total assets	1,662.98
Current liabilities	0.45
Non-current liabilities	—
Total liabilities	0.45
Owner's equity (value of total shareholders' equity)	1,662.53

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

As at the Valuation Reference Date, Tianjin Tong Da You Zhi Logistics Investments Limited has one wholly-owned subsidiary, with details of the investee set out below:

No.	Company name	Registered capital	Shareholding proportion	Investment date	Investment amount (RMB)
1	Tianjin Tong Da You Zhi Logistics Co., Ltd	HK\$20 million	100%	2017/12/31	16,629,600.00

Tianjin Tong Da You Zhi Logistics Co., Ltd was established in Tianjin Port Free Trade Zone on 15 March 2002, with an operation period of 50 years, Chen Jinbin acting as the legal representative, registered capital being HK\$20 million, Unified Social Credit Identifier of 91120116735456738J and domicile at Room 1-304-3, 88 Dongfang Avenue, Tianjin Pilot Free Trade Zone (Tianjin Port Free Trade Zone). The business scope covers: international trade; simple processing; product display; bonded warehouses agency and related logistics services; development and application of new high-tech products and related consultancy services; rental of self-owned buildings (for items that are subject to the approval of relevant authorities, business activities can only be conducted after such items have been approved).

Financial position of Tianjin Tong Da You Zhi Logistics Co., Ltd in the last three years is set out in the table below:

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	10,910,929.16	13,608,717.24	15,732,246.45
Investment properties	28,217,016.52	27,500,004.11	26,954,190.59
Fixed assets	54,417.11	36,484.64	24,531.04
Long-term deferred expenses	1,291,115.36	1,097,448.08	968,336.56
Total assets	40,473,478.15	42,242,654.07	43,679,304.64
Current liabilities	8,508,087.11	7,665,722.81	7,675,786.84
Non-current liabilities	—	—	—
Total liabilities	8,508,087.11	7,665,722.81	7,675,786.84
Owner's equity	31,965,391.04	34,576,931.26	36,003,517.80

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of Tianjin Tong Da You Zhi Logistics Co., Ltd in the last three years is set out in the table below:

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	5,425,720.44	5,614,010.36	3,006,532.72
Less: Cost of sales and services	1,292,526.55	1,264,869.74	828,120.27
Business taxes and surcharges	550,438.64	556,444.56	409,796.86
Selling and distribution expenses	–	–	–
Administrative expenses	1,535,801.11	1,411,176.75	447,389.58
R&D expenses	–	–	–
Finance costs	(303,600.55)	(460,234.19)	(133,231.48)
Add: Other incomes	11,195.65	4,522.79	74.86
II. Profit	2,361,750.34	2,846,276.29	1,454,532.35
Add: Non-operating incomes	–	–	20.00
Less: Non-operating expenses	–	–	–
III. Total profit	2,361,750.34	2,846,276.29	1,454,552.35
Less: Income tax expenses	187,436.67	234,736.07	27,965.81
IV. Net profit	2,174,313.67	2,611,540.22	1,426,586.54

The target and scope which the entrusting party engages to appraise is the same as the valuation target and scope related to the economic activity. As at the Valuation Reference Date, the book values of assets and liabilities within the valuation scope have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen Zi (2021) No. 1260) and the unqualified opinion issued. The financial data of 2019 have been audited by CAC CPA Limited Liability Partnership and the unqualified opinion issued.

1. Types and amounts of off-balance sheet assets reported

The appraised entity has not reported any off-balance sheet assets.

2. Type, quantity and carrying amount (or appraised values) of assets associated with the reference to conclusions contained in reports issued by other agencies

IV. TYPE OF VALUE

Based on the purpose of valuation, the type of value of valuation target is determined as market value.

Market value is the estimated value amount of the valuation target in an arm's length transaction as at the Valuation Reference Date between a willing buyer and a willing seller, each acting rationally and without any coercion.

V. VALUATION REFERENCE DATE

The Valuation Reference Date of the report is 31 August 2021.

The Valuation Reference Date is determined by the entrusting party in accordance with the principle that the Valuation Reference Date should be close to the date of materialising the economic activity that is corresponding to the asset valuation. In the asset valuation, definition of valuation scope, selection of valuation parameters and determination of appraised value are based on the enterprise's internal financial statements, external economic environment and market conditions as at the Valuation Reference Date. All valuing standards in the report are the effective price standards as at the Valuation Reference Date.

VI. BASIS OF VALUATION**(i) Basis of economic activity**

1. Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8;
2. Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited;
3. Minutes of the Board Meeting of Superior Gain Global Limited Ltd;
4. Minutes of the Board Meeting of Tianjin Tong Da You Zhi Logistics Investments Co., Ltd.

(ii) Basis of laws and regulations

1. The Asset Appraisal Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);
2. The Company Law of the People's Republic of China (amended at the 6th Session of the Standing Committee of the 13th National People's Congress on 26 October 2018);

3. Measures for the Fiscal Supervision and Administration of the Asset Appraisal Industry (Order No. 86 of the Ministry of Finance, amended by Order No. 97 of the Ministry of Finance on 2 January 2019);
4. Enterprise Income Tax Law of the People's Republic of China (amended at the 7th Session of the 13th National People's Congress on 29 December 2018);
5. Law of the People's Republic of China on the State-owned Assets of Enterprises (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);
6. Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 709 of the State Council);
7. Administrative Measures for the Assessment of State-owned Assets (Order No. 732 of the State Council);
8. Notice on Issuing the Detailed Rules for the Implementation of the Administrative Measures for the Assessment of State-owned Assets (Guo Zi Ban Fa [1992] No. 36);
9. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
10. Notice on Strengthening the Administration of Assessment of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);
11. Notice on Matters Related to the Audit of Valuation Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);
12. Guidelines for the Filing for Recordation of the Assessment Projects of State-owned Assets of Enterprises (Guo Zi Fa Chan Quan [2013] No. 64);
13. Interim Measures of Beijing Municipality on the Administration of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2008] No. 5);
14. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);

15. Accounting Standards for Business Enterprises – Basic Standards (Order No. 33 of the Ministry of Finance), Decision of the Ministry of Finance on Amending the Accounting Standards for Business Enterprises – Basic Standards (Order No. 76 of the Ministry of Finance);
16. Detailed Rules for the Implementation of the Interim Regulation of the People’s Republic of China on Value-Added Tax (Order No. 65 of the Ministry of Finance and the State Taxation Administration);
17. Notice on the Comprehensive Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36);
18. Interim Regulations of the People’s Republic of China on Urban and Town Land Use Tax (2 March 2019, Order No. 709 of the State Council of the People’s Republic of China);
19. Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, hereinafter referred to as Announcement No. 39);
20. Opinions of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality and the Beijing Municipal Finance Bureau on the Implementation of the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Jing Guo Zi Fa [2017] No. 10);
21. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2019] No. 2);
22. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Further Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2020] No. 9);
23. Civil Code of the People’s Republic of China (adopted at the 3rd Session of the 13th National People’s Congress on 28 May 2020);
24. Urban Real Estate Administration Law of the People’s Republic of China (amended at the 12th Session of the Standing Committee of the 13th National People’s Congress on 26 August 2019);

25. Land Administration Law of the People's Republic of China (adopted at the 12th Session of the Standing Committee of the 13th National People's Congress on 26 August 2019);
26. Foreign Investment Law of the People's Republic of China (adopted at the 2nd Session of the 13th National People's Congress on 15 March 2019);
27. Regulation for Implementing the Foreign Investment Law of the People's Republic of China (Order No. 723 of the State Council of the People's Republic of China).

(iii) Basis of valuation standards

1. Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
2. Practice Guidelines for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
3. Practice Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practice Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
5. Practice Guidelines for Asset Valuation – Asset Valuation Methodology (Zhong Ping Xie [2019] No. 35);
6. Practice Guidelines for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38);
7. Practice Guidelines for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);
8. Practice Guidelines for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
9. Guidance on Valuation Report of State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
10. Quality Control Guidance on the Business of Asset Valuation Agency (Zhong Ping Xie [2017] No. 46);
11. Guiding Opinions on Types of Value under Asset Valuation (Zhong Ping Xie [2017] No. 47);

12. Guiding Opinions on Legal Ownership of the Asset Valuation Target (Zhong Ping Xie [2017] No. 48);
13. Basic Rules for Asset Appraisal (Cai Zi [2017] No. 43);
14. Practice Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
15. Terms for Asset Valuation Standards 2020 (Zhong Ping Xie [2020] No. 31);
16. Guiding Opinions on Appraisal of Investment Properties (Zhong Ping Xie [2017] No. 53).

(iv) Ownership basis

1. Contracts for transfer of property rights;
2. Real Estate ownership certificates;
3. Other property certificates.

(v) Pricing basis

1. Financial statements and audit reports of prior years provided by the enterprise;
2. Other relevant valuation information collected by valuers;
3. Other materials related to the asset valuation;
4. WIND database;
5. National macro economic and industry statistics analysis;
6. Profit forecast and relevant information provided by the appraised entity.

(vi) Other basis

1. The list of assets and the reporting forms for asset valuation provided by the appraised entity;
2. Audit report issued by Beijing Xiwen Certified Public Accountants (北京希文會計師事務所有限公司);
3. Code for Real Estate Appraisal;
4. Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic.

VII. VALUATION METHODOLOGY

Income approach refers to the approach in which the expected return of the valuation target shall be capitalised or discounted so as to determine its value.

Market approach refers to the approach in which the valuation target shall be compared with comparable listed companies or comparable transaction cases so as to determine its value.

Asset-based approach refers to the approach in which, based on the balance sheet of the valuation target as at the Valuation Reference Date, the value of identifiable assets and liabilities in and out of the balance sheet shall be reasonably appraised so as to determine the value of the valuation target.

As stated in the Practice Guidelines for Asset Valuation – Enterprise Value, when performing any evaluation of enterprise value, asset valuation professionals shall analyse the suitability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach, based on the purpose and target of the valuation, the type of value and the collected information, and select the appropriate valuation method. If different valuation methods are suitable for the evaluation of enterprise value, asset valuation professionals should adopt two or more valuation methods.

The valuation adopts the asset-based approach for the following reasons:

(i) Income approach

The appraised entity is a management company and primarily relies on its sole wholly-owned subsidiary, Tianjin Tong Da You Zhi Logistics Co., Ltd, for business operation. Valuers have adopted the asset-based approach and the income approach to appraise Tianjin Tong Da You Zhi Logistics Co., Ltd, therefore, the income approach is adopted in this valuation.

(ii) Market approach

As there is limited channel for acquiring information of transactions in the domestic property exchange market and enterprises of the same class differ greatly from each other in terms of product structure and core business, it is difficult to select comparable transactions from the market to serve as reference. Therefore, the market approach is not adopted.

(iii) Asset-based approach

The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

1. Current assets

For other receivables, valuers determine their appraised values based on the recoverable amount of each item after verifying such other receivables. If valuers have good reason to believe such items can be fully recovered, they determine the appraised value based on the full receivable amount. If some portions of the items may probably not be recovered, valuers estimate the amount of such unrecoverable portions in accordance with the ageing analysis method when it is difficult to determine the unrecoverable amount, with reference to historical information and on-site investigations and by analysing the specific amounts, the time and reasons of default, the recovery of funds and the capital position, credit standing and business operation of the defaulters, and deduct such unrecoverable amount as risk loss from the original amount to determine the appraised value. If there is conclusive evidence to indicate the items can not be recovered, the value is determined as zero.

2. Long-term equity investments

For the overall evaluation of the wholly-owned and controlling long-term equity investments, valuers first assess the value of all shareholders' equity in the investee and then multiply the proportion of equity interest held to arrive at the value of the shareholders' portion of equity. For the valuation of the long-term investment of "Tianjin Tong Da You Zhi Logistics Co., Ltd", valuers adopt the asset-based approach and the income approach for the following reasons:

- 1) The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

- 2) In light of conditions for applying the income approach, valuers consider that such conditions are fulfilled after they have discussed with the management and conducted investigation and analysis, as the enterprise has independent profitability, the management of the appraised entity provides the profit forecast for future years, the profit levels of future years can be reasonably estimated based on historical business data and internal and external business environments, and the risks related to future revenues can be reasonably quantified.

3. *Liabilities*

The assessment of liabilities mainly involves review and verification. Valuers review the relevant documents, contracts, account books and relevant evidences to verify the truthfulness, after which, valuers determine the appraised value by the verified book value or the liabilities to be actually assumed.

VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

Valuers appraise the assets and liabilities associated with the valuation target. The main implementation process and status of valuation procedures are as follows:

(i) Acceptance of engagement

We and the entrusting party reach an agreement on the basic matters related to the valuation service, including the purpose, target and scope of the valuation and the Valuation Reference Date, and the rights and obligations of each party. Through negotiations, we and the entrusting party prepare the relevant valuation plan, the time and way for delivering the valuation report and other basic matters related to the valuation service.

(ii) First-phase preparation

Based on the basic valuation matters, we prepare the valuation plan, build the valuation team and provide trainings to personnel involving in the project.

(iii) On-site investigation

Valuers conduct necessary verification on the assets and liabilities associated with the valuation target, and carry out necessary due diligence on the operation and management of the appraised entity.

1. *Guide the appraised entity on how to complete the relevant forms and to prepare materials to be provided to the valuation agency*

While the financial and asset management personnel of the appraised entity check the assets of the enterprise, valuers guide them to report carefully and accurately the assets that fall within the valuation scope according to the Asset Valuation Schedule and the instructions provided thereon and the list of information provided by the valuation agency, to collect and prepare property certificates of assets and documents reflecting the performance, state, economic and technical indicators and other information.

2. *Preliminarily review and improve the Asset Valuation Schedule completed by the appraised entity*

Valuers acquire the detailed information of assets falling within the valuation scope through consulting relevant materials, and carefully review all the Asset Valuation Schedules to check if there are any incomplete information, errors or unclear statements of asset items. Based on the experience and the information obtained, valuers check if there is any omission from the Asset Valuation Schedule and provide the feedback to the appraised entity for improving the Asset Valuation Schedule.

3. *Conduct on-site survey*

In accordance with the relevant provisions of asset valuation standards, valuers conduct necessary survey on assets falling within the valuation scope in terms of type, quantity and distribution under the cooperation of relevant personnel of the appraised entity. Different survey methods are adopted in light of the nature and characteristics of different assets. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other receivables and other payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification.

4. *Supplement, revise and improve the Asset Valuation Schedule*

Based on the result of survey and the thorough communication with relevant personnel of the appraised entity, valuers further improve the Asset Valuation Schedule to ensure the consistency among the book, the form and the actual condition.

5. *Verify property certificates*

Valuers verify the property certificates of assets falling within the valuation scope, and require the enterprise to check or provide the relevant property documents for assets with incomplete ownership information or unclear ownership.

(iv) Collection of information

Based on specific conditions of the valuation, valuers collect the relevant information, which include the information obtained directly and independently from the market and other channels, the information obtained from the entrusting party and other relevant parties and the information obtained from governmental authorities, professional institutions and other relevant departments, and conduct necessary analysis, induction and collation of the collected information to develop the basis for valuation and estimate.

(v) Valuation and estimate

Based on the specific conditions of assets and the valuation method adopted, valuers select the corresponding formulas and parameters to make analysis, calculation and judgements and to reach a preliminary valuation conclusion. The project leader summarises the preliminary valuation conclusion in respect of the assets, prepares and finalises the preliminary asset valuation report.

(vi) Internal review

According to our measures for the management of valuation business process, the project leader submits the preliminary asset valuation report to our company for internal review. Following the internal review, the project leader communicates with the entrusting party or other relevant parties agreed by the entrusting party about the relevant content of the asset valuation report, reasonably improves the report based on the feedback, and then issues and delivers the final asset valuation report.

(vii) Archiving of valuation documents

In accordance with the requirements of asset valuation standards, we sort working papers, the asset valuation report and other relevant materials to maintain the valuation archive.

IX. VALUATION ASSUMPTIONS

The following assumptions are adopted for the analysis and estimate in the asset valuation report:

(i) Basic assumptions

1. Open market assumption assumes that the parties to the asset transaction or the proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the asset;
2. Transaction assumption assumes that all the assets to be appraised are already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be appraised. Transaction assumption is the most fundamental assumption for the valuation of assets;
3. Going-concern assumption assumes that the appraised entity will not cease to operate for various reasons in the foreseeable future based on the conditions of existing assets and resources, but will operate legally and on a going-concern basis.

(ii) General assumptions

1. It is assumed that there is no material change in the current laws, regulations and policies, and the macroeconomic situation of the country, and there is no material change in the political, economic and social environment of the regions where the parties to this transaction are located;
2. It is assumed that there is no material change in the interest rate, exchange rate, tax base and tax rate, policy levy and other expenses related to the appraised entity after the Valuation Reference Date;
3. It is assumed that the management of the appraised entity is responsible, stable and capable of assuming its duties after the Valuation Reference Date;
4. Unless otherwise stated, it is assumed that the appraised entity fully complies with all relevant laws and regulations;
5. It is assumed that all the parameters deriving from the valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Reference Date;

6. It is assumed that there is no force majeure and unforeseeable factors after the Valuation Reference Date, which will have a significant adverse impact on the appraised entity.

(iii) Special assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Reference Date are consistent with the accounting policies adopted in preparing the asset valuation report in material aspects.
2. It is assumed that the business scope and the operation mode of the appraised entity after the Valuation Reference Date are consistent with the current ones based on the existing management mode and management level.
3. It is assumed that the general information, property right information, policy documents and other relevant materials associated with the business operation provided by the entrusting party and the appraised entity are true and valid.
4. It is assumed that the purchase, acquisition and construction process of assets associated with the valuation target comply with relevant laws and regulations of the country.
5. It is assumed that the cash inflows and outflows of the appraised entity after the Valuation Reference Date are even.
6. It is assumed that the company will not have major changes in business scope and operation mode in future operation periods and maintains the structure of main businesses, the composition of revenues and costs, the marketing strategy related to future businesses and the cost control the same as those of recent years without material changes. The valuation does not consider possible changes in operation capability, business scale and business structure in the future caused by changes in the management, business strategies, further investments and the business environment, although such changes may probably occur. That means the valuation assumes the company continues as a going concern based on the operation capability, business scale and operation mode as at the Valuation Reference Date, without consideration of special changes caused by possible over-productions or production cuts.
7. It is assumed that the operating and administrative expenses and other costs in future operation periods will not change significantly from the current basis, will maintain the trends in recent years and change in line with the change of business scale.

8. The company can continue to use the planned premises and equipment and will not bear any unexpected expenses incurred due to changes of asset ownership.

The valuation conclusion of this asset valuation report stands as at the Valuation Reference Date based on the above assumptions. In the event of any material changes to the above assumptions, the undersigned asset valuers and the valuation agency shall not be responsible for deducing different valuation conclusions due to any changes of the assumptions.

X. VALUATION CONCLUSION

As at the Valuation Reference Date, 31 August 2021, the value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited is assessed as follows:

As at the Valuation Reference Date, the book value of total assets of Tianjin Tong Da You Zhi Logistics Investments Limited is RMB16,629,800, and the appraised value is RMB68,384,400, representing an appreciation of RMB51,754,600 and an appreciation rate of 311.22%. The book value of total liabilities is RMB4,500, and the appraised value is RMB4,500, indicating no changes of value. The book value of total shareholders' equity is RMB16,625,300, and the appraised value of total shareholders' equity is RMB68,380,000, representing an appreciation of RMB51,754,600 and an appreciation rate of 311.30%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of valuation results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	$C = B - A$	
I. Current assets	1	0.02	0.02	–	–
II. Non-current assets	2	1,662.96	6,838.42	5,175.46	311.22
Long-term equity investments	3	1,662.96	6,838.42	5,175.46	311.22
Total assets	4	1,662.98	6,838.44	5,175.46	311.22
III. Current liabilities	5	0.45	0.45	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	0.45	0.45	–	–
Value of total shareholders' equity	8	1,662.53	6,838.00	5,175.46	311.30

The appraised value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited is RMB68,380,000.

Differences between the valuation result under the asset-based approach and the book value and their reasons are as follows:

1. Differences between the valuation result under the asset-based approach and the book value

The comparison of the valuation result and the book value indicates an appreciation of RMB51,754,600 and an appreciation rate of 311.30%. In specific,

- (1) Current assets: The appraised value is RMB200, indicating no increase or decrease from the book value.

- (2) Long-term equity investments: The appraised value is RMB68,384,200, representing an increase of RMB51,754,600 from the book value and an appreciation rate of 311.22%.
- (3) Liabilities: The appraised value is RMB4,500 and indicates no increase or decrease from the book value.

2. Analysis of the valuation result under the asset-based approach

The comparison of the valuation result and the book value of assets appraised reflects some changes.

The changes are mainly in the following aspects:

In the accounting process, the book value of long-term equity investments is stated at the historical cost. The core business of the investee is to lease warehouses to third parties. The income approach is adopted to appraise the investment properties for operating purposes, which results in a significant increase of value.

XI. NOTES ON SPECIAL MATTERS

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

- (i) The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters on the valuation conclusion, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.
- (ii) This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, which does not represent any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.

(iii) Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Tianjin Tong Da You Zhi Logistics Investments Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen Zi (2021) No. 1260). Tianjin Tong Da You Zhi Logistics Investments Limited has reported the results adjusted in accordance with the audit findings. The appraisal of the value of total shareholders' equity of Tianjin Tong Da You Zhi Logistics Investments Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the said audit report when using this asset valuation report.

(iv) Notes on the reference to conclusions contained in reports issued by other institutions and the impact on the valuation conclusion;

The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen Zi (2021) No. 1260 issued by Beijing Xiwen Certified Public Accountants.

(v) Tianjin Tong Da You Zhi Logistics Investments Limited has not provided the valuation agency with information about other mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

(vi) Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:

(1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

(2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.

- (vii) Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative investigation procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As there are only other receivables and other payables and no other assets and liabilities are involved overseas, the valuation agency has worked with the audit firm to issue letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

Users of the asset valuation report should note the impact of the said special matters on the valuation conclusion.

XII. RESTRICTIONS ON THE USE OF THE ASSET VALUATION REPORT

- (i) This asset valuation report shall be used for the valuation purpose and uses as set out herein only and by the users specified herein only. The extraction of, reference to or public disclosure of all or any part of this asset valuation report shall be subject to the review of the valuation agency, unless otherwise provided in the laws or regulations or agreed between the relevant parties;
- (ii) The asset valuation agency and asset valuers take no responsibility if the entrusting party or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report;
- (iii) Except for the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated in the laws and administrative regulations, other institution and individual shall not become the user of the asset valuation report;
- (iv) Users of the asset valuation report should correctly interpret and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target;
- (v) This asset valuation report shall not be put into use unless and until it has been signed by the asset valuers undertaking the valuation business with the seal of the valuation agency and filed with (approved by) the authorities of supervision and administration of state-owned assets or enterprises that make capital contributions;
- (vi) The valuation conclusion in this asset valuation report is effective for the economic activity stated herein only, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this asset valuation report is 30 May 2022.

XIV. SEAL AND SIGNATURES OF THE VALUATION AGENCY AND ASSET VALUERS

Asset valuer:

Asset valuer:

Beijing Guorongxinghua Assets Appraisal Co., Ltd.

30 May 2022

ANNEXES TO THE ASSET VALUATION REPORT

- Annex I. Documents of the economic activity corresponding to the valuation purpose;
- Annex II. Special audit report of the appraised entity;
- Annex III. Business licenses of the entrusting party and the appraised entity;
- Annex IV. Important ownership certificates associated with the valuation target;
- Annex V. Letters of undertaking from the entrusting party and other relevant parties;
- Annex VI. Letter of undertaking from undersigned asset valuers;
- Annex VII. Certificates of qualifications of undersigned asset valuers;
- Annex VIII. Registration documents or qualification certificates of the valuation agency;
- Annex IX. Copy of the business license of the valuation agency;
- Annex X. Asset Valuation Engagement Contract;
- Annex XI. Asset Valuation Schedule; and
- Annex XII. Notes on the significant difference between the book value of assets and the valuation conclusion.

This asset valuation report is prepared in accordance with PRC Asset Valuation Standards

**Asset Valuation Report on the Value of Total
Shareholders' Equity of Mark Famous Investment
Limited Involved with the Proposed Disposal of
Equity Interest in Mark Famous Investment Limited by
Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030009

(1 of 1)

Valuation agency: Beijing Guorongxinghua Assets Appraisal Co., Ltd.

Date of valuation report: 30 May 2022

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DECLARATION

I. This asset valuation report is prepared in accordance with the Basic Rules for Asset Appraisal issued by the Ministry of Finance and the Practice Guidelines for Asset Appraisal and the Code of Ethics for Asset Appraisal issued by the China Appraisal Society.

II. The asset valuation agency and asset valuers have complied with the laws, administrative regulations and asset appraisal standards, abided by the principles of independence, objectivity and fairness, and have assumed responsibilities for the published asset valuation report in accordance with laws.

III. The entrusting party or other users of the asset valuation report shall use the asset valuation report in accordance with laws and administrative regulations and within the scope of use set out in the asset valuation report. The asset valuation agency and asset valuers take no responsibility for any non-compliance with the above-mentioned requirements in the use of the asset valuation report by the entrusting party or other users of the asset valuation report.

This asset valuation report shall only be used by the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations. Save for the above, other institution and individual cannot become the user of the asset valuation report.

The asset valuation agency and asset valuers advise that users of the asset valuation report should correctly interpret and use the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target.

IV. The list of assets and liabilities related to the valuation target and the business operation forecast information should be reported by the entrusting party and the appraised entity and certified by signature, seal or other means permitted by laws. The entrusting party and other relevant parties shall be responsible for the truthfulness, completeness and legality of the materials provided in accordance with laws.

V. The asset valuers have conducted necessary inspection on the valuation target and the assets involved, and given necessary consideration to the legal ownership status of the valuation target and the assets involved, verified the information regarding the legal ownership of the valuation target and the assets involved, made proper disclosure in respect of the issues identified and requested the entrusting party and other relevant parties to consummate the titles in order to fulfil the requirements for the issuance of the asset valuation report.

Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets.

VI. The asset valuation agency and asset valuers have no existing or expected relationship of interests either with the valuation target as set out in the asset valuation report, or with the relevant parties, and have no prejudice against the relevant parties.

VII. The analyses, judgements and conclusion in the asset valuation report issued by the asset valuation agency are subject to the assumptions and limitations contained therein. Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

**Summary of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Mark Famous Investment
Limited Involved with the Proposed Disposal of
Equity Interest in Mark Famous Investment Limited by
Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030009

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Mark Famous Investment Limited as at the Valuation Reference Date, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness and complying with necessary valuation procedures. The asset valuation report is hereby summarised as follows:

Purpose of Valuation: The proposed disposal of equity interest in Mark Famous Investment Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity involved, to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

Target of Valuation: Value of total shareholders' equity of Mark Famous Investment Limited

Scope of Valuation: All assets and liabilities of the appraised entity, including current assets, long-term equity investments and liabilities. The specific scope is subject to the reporting of the appraised entity

Valuation Reference Date: 31 August 2021

Type of Value: Market value

Valuation Method: Asset-based approach

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Valuation Conclusion: This asset valuation report adopts the results under the asset-based approach as the valuation conclusion, with details set out below:

As at the Valuation Reference Date, the book value of total assets of Mark Famous Investment Limited is RMB52,246,500, and the appraised value is RMB98,582,500, representing an appreciation of RMB46,336,100 and an appreciation rate of 88.69%. The book value of total liabilities is RMB8,300, and the appraised value is RMB8,300, indicating no changes of value. The book value of total shareholders' equity is RMB52,238,200, and the appraised value of total shareholders' equity is RMB98,574,200, representing an appreciation of RMB46,336,100 and an appreciation rate of 88.70%.

Details of results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	$C = B - A$	
I. Current assets	1	0.84	0.84	–	–
II. Non-current assets	2	5,223.81	9,857.41	4,633.61	88.70
Long-term equity investments	3	5,223.81	9,857.41	4,633.61	88.70
Total assets	4	5,224.65	9,858.25	4,633.61	88.69
III. Current liabilities	5	0.83	0.83	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	0.83	0.83	–	–
Value of total shareholders' equity	8	5,223.82	9,857.42	4,633.61	88.70

This asset valuation report is issued for the sole purpose of providing value reference for the economic activity stated herein, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

Notes on Special Matters:

1. Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Mark Famous Investment Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen Zi (2021) No. 1257). Mark Famous Investment Limited has reported the results adjusted in accordance with the audit findings. The appraisal of the value of total shareholders' equity of Mark Famous Investment Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the audit report when using this asset valuation report.
2. The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen Zi (2021) No. 1257 issued by Beijing Xiwen Certified Public Accountants.
3. Mark Famous Investment Limited has not provided the valuation agency with information about mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.
4. Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:
 - (1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.
 - (2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.

5. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other receivables and payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.
6. Structures such as the rain shelter, the bicycle shed and smoking shelter, the car washing shed have no title certificates. The area of the rain shelter is 4,955.02 sq.m., and the total area of the bicycle shed and smoking shelter, the car washing shed is 394.00 sq.m.

The above has been extracted from the full text of the asset valuation report. In order to fully understand the valuation and have a correct understanding of the valuation conclusion, you should carefully read the full text of the asset valuation report.

**Full Text of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Mark Famous Investment
Limited Involved with the Proposed Disposal of
Equity Interest in Mark Famous Investment Limited by
Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030009

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Mark Famous Investment Limited as at 31 August 2021, which is associated with the proposed disposal of equity interest in Mark Famous Investment Limited by Beijing Properties (Holdings) Limited, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness, adopting the asset-based approach and complying with necessary valuation procedures. The asset valuation is hereby reported as follows:

**I. THE ENTRUSTING PARTY, THE APPRAISED ENTITY AND OTHER USERS OF
THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION
ENGAGEMENT CONTRACT**

The entrusting party of the valuation is Beijing Properties (Holdings) Limited; the appraised entity is Mark Famous Investment Limited; other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract include the entrusting party and parties to the transaction.

(i) Overview of the entrusting party

Company name (in Chinese):	北京建設(控股)有限公司
Company name (in English):	Beijing Properties (Holdings) Limited
Registered address:	Clarendin House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business:	66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Authorised capital stock:	10,000,000,000 shares
Chairman of the Board:	Qian Xu

Main businesses:	Development and lease of commercial properties, and provision of relevant management services in the PRC; provision of logistics services, including lease of warehouse facilities and provision of relevant management services.
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Beijing Properties (Holdings) Limited is a company incorporated in Bermuda with limited liability on 25 November 1997 (registration number: F8748), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00925.HK).

(ii) **Overview of the appraised entity**

1. Registration

Company name:	Mark Famous Investment Limited (達名投資有限公司)
English name of company:	MARK FAMOUS INVESTMENT LIMITED
Register number of Hong Kong:	65055707-000-07-21-3
Company address:	66/F CENTRAL PLAZA 18 HARBOUR ROAD WAN CHAI HK
Date of establishment:	24 July 2015
Registered capital:	HK\$1
Paid-in capital:	HK\$1
Type of company:	private limited company
Business scope:	Main business relates to investment holding.

2. Shareholders, shareholding and changes of equity interests

(1) Establishment of the company

Mark Famous Investment Limited (“**Mark Famous**”) was incorporated in Hong Kong on 24 July 2015, with issued capital of 1 share, paid-in capital of HK\$1, Comkit Limited acting as the subscribing shareholder.

(2) Changes in the past years

On 31 July 2015, Comkit Limited transferred the 1 share of Mark Famous it held to Miu Kei Investment Company Limited (妙基投資有限公司), which then became the sole shareholder of Mark Famous.

On 31 May 2018, Miu Kei Investment Company Limited transferred the 1 share of Mark Famous it held to China Logistics Warehouses (Holdings) Co., Ltd by the way of internal transfer.

Name of shareholder	Pledged contribution (HK\$)	Paid-in capital (HK\$)	Shareholding proportion (%)	Way of investment
China Logistics Warehouses (Holdings) Co., Ltd	1.00	1.00	100.00	In monetary terms
Total	1.00	1.00	100.00	

As at the Valuation Reference Date, no changes have occurred to the equity interests.

3. Accounting policies and taxation policies

The appraised entity conducts financial accounting in accordance with the Accounting Standards for Enterprises and the main tax is income tax. The portion of taxable income within HK\$2 million is subject to corporate income tax at a rate of 8.25%, and the portion exceeding HK\$2 million is subject to corporate income tax at a rate of 16.5% without any preferential taxation policy.

4. Assets, financial position and business operation in the last three years

Financial position of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	1,880,705.90	6,573,206.48	7,477,455.26
Investment properties	114,889,217.27	111,067,244.74	108,673,655.70
Fixed assets	2,815,624.93	2,413,074.92	2,321,595.86
Total assets	119,585,548.10	120,053,526.14	118,472,706.82
Current liabilities	65,430,421.25	9,446,822.76	6,437,089.60
Non-current liabilities	40,500,000.00	38,500,000.00	36,500,000.00
Total liabilities	105,930,421.25	47,946,822.76	42,937,089.60
Owner's equity	13,655,126.85	72,106,703.38	75,535,617.22

Financial position of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	50,411.77	8,425.21	8,425.21
Long-term equity investments	56,165,905.09	52,905,266.97	52,238,061.26
Total assets	56,216,316.86	52,913,692.18	52,246,486.47
Current liabilities	56,277,716.77	8,421.00	8,314.80
Non-current liabilities	—	—	—
Total liabilities	56,277,716.77	8,421.00	8,314.80
Owner's equity	(61,399.91)	52,905,271.18	52,238,171.67

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below(consolidated data):

		<i>Unit: RMB</i>		
	Item	2019	2020	January to August 2021
I.	Revenue	16,175,712.00	16,755,637.60	11,318,265.53
	Less: Cost of sales and services	7,769,539.30	7,930,090.50	4,937,732.34
	Business taxes and surcharges	1,628,486.62	1,143,812.30	819,184.54
	Selling and distribution expenses	2,850.00	—	—
	Administrative expenses	2,740,274.66	2,896,414.34	863,331.37
	R&D expenses	—	—	—
	Finance costs	2,283,480.18	2,799,642.07	1,639,184.88
	Add: Other incomes	—	—	—
II.	Profit	1,751,081.24	1,985,678.39	3,058,832.40
	Add: Non-operating incomes	45,264.47	54,491.20	2,628.98
	Less: Non-operating expenses	0.06	221,354.17	—
III.	Total profit	1,796,345.65	1,818,815.42	3,061,461.38
	Less: Income tax expenses	32,387.53	392,863.65	299,753.25
IV.	Net profit	1,763,958.12	1,425,951.77	2,761,708.13

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below (parent company data):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	–	–	–
Less: Cost of sales and services	–	–	–
Business taxes and surcharges	–	–	–
Selling and distribution expenses	–	–	–
Administrative expenses	7,442.26	28,492.27	–
R&D expenses	–	–	–
Finance costs	2,192.47	769,823.28	667,099.51
Add: Investment incomes	–	–	–
II. Profit	(9,634.73)	(798,315.55)	(667,099.51)
Add: Non-operating incomes	–	–	–
Less: Non-operating expenses	–	–	–
III. Total profit	(9,634.73)	(798,315.55)	(667,099.51)
Less: Income tax expenses	–	–	–
IV. Net profit	(9,634.73)	(798,315.55)	(667,099.51)

The financial statements of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen Zi (2021) No. 1257) and the unqualified opinion issued. The financial data for 2019 have been audited by CAC CPA Limited Liability Partnership with the unqualified opinion issued.

5. Relationship between the entrusting party and the appraised entity

The appraised entity is a wholly-owned subsidiary of China Logistics Warehouses (Holdings) Co., Ltd, which is a wholly-owned subsidiary of the entrusting party.

(iii) Other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract

The asset valuation report is only for the entrusting party, parties to the transaction and users of the asset valuation report stipulated by national laws and regulations, and should not be used or relied upon by any other third party.

II. PURPOSE OF VALUATION

The proposed disposal of equity interest in Mark Famous Investment Limited by Beijing Properties (Holdings) Limited requires the valuation of the market value of total shareholders' equity of Mark Famous Investment Limited as at the Valuation Reference Date, to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of China Logistics Warehouses (Holdings) Co., Ltd and the Minutes of the Board Meeting of Mark Famous Investment Limited.

III. TARGET AND SCOPE OF VALUATION

(i) Target of valuation

The target of the valuation is the value of total shareholders' equity of Mark Famous Investment Limited.

(ii) Scope of valuation

The scope of valuation covers all assets and liabilities of the appraised entity. As at the Valuation Reference Date, assets within the valuation scope include current assets and long-term equity investments, and the book value of total assets amounts to RMB52,246,500; liabilities include current liabilities, and the book value of total liabilities amounts to RMB8,300; the book value of total shareholders' equity amounts to RMB52,238,200. The specific scope is subject to the reporting of the appraised entity.

Balance sheet as at 31 August 2021 (parent company)

Item	Book value (RMB'0,000)
Current assets	41.09
Non-current assets	0.84
Including: Long-term equity investments	5,223.81
Total assets	5,223.81
Current liabilities	5,224.65
Non-current liabilities	0.83
Total liabilities	—
Owner's equity (the value of total shareholders' equity)	0.83

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

As at the Valuation Reference Date, Mark Famous Investment Limited has one controlling subsidiary, with details of the investee set out below:

No.	Company name	Registered capital	Shareholding proportion	Investment date	Investment amount (RMB)
1	Hainan Datong Warehouse Company Limited	RMB70,000,000	80%	1 December 2016	52,238,061.26

Hainan Datong Warehouse Company Limited was incorporated on 15 September 2015, which was approved by the Market and Quality Supervision Commission of Chengmai County on 15 September 2015, with the Business License with Unified Social Credit Identifier 91469027348164516L issued. The registered address is Jinma Logistics Park, Jinma Avenue, Jinjiang Town, Chengmai County, Hainan Province. Shen Bin acts as the legal representative. The business scope covers warehousing logistics and property management.

Financial position of Hainan Datong Warehouse Company Limited in the last three years is set out in the table below:

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	1,830,294.13	6,564,781.27	7,469,030.05
Investment properties	114,889,217.27	111,067,244.74	108,673,655.70
Fixed assets	2,815,624.93	2,413,074.92	2,321,595.86
Total assets	119,535,136.33	120,045,100.93	118,464,281.61
Current liabilities	9,152,704.48	9,438,401.76	6,428,774.80
Non-current liabilities	40,500,000.00	38,500,000.00	36,500,000.00
Total liabilities	49,652,704.48	47,938,401.76	42,928,774.80
Owner's equity	69,882,431.85	72,106,699.17	75,535,506.81

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of Hainan Datong Warehouse Company Limited in the last three years is set out in the table below:

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	16,175,712.00	16,755,637.60	11,318,265.53
Including: rental income	10,453,883.16	10,815,764.64	7,409,125.26
Property income	4,422,726.56	4,576,281.60	3,135,172.20
Other income	1,299,102.28	1,363,591.36	773,968.07
Less: Cost of sales and services	7,769,539.30	7,930,090.50	4,937,732.34
Business taxes and surcharges	1,628,486.62	1,143,812.30	819,184.54
Selling and distribution expenses	2,850.00	–	–
Administrative expenses	2,732,832.40	2,867,922.07	863,331.37
R&D expenses	–	–	–
Finance costs	2,281,287.71	2,029,818.79	972,085.37
Add: Other incomes	–	–	–
II. Profit	1,760,715.97	2,783,993.94	3,725,931.91
Add: Non-operating incomes	45,264.47	54,491.20	2,628.98
Less: Non-operating expenses	0.06	221,354.17	–
III. Total profit	1,805,980.38	2,617,130.97	3,728,560.89
Less: Income tax expenses	32,387.53	392,863.65	299,753.25
IV. Net profit	1,773,592.85	2,224,267.32	3,428,807.64

The target and scope which the entrusting party engages to appraise is the same as the valuation target and scope related to the economic activity. As at the Valuation Reference Date, the book values of assets and liabilities within the valuation scope have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen Zi (2021) No. 1257) and the unqualified opinion issued. The financial data of 2019 have been audited by CAC CPA Limited Liability Partnership, with the unqualified opinion issued.

1. Types and amounts of off-balance sheet assets reported

The appraised entity has not reported any off-balance sheet assets.

2. Type, quantity and carrying amount (or appraised values) of assets associated with the reference to conclusions contained in reports issued by other agencies

IV. TYPE OF VALUE

Based on the purpose of valuation, the type of value of valuation target is determined as market value.

Market value is the estimated value amount of the valuation target in an arm's length transaction as at the Valuation Reference Date between a willing buyer and a willing seller, each acting rationally and without any coercion.

V. VALUATION REFERENCE DATE

The Valuation Reference Date of the report is 31 August 2021.

The Valuation Reference Date is determined by the entrusting party in accordance with the principle that the Valuation Reference Date should be close to the date of materialising the economic activity that is corresponding to the asset valuation. In the asset valuation, definition of valuation scope, selection of valuation parameters and determination of appraised value are based on the enterprise's internal financial statements, external economic environment and market conditions as at the Valuation Reference Date. All valuing standards in the report are the effective price standards as at the Valuation Reference Date.

VI. BASIS OF VALUATION**(i) Basis of economic activity**

1. Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8;
2. Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited;
3. Minutes of the Board Meeting of China Logistics Warehouses (Holdings) Co., Ltd;
4. Minutes of the Board Meeting of Mark Famous Investment Limited;

(ii) Basis of laws and regulations

1. The Asset Appraisal Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);
2. The Company Law of the People's Republic of China (amended at the 6th Session of the Standing Committee of the 13th National People's Congress on 26 October 2018);

3. Measures for the Fiscal Supervision and Administration of the Asset Appraisal Industry (Order No. 86 of the Ministry of Finance, amended by Order No. 97 of the Ministry of Finance on 2 January 2019);
4. Enterprise Income Tax Law of the People's Republic of China (amended at the 7th Session of the 13th National People's Congress on 29 December 2018);
5. Law of the People's Republic of China on the State-owned Assets of Enterprises (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);
6. Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 709 of the State Council);
7. Administrative Measures for the Assessment of State-owned Assets (Order No. 732 of the State Council);
8. Notice on Issuing the Detailed Rules for the Implementation of the Administrative Measures for the Assessment of State-owned Assets (Guo Zi Ban Fa [1992] No. 36);
9. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
10. Notice on Strengthening the Administration of Assessment of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);
11. Notice on Matters Related to the Audit of Valuation Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);
12. Guidelines for the Filing for Recordation of the Assessment Projects of State-owned Assets of Enterprises (Guo Zi Fa Chan Quan [2013] No. 64);
13. Interim Measures of Beijing Municipality on the Administration of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2008] No. 5);
14. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);

15. Accounting Standards for Business Enterprises – Basic Standards (Order No. 33 of the Ministry of Finance), Decision of the Ministry of Finance on Amending the Accounting Standards for Business Enterprises – Basic Standards (Order No. 76 of the Ministry of Finance);
16. Detailed Rules for the Implementation of the Interim Regulation of the People’s Republic of China on Value-Added Tax (Order No. 65 of the Ministry of Finance and the State Taxation Administration);
17. Notice on the Comprehensive Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36);
18. Interim Regulations of the People’s Republic of China on Urban and Town Land Use Tax (2 March 2019, Order No. 709 of the State Council of the People’s Republic of China);
19. Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, hereinafter referred to as Announcement No. 39);
20. Opinions of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality and the Beijing Municipal Finance Bureau on the Implementation of the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Jing Guo Zi Fa [2017] No. 10);
21. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2019] No. 2);
22. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Further Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2020] No. 9);
23. Civil Code of the People’s Republic of China (adopted at the 3rd Session of the 13th National People’s Congress on 28 May 2020);
24. Urban Real Estate Administration Law of the People’s Republic of China (amended at the 12th Session of the Standing Committee of the 13th National People’s Congress on 26 August 2019);

25. Land Administration Law of the People's Republic of China (adopted at the 12th Session of the Standing Committee of the 13th National People's Congress on 26 August 2019);
26. Foreign Investment Law of the People's Republic of China (adopted at the 2nd Session of the 13th National People's Congress on 15 March 2019);
27. Regulation for Implementing the Foreign Investment Law of the People's Republic of China (Order No. 723 of the State Council of the People's Republic of China).

(iii) Basis of valuation standards

1. Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
2. Practice Guidelines for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
3. Practice Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practice Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
5. Practice Guidelines for Asset Valuation – Asset Valuation Methodology (Zhong Ping Xie [2019] No. 35);
6. Practice Guidelines for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38);
7. Practice Guidelines for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);
8. Practice Guidelines for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
9. Guidance on Valuation Report of State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
10. Quality Control Guidance on the Business of Asset Valuation Agency (Zhong Ping Xie [2017] No. 46);
11. Guiding Opinions on Types of Value under Asset Valuation (Zhong Ping Xie [2017] No. 47);

12. Guiding Opinions on Legal Ownership of the Asset Valuation Target (Zhong Ping Xie [2017] No. 48);
13. Basic Rules for Asset Appraisal (Cai Zi [2017] No. 43);
14. Practice Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
15. Terms for Asset Valuation Standards 2020 (Zhong Ping Xie [2020] No. 31);
16. Guiding Opinions on Appraisal of Investment Properties (Zhong Ping Xie [2017] No. 53).

(iv) Ownership basis

1. Contracts for transfer of property rights;
2. Real estate certificates;
3. State-owned Land Use Right Certificate;
4. Other property certificates.

(v) Pricing basis

1. Financial statements and audit reports of prior years provided by the enterprise;
2. Other relevant valuation information collected by valuers;
3. Other materials related to the asset valuation;
4. WIND database;
5. National macro economic and industry statistics analysis;
6. Profit forecast and relevant information provided by the appraised entity.

(vi) Other basis

1. The list of assets and the reporting forms for asset valuation provided by the appraised entity;
2. Audit report issued by Beijing Xiwen Certified Public Accountants (北京希文會計師事務所有限公司);
3. Code for Real Estate Appraisal;

4. Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic.

VII. VALUATION METHODOLOGY

Income approach refers to the approach in which the expected return of the valuation target shall be capitalised or discounted so as to determine its value.

Market approach refers to the approach in which the valuation target shall be compared with comparable listed companies or comparable transactions so as to determine its value.

Asset-based approach refers to the approach in which, based on the balance sheet of the valuation target as at the Valuation Reference Date, the value of identifiable assets and liabilities in and out of the balance sheet shall be reasonably appraised so as to determine the value of the valuation target.

As stated in the Practice Guidelines for Asset Valuation – Enterprise Value, when performing any evaluation of enterprise value, asset valuation professionals shall analyse the suitability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach, based on the purpose and target of the valuation, the type of value and the collected information, and select the appropriate valuation method. If different valuation methods are suitable for the evaluation of enterprise value, asset valuation professionals should adopt two or more valuation methods.

The valuation adopts the asset-based approach for the following reasons:

(i) Income approach

The appraised entity is a management company and primarily relies on its sole wholly-owned subsidiary, Hainan Datong Warehouse Company Limited, for business operation. Valuers have adopted the asset-based approach and the income approach to appraise Hainan Datong Warehouse Company Limited, therefore, the income approach is adopted in this valuation.

(ii) Market approach

As there is limited channel for acquiring information of transactions in the domestic property exchange market and enterprises of the same class differ greatly from each other in terms of product structure and core business, it is difficult to select comparable transactions from the market to serve as reference. Therefore, the market approach is not adopted.

(iii) Asset-based approach

The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

1. Current assets

For other receivables, valuers determine their appraised values based on the recoverable amount of each item after verifying such other receivables. If valuers have good reason to believe such items can be fully recovered, they determine the appraised value based on the full receivable amount. If some portions of the items may probably not be recovered, valuers estimate the amount of such unrecoverable portions in accordance with the ageing analysis method when it is difficult to determine the unrecoverable amount, with reference to historical information and on-site investigations and by analysing the specific amounts, the time and reasons of default, the recovery of funds and the capital position, credit standing and business operation of the defaulters, and deduct such unrecoverable amount as risk loss from the original amount to determine the appraised value. If there is conclusive evidence to indicate the items can not be recovered, the value is determined as zero.

2. Long-term equity investments

For the overall evaluation of the wholly-owned and controlling long-term equity investments, valuers first assess the value of all shareholders' equity in the investee and then multiply the proportion of equity interest held to arrive at the value of the shareholders' portion of equity. For the valuation of the long-term investment of "Hainan Datong Warehouse Company Limited", valuers adopt the asset-based approach and the income approach for the following reasons:

- 1) The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

- 2) In light of conditions for applying the income approach, valuers consider that such conditions are fulfilled after they have discussed with the management and conducted investigation and analysis, as the enterprise has independent profitability, the management of the appraised entity provides the profit forecast for future years, the profit levels of future years can be reasonably estimated based on historical business data and internal and external business environments, and the risks related to future revenues can be reasonably quantified.

3. *Liabilities*

The assessment of liabilities mainly involves review and verification. Valuers review the relevant documents, contracts, account books and relevant evidences to verify the truthfulness, after which, valuers determine the appraised value by the verified book value or the liabilities to be actually assumed.

VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

Valuers appraise the assets and liabilities associated with the valuation target. The main implementation process and status of valuation procedures are as follows:

(i) Acceptance of engagement

We and the entrusting party reach an agreement on the basic matters related to the valuation service, including the purpose, target and scope of the valuation and the Valuation Reference Date, and the rights and obligations of each party. Through negotiations, we and the entrusting party prepare the relevant valuation plan, the time and way for delivering the valuation report and other basic matters related to the valuation service.

(ii) First-phase preparation

Based on the basic valuation matters, we prepare the valuation plan, build the valuation team and provide trainings to personnel involving in the project.

(iii) On-site investigation

Valuers conduct necessary verification on the assets and liabilities associated with the valuation target, and carry out necessary due diligence on the operation and management of the appraised entity.

1. *Guide the appraised entity on how to complete the relevant forms and to prepare materials to be provided to the valuation agency*

While the financial and asset management personnel of the appraised entity check the assets of the enterprise, valuers guide them to report carefully and accurately the assets that fall within the valuation scope according to the Asset Valuation Schedule and the instructions provided thereon and the list of information provided by the valuation agency, to collect and prepare property certificates of assets and documents reflecting the performance, state, economic and technical indicators and other information.

2. *Preliminarily review and improve the Asset Valuation Schedule completed by the appraised entity*

Valuers acquire the detailed information of assets falling within the valuation scope through consulting relevant materials, and carefully review all the Asset Valuation Schedules to check if there are any incomplete information, errors or unclear statements of asset items. Based on the experience and the information obtained, valuers check if there is any omission from the Asset Valuation Schedule and provide the feedback to the appraised entity for improving the Asset Valuation Schedule.

3. *Conduct on-site survey*

In accordance with the relevant provisions of asset valuation standards, valuers conduct necessary survey on assets falling within the valuation scope in terms of type, quantity and distribution under the cooperation of relevant personnel of the appraised entity. Different survey methods are adopted in light of the nature and characteristics of different assets. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other receivables and payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification.

4. *Supplement, revise and improve the Asset Valuation Schedule*

Based on the result of on-site survey and the thorough communication with relevant personnel of the appraised entity, valuers further improve the Asset Valuation Schedule to ensure the consistency among the book, the form and the actual condition.

5. *Verify property certificates*

Valuers verify the property certificates of assets falling within the valuation scope, and require the enterprise to check or provide the relevant property documents for assets with incomplete ownership information or unclear ownership.

(iv) Collection of information

Based on specific conditions of the valuation, valuers collect the relevant information, which include the information obtained directly and independently from the market and other channels, the information obtained from the entrusting party and other relevant parties and the information obtained from governmental authorities, professional institutions and other relevant departments, and conduct necessary analysis, induction and collation of the collected information to develop the basis for valuation and estimate.

(v) Valuation and estimate

Based on the specific conditions of assets and the valuation method adopted, valuers select the corresponding formulas and parameters to make analysis, calculation and judgements and to reach a preliminary valuation conclusion. The project leader summarises the preliminary valuation conclusion in respect of the assets, prepares and finalises the preliminary asset valuation report.

(vi) Internal review

According to our measures for the management of valuation business process, the project leader submits the preliminary asset valuation report to our company for internal review. Following the internal review, the project leader communicates with the entrusting party or other relevant parties agreed by the entrusting party about the relevant content of the asset valuation report, reasonably improves the report based on the feedback, and then issues and delivers the final asset valuation report.

(vii) Archiving of valuation documents

In accordance with the requirements of asset valuation standards, we sort working papers, the asset valuation report and other relevant materials to maintain the valuation archive.

IX. VALUATION ASSUMPTIONS

The following assumptions are adopted for the analysis and estimate in the asset valuation report:

(i) Basic assumptions

1. Open market assumption assumes that the parties to the asset transaction or the proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the asset;
2. Transaction assumption assumes that all the assets to be appraised are already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be appraised. Transaction assumption is the most fundamental assumption for the valuation of assets;
3. Going-concern assumption assumes that the appraised entity will not cease to operate for various reasons in the foreseeable future based on the conditions of existing assets and resources, but will operate legally and on a going-concern basis.

(ii) General assumptions

1. It is assumed that there is no material change in the current laws, regulations and policies, and the macroeconomic situation of the country, and there is no material change in the political, economic and social environment of the regions where the parties to this transaction are located;
2. It is assumed that there is no material change in the interest rate, exchange rate, tax base and tax rate, policy levy and other expenses related to the appraised entity after the Valuation Reference Date;
3. It is assumed that the management of the appraised entity is responsible, stable and capable of assuming its duties after the Valuation Reference Date;
4. Unless otherwise stated, it is assumed that the appraised entity fully complies with all relevant laws and regulations;
5. It is assumed that all the parameters deriving from the valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Reference Date;

6. It is assumed that there is no force majeure and unforeseeable factors after the Valuation Reference Date, which will have a significant adverse impact on the appraised entity.

(iii) Special assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Reference Date are consistent with the accounting policies adopted in preparing the asset valuation report in material aspects.
2. It is assumed that the business scope and the operation mode of the appraised entity after the Valuation Reference Date are consistent with the current ones based on the existing management mode and management level.
3. It is assumed that the general information, property right information, policy documents and other relevant materials associated with the business operation provided by the entrusting party and the appraised entity are true and valid.
4. It is assumed that the purchase, acquisition and construction process of assets associated with the valuation target comply with relevant laws and regulations of the country.
5. It is assumed that the cash inflows and outflows of the appraised entity after the Valuation Reference Date are even.
6. It is assumed that the company will not have major changes in business scope and operation mode in future operation periods and maintains the structure of main businesses, the composition of revenues and costs, the marketing strategy related to future businesses and the cost control the same as those of recent years without material changes. The valuation does not consider possible changes in operation capability, business scale and business structure in the future caused by changes in the management, business strategies, further investments and the business environment, although such changes may probably occur. That means the valuation assumes the company continues as a going concern based on the operation capability, business scale and operation mode as at the Valuation Reference Date, without consideration of special changes caused by possible over-productions or production cuts.
7. It is assumed that the operating and administrative expenses and other costs in future operation periods will not change significantly from the current basis, will maintain the trends in recent years and change in line with the change of business scale.

8. The company can continue to use the planned premises and equipment and will not bear any unexpected expenses incurred due to changes of asset ownership.

The valuation conclusion of this asset valuation report stands as at the Valuation Reference Date based on the above assumptions. In the event of any material changes to the above assumptions, the undersigned asset valuers and the valuation agency shall not be responsible for deducing different valuation conclusions due to any changes of the assumptions.

X. VALUATION CONCLUSION

As at the Valuation Reference Date, 31 August 2021, the value of total shareholders' equity of Mark Famous Investment Limited is assessed as follows:

As at the Valuation Reference Date, the book value of total assets of Mark Famous Investment Limited is RMB52,246,500, and the appraised value is RMB98,582,500, representing an appreciation of RMB46,336,100 and an appreciation rate of 88.69%. The book value of total liabilities is RMB8,300, and the appraised value is RMB8,300, indicating no changes of value. The book value of total shareholders' equity is RMB52,238,200, and the appraised value of total shareholders' equity is RMB98,574,200, representing an appreciation of RMB46,336,100 and an appreciation rate of 88.70%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of valuation results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	$C = B - A$	
I. Current assets	1	0.84	0.84	–	–
II. Non-current assets	2	5,223.81	9,857.41	4,633.61	88.70
Long-term equity investments	3	5,223.81	9,857.41	4,633.61	88.70
Total assets	4	5,224.65	9,858.25	4,633.61	88.69
III. Current liabilities	5	0.83	0.83	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	0.83	0.83	–	–
Value of total shareholders' equity	8	5,223.82	9,857.42	4,633.61	88.70

The appraised value of total shareholders' equity of Mark Famous Investment Limited is RMB98,574,200.

Differences between the valuation result under the asset-based approach and the book value and their reasons are as follows:

1. Differences between the valuation result under the asset-based approach and the book value

The comparison of the valuation result and the book value indicates an appreciation of RMB46,336,100 and an appreciation rate of 88.70%. In specific,

- (1) Current assets: The appraised value is RMB8,400, indicating no increase or decrease from the book value.

- (2) Long-term equity investments: The appraised value is RMB98,574,100, representing an increase of RMB46,336,100 from the book value and an appreciation rate of 88.70%.
- (3) Liabilities: The appraised value of RMB8,300 indicates no increase or decrease from the book value.

2. Analysis of the valuation result under the asset-based approach

The comparison of the valuation result and the book value of assets appraised reflects some changes.

The changes are mainly in the following aspects:

Long-term equity investments: In the accounting process, the book value of long-term equity investments is stated at the historical cost. The core business of the investee is to lease warehouses to third parties. The income approach is adopted to appraise the investment properties for operating purposes, which results in a significant increase of value.

XI. NOTES ON SPECIAL MATTERS

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

- (i) The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters on the valuation conclusion, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.
- (ii) This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, which does not represent any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.

(iii) Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Mark Famous Investment Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen Zi (2021) No. 1257). Mark Famous Investment Limited has reported the results adjusted in accordance with the audit findings. The appraisal of the value of total shareholders' equity of Mark Famous Investment Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the said audit report when using this asset valuation report.

(iv) Notes on the reference to conclusions contained in reports issued by other institutions and the impact on the valuation conclusion;

The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen Zi (2021) No. 1257 issued by Beijing Xiwen Certified Public Accountants.

(v) Mark Famous Investment Limited has not provided the valuation agency with information about other mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

(vi) Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:

(1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

(2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.

(vii) Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative investigation procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other receivables and payables and involves no other assets and liabilities, the valuation agency has worked with the audit firm to issue letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

(viii) Structures such as the rain shelter, the bicycle shed and smoking shelter, the car washing shed have no title certificates. The area of the rain shelter is 4,955.02 sq.m., and the total area of the bicycle shed and smoking shelter, the car washing shed is 394.00 sq.m.

Users of the asset valuation report should note the impact of the said special matters on the valuation conclusion.

XII. RESTRICTIONS ON THE USE OF THE ASSET VALUATION REPORT

- (i) This asset valuation report shall be used for the valuation purpose and uses as set out herein only and by the users specified herein only. The extraction of, reference to or public disclosure of all or any part of this asset valuation report shall be subject to the review of the valuation agency, unless otherwise provided in the laws or regulations or agreed between the relevant parties;
- (ii) The asset valuation agency and asset valuers take no responsibility if the entrusting party or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report;
- (iii) Except for the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated in the laws and administrative regulations, other institution and individual shall not become the user of the asset valuation report;
- (iv) Users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target;

- (v) This asset valuation report shall not be put into use unless and until it has been signed by the asset valuers undertaking the valuation business with the seal of the valuation agency and filed with the authorities of supervision and administration of state-owned assets or enterprises that make capital contributions (verified);
- (vi) The valuation conclusion in this asset valuation report is effective for the economic activity stated herein only, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this asset valuation report is 30 May 2022.

XIV. SEAL AND SIGNATURES OF THE VALUATION AGENCY AND ASSET VALUERS

Asset valuer:

Asset valuer:

Beijing Guorongxinghua Assets Appraisal Co., Ltd.

30 May 2022

ANNEXES TO THE ASSET VALUATION REPORT

- Annex I. Documents of the economic activity corresponding to the valuation purpose;
- Annex II. Special audit report of the appraised entity;
- Annex III. Business licenses of the entrusting party and the appraised entity;
- Annex IV. Important ownership certificates associated with the valuation target;
- Annex V. Letters of undertaking from the entrusting party and other relevant parties;
- Annex VI. Letter of undertaking from undersigned asset valuers;
- Annex VII. Certificates of qualifications of undersigned asset valuers;
- Annex VIII. Registration documents or qualification certificates of the valuation agency;
- Annex IX. Copy of the business license of the valuation agency;
- Annex X. Asset Valuation Engagement Contract;
- Annex XI. Asset Valuation Schedule; and
- Annex XII. Notes on the significant difference between the book value of assets and the valuation conclusion.

This asset valuation report is prepared in accordance with PRC Asset Valuation Standards

**Asset Valuation Report on the Value of
Total Shareholders' Equity of Ocean Lord Investment
Limited Involved with the Proposed Disposal of
Equity Interest in Ocean Lord Investment Limited by
Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030010

(1 of 1)

Valuation agency: Beijing Guorongxinghua Assets Appraisal Co., Ltd.

Date of valuation report: 30 May 2022

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DECLARATION

I. This asset valuation report is prepared in accordance with the Basic Rules for Asset Appraisal issued by the Ministry of Finance and the Practice Guidelines for Asset Appraisal and the Code of Ethics for Asset Appraisal issued by the China Appraisal Society.

II. The asset valuation agency and asset valuers have complied with the laws, administrative regulations and asset appraisal standards, abided by the principles of independence, objectivity and fairness, and have assumed responsibilities for the published asset valuation report in accordance with laws.

III. The entrusting party or other users of the asset valuation report shall use the asset valuation report in accordance with laws and administrative regulations and within the scope of use set out in the asset valuation report. The asset valuation agency and asset valuers take no responsibility for any non-compliance with the above-mentioned requirements in the use of the asset valuation report by the entrusting party or other users of the asset valuation report.

This asset valuation report shall only be used by the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations. Save for the above, other institution and individual cannot become the user of the asset valuation report.

The asset valuation agency and asset valuers advise that users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target.

IV. The list of assets and liabilities related to the valuation target and the business operation forecast information should be reported by the entrusting party and the appraised entity and certified by signature, seal or other means permitted by laws. The entrusting party and other relevant parties shall be responsible for the truthfulness, completeness and legality of the materials provided in accordance with laws.

V. The asset valuers have conducted on-site inspection on the valuation target and the assets involved, and given necessary consideration to the legal ownership status of the valuation target and the assets involved, verified the information regarding the legal ownership of the valuation target and the assets involved, made proper disclosure in respect of the issues identified and requested the entrusting party and other relevant parties to consummate the titles in order to fulfil the requirements for the issuance of the asset valuation report.

Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets.

VI. The asset valuation agency and asset valuers have no existing or expected relationship of interests either with the valuation target as set out in the asset valuation report, or with the relevant parties, and have no prejudice against the relevant parties.

VII. The analyses, judgements and conclusion in the asset valuation report issued by the asset valuation agency are subject to the assumptions and limitations contained therein. Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

**Summary of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Ocean Lord Investment
Limited Involved with the Proposed Disposal of Equity
Interest in Ocean Lord Investment Limited by
Beijing Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030010

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Ocean Lord Investment Limited as at the Valuation Reference Date, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness and complying with necessary valuation procedures. The asset valuation report is hereby summarised as follows:

Purpose of Valuation: The proposed disposal of equity interest in Ocean Lord Investment Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Ocean Lord Investment Limited and its controlling subsidiary Xiamen Xunda Hongtong Warehouse Company Limited, to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of China Logistics Warehouses (Holdings) Co., Ltd and the Minutes of the Board Meeting of Ocean Lord Investment Limited.

Target of Valuation: Value of total shareholders' equity of Ocean Lord Investment Limited

Scope of Valuation: All assets and liabilities of the appraised entity, including long-term equity investments and liabilities. The specific scope is subject to the reporting of the appraised entity

Valuation Reference Date: 31 August 2021

Type of Value: Market value

Valuation Method: Asset-based approach

Valuation Conclusion: This asset valuation report adopts the results under the asset-based approach as the valuation conclusion, with details set out below:

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

As at the Valuation Reference Date, the book value of total assets of Ocean Lord Investment Limited is RMB206,350,300, and the appraised value is RMB254,972,900, representing an appreciation of RMB48,622,600 and an appreciation rate of 23.56%. The book value of total liabilities is RMB2,371,300, and the appraised value is RMB2,371,300, indicating no changes of value. The book value of total shareholders' equity is RMB203,979,000, and the appraised value is RMB252,601,600, representing an appreciation of RMB48,622,600 and an appreciation rate of 23.84%.

Details of results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB '0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100$
		A	B	$C = B - A$	
I. Current assets	1	–	–	–	–
II. Non-current assets	2	20,635.03	25,497.29	4,862.26	23.56
Long-term equity investments	3	20,635.03	25,497.29	4,862.26	23.56
Total assets	4	20,635.03	25,497.29	4,862.26	23.56
III. Current liabilities	5	237.13	237.13	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	237.13	237.13	–	–
Value of total shareholders' equity	8	20,397.90	25,260.16	4,862.26	23.84

This asset valuation report is issued for the sole purpose of providing value reference for the economic activity stated herein, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

Users of the asset valuation report shall fully consider the assumptions, limitations and notes on specific matters set out in the asset valuation report and their impact on the valuation conclusion.

Notes on Special Matters:

Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Ocean Lord Investment Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen (2021) No. 1251). Ocean Lord Investment Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity of Ocean Lord Investment Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the audit report when using this asset valuation report.

The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen (2021) No. 1251 issued by Beijing Xiwen Certified Public Accountants.

Ocean Lord Investment Limited has not provided the valuation agency with information about mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.

Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative investigation procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other payables and involves no other assets and liabilities, the valuation agency has worked with the audit firm to issue letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

Structures such as the rain shelter, the office built inside the warehouse and the restroom built outside the warehouse have no title certificates. The area of the rain shelter is 4,217.48 sq.m., and the total area of the office built inside the warehouse and the restroom built outside the warehouse is 469.48 sq.m.

The above has been extracted from the full text of the asset valuation report. In order to fully understand the valuation and have a correct understanding of the valuation conclusion, you should carefully read the full text of the asset valuation report.

**Full Text of the Asset Valuation Report on the Value of
Total Shareholders' Equity of Ocean Lord Investment
Limited Involved with the Proposed Disposal of Equity
Interest in Ocean Lord Investment Limited by Beijing
Properties (Holdings) Limited**

Guorongxinghua Ping Bao Zi [2022] No. 030010

Beijing Properties (Holdings) Limited,

Beijing Guorongxinghua Assets Appraisal Co., Ltd. has accepted your engagement and assessed the market value of total shareholders' equity of Ocean Lord Investment Limited as at 31 August 2021, which is associated with the proposed disposal of equity interest in Ocean Lord Investment Limited by Beijing Properties (Holdings) Limited, in accordance with relevant laws, administrative regulations and asset appraisal standards, by following the principles of independence, objectivity and fairness, adopting the asset-based approach and complying with necessary valuation procedures. The asset valuation is hereby reported as follows:

**I. THE ENTRUSTING PARTY, THE APPRAISED ENTITY AND OTHER USERS OF
THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION
ENGAGEMENT CONTRACT**

The entrusting party of the valuation is Beijing Properties (Holdings) Limited; the appraised entity is Ocean Lord Investment Limited; other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract include the entrusting party and parties to the transaction.

(i) Overview of the entrusting party

Company name (in Chinese):	北京建設(控股)有限公司
Company name (in English):	Beijing Properties (Holdings) Limited
Registered address:	Clarendin House 2 Church Street Hamilton HM 11 Bermuda
Principal place of business:	66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Authorised capital stock:	10,000,000,000 shares
Chairman of the Board:	Qian Xu

Main businesses:	Development and lease of commercial properties, and provision of relevant management services in the PRC; provision of logistics services, including lease of warehouse facilities and provision of relevant management services.
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Beijing Properties (Holdings) Limited is a company incorporated in Bermuda with limited liability on 25 November 1997 (registration number: F8748), the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 00925.HK).

(ii) Overview of the appraised entity

1. Registration

Company name:	Ocean Lord Investment Limited (海寶投資有限公司)
Registration number:	64998322-000-07-21-1
Company address:	66/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong
Date of establishment:	10 July 2015
Registered capital:	HK\$1
Type of company:	limited liability company (solely owned by legal person in Hong Kong, Macau or Taiwan)
Main businesses:	The entity conducts no practical businesses, but to primarily invest in the lease of warehouse facilities through the sole majority-owned subsidiary Xiamen Xunda Hongtong Warehouse Company Limited.

2. Shareholders, shareholding and changes of equity interests

Ocean Lord Investment Limited was incorporated in Hong Kong on 10 July 2015, with issued capital stock of 1 share, paid-in capital of HK\$1, Comkit Limited acting as the subscribing shareholder. On the same day, Comkit Limited transferred the 1 share of Ocean Lord Investment Limited it held to Leda Investment Limited (樂達投資有限公司), which then became the sole shareholder of Ocean Lord Investment Limited.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

On 31 May 2018, Leda Investment Limited transferred the 1 share of Ocean Lord Investment Limited it held to China Logistics Warehouses (Holdings) Co., Ltd by the way of internal transfer.

Name of shareholder	Pledged contribution (HK\$)	Paid-in capital (HK\$)	Shareholding proportion (%)	Way of investment
China Logistics Warehouses (Holdings) Co., Ltd	1.00	1.00	100.00	In monetary terms
Total	1.00	1.00	100.00	

3. Accounting policies and taxation policies

The appraised entity conducts financial accounting in accordance with the Accounting Standards for Business Enterprises, and its principal taxation is enterprise income tax, without any preferential taxation policy.

4. Assets, financial position and business operation in the last three years

Financial position of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	30,571,423.05	13,203,433.70	15,232,005.09
Investment properties	218,086,119.89	210,096,805.49	204,770,595.89
Fixed assets	10,442.82	4,445.46	447.22
Total assets	248,667,985.76	223,304,684.65	220,003,048.20
Current liabilities	273,036,772.69	33,402,209.63	30,345,622.85
Non-current liabilities	44,900,000.00	38,900,000.00	34,900,000.00
Total liabilities	317,936,772.69	72,302,209.63	65,245,622.85
Owner's equity	(69,268,786.93)	151,002,475.02	154,757,425.35

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Financial position of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	31 December 2019	31 December 2020	31 August 2021
Current assets	21,736,176.03	–	–
Long-term equity investments	206,350,345.37	206,350,345.37	206,350,345.37
Total assets	228,086,521.40	206,350,345.37	206,350,345.37
Current liabilities	240,524,772.00	2,371,422.00	2,371,315.80
Non-current liabilities	–	–	–
Total liabilities	240,524,772.00	2,371,422.00	2,371,315.80
Owner's equity	(12,438,250.60)	203,978,923.37	203,979,029.57

Business operation of the appraised entity in the last three years is set out in the table below (consolidated data):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	26,897,331.39	27,598,821.74	17,966,081.31
Less: Cost of sales and services	10,277,397.43	10,333,027.71	6,907,896.74
Business taxes and surcharges	3,074,861.80	3,304,506.85	2,079,060.76
Selling and distribution expenses	1,522.94	–	–
Administrative expenses	6,118,107.28	5,984,889.45	3,196,289.38
Finance costs	7,430,935.26	(6,596,671.45)	1,674,962.63
II. Profit	(5,493.32)	14,573,069.18	4,107,871.80
Add: Non-operating incomes	4,802,962.64	33,204.28	–
Less: Non-operating expenses	39,596.58	64.27	–
III. Total profit	4,757,872.74	14,606,209.19	4,107,871.80
Less: Income tax expenses	2,144,394.54	1,273,649.33	352,921.47
IV. Net profit	2,613,478.20	13,332,559.86	3,754,950.33

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of the appraised entity in the last three years is set out in the table below (parent company):

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	–	–	–
Less: Cost of sales and services	–	–	–
Business taxes and surcharges	–	–	–
Selling and distribution expenses	–	–	–
Administrative expenses	15,967.61	19,102.73	–
R&D expenses	–	–	–
Finance costs	3,704,780.20	(9,497,574.61)	(106.20)
Add: Investment incomes	–	–	–
II. Profit	(3,720,747.81)	9,478,471.88	106.20
Add: Non-operating incomes	–	–	–
Less: Non-operating expenses	–	–	–
III. Total profit	(3,720,747.81)	9,478,471.88	106.20
Less: Income tax expenses	–	–	–
IV. Net profit	(3,720,747.81)	9,478,471.88	106.20

The financial statements of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen Zi (2021) No. 1251) and the unqualified opinion issued. The financial data for 2019 have been audited by Ernst & Young LLP with the unqualified opinion issued.

5. Relationship between the entrusting party and the appraised entity

The appraised entity is a wholly-owned subsidiary of China Logistics Warehouses (Holdings) Co., Ltd, which is a wholly-owned subsidiary of the entrusting party.

(i) Other users of the asset valuation report as agreed in the Asset Valuation Engagement Contract

The asset valuation report is only for the entrusting party, parties to the transaction and users of the asset valuation report stipulated by national laws and regulations, and should not be used or relied upon by any other third party.

II. PURPOSE OF VALUATION

The proposed disposal of equity interest in Ocean Lord Investment Limited by Beijing Properties (Holdings) Limited requires the valuation of the value of total shareholders' equity of Ocean Lord Investment Limited and its controlling subsidiary Xiamen Xunda Hongtong Warehouse Company Limited, to provide a reference for the said economic activity to the value as at the Valuation Reference Date.

The said economic activity has been approved by the Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8, the Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited, the Minutes of the Board Meeting of China Logistics Warehouses (Holdings) Co., Ltd and the Minutes of the Board Meeting of Ocean Lord Investment Limited.

III. TARGET AND SCOPE OF VALUATION**(i) Target of valuation**

The target of the valuation is the value of total shareholders' equity of Ocean Lord Investment Limited.

(ii) Scope of valuation

The scope of valuation covers all assets and liabilities of the appraised entity. As at the Valuation Reference Date, assets within the valuation scope include long-term equity investments, and the book value of total assets amounts to RMB206,350,300; liabilities include current liabilities, and the book value of total liabilities amounts to RMB2,371,300; the book value of net asset amounts to RMB203,979,000. The specific scope is subject to the reporting of the appraised entity.

Balance sheet as at 31 August 2021 (parent company)

Item	Book value <i>(RMB'0,000)</i>
Non-current assets	20,635.03
Including: Long-term equity investments	20,635.03
Total assets	20,635.03
Current liabilities	237.13
Non-current liabilities	—
Total liabilities	237.13
Owner's equity (net asset)	20,397.90

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

As at the Valuation Reference Date, Ocean Lord Investment Limited has one controlling subsidiary, with details of the investee set out below:

No.	Company name	Registered capital	Shareholding proportion
1	Xiamen Xunda Hongtong Warehouse Company Limited	RMB135,000,000	80%

Xiamen Xunda Hongtong Warehouse Company Limited was incorporated on 18 August 2011, which was approved by the Market and Quality Supervision Commission of Xiamen Municipality on 18 August 2011, with the Business License with Unified Social Credit Identifier 91350212581250859W issued. The registered address is Building #6 (Auxiliary Facilities), Nos. 555-563, Ji'an Road, Tong'an District, Xiamen City. Zhou Honglin acts as the legal representative. The business scope covers other warehousing businesses (excluding items that are subject to the approval of relevant authorities).

Financial position of Xiamen Xunda Hongtong Warehouse Company Limited in the last three years is set out in the table below:

<i>Unit: RMB</i>			
Item	31 December 2019	31 December 2020	31 August 2021
Current assets	8,835,247.02	13,203,433.70	15,232,005.09
Investment properties	218,086,119.89	210,096,805.49	204,770,595.89
Fixed assets	10,442.82	4,445.46	447.22
Long-term deferred expenses	–	–	–
Total assets	226,931,809.73	223,304,684.65	220,003,048.20
Current liabilities	32,512,000.69	31,030,787.63	27,974,307.05
Non-current liabilities	44,900,000.00	38,900,000.00	34,900,000.00
Total liabilities	77,412,000.69	69,930,787.63	62,874,307.05
Owner's equity	149,519,809.04	153,373,897.02	157,128,741.15

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Business operation of Xiamen Xunda Hongtong Warehouse Company Limited in the last three years is set out in the table below:

Unit: RMB

Item	2019	2020	January to August 2021
I. Revenue	26,897,331.39	27,598,821.74	17,966,081.31
Less: Cost of sales and services	10,277,397.43	10,333,027.71	6,907,896.74
Business taxes and surcharges	3,074,861.80	3,304,506.85	2,079,060.76
Selling and distribution expenses	1,522.94	–	–
Administrative expenses	6,102,139.67	5,965,786.72	3,196,289.38
R&D expenses	–	–	–
Finance costs	3,726,155.06	2,900,903.16	1,675,068.83
Add: Other incomes	–	–	–
II. Profit	3,715,254.49	5,094,597.30	4,107,765.60
Add: Non-operating incomes	4,802,962.64	33,204.28	–
Less: Non-operating expenses	39,596.58	64.27	–
III. Total profit	8,478,620.55	5,127,737.31	4,107,765.60
Less: Income tax expenses	2,144,394.54	1,273,649.33	352,921.47
IV. Net profit	6,334,226.01	3,854,087.98	3,754,844.13

The financial statements of the appraised entity as at the Valuation Reference Date and for 2020 have been audited by Beijing Xiwen Certified Public Accountants, with the audit report (reference number: Xiwen Zhuan Shen Zi (2021) No. 1251) and the unqualified opinion issued. The financial data of 2019 have been audited by CAC CPA Limited Liability Partnership, with the audit report (reference number: CAC Shen Zi (2020) No. 0805) and the unqualified opinion issued.

1. Types and amounts of off-balance sheet assets reported

The appraised entity has not reported any off-balance sheet assets.

2. Type, quantity and carrying amount (or appraised values) of assets associated with the reference to conclusions contained in reports issued by other agencies

No reference is made to reports issued by other agencies, the conclusions of which contain types, quantities and carrying amounts (or appraised values) of assets associated.

IV. TYPE OF VALUE

Based on the purpose of valuation, the type of value of valuation target is determined as market value.

Market value is the estimated value amount of the valuation target in an arm's length transaction as at the Valuation Reference Date between a willing buyer and a willing seller, each acting rationally and without any coercion.

V. VALUATION REFERENCE DATE

The Valuation Reference Date of the report is 31 August 2021.

The Valuation Reference Date is determined by the entrusting party in accordance with the principle that the Valuation Reference Date should be close to the date of materialising the economic activity that is corresponding to the asset valuation. In the asset valuation, definition of valuation scope, selection of valuation parameters and determination of appraised value are based on the enterprise's internal financial statements, external economic environment and market conditions as at the Valuation Reference Date. All valuing standards in the report are the effective price standards as at the Valuation Reference Date.

VI. BASIS OF VALUATION**(i) Basis of economic activity**

1. Minutes of the Board Meeting of Beijing Enterprises City Development Group Limited [2021] No. 8;
2. Resolution of the Investment and Risk Committee of the Board of Directors of Beijing Properties (Holdings) Limited;
3. Minutes of the Board Meeting of China Logistics Warehouses (Holdings) Co., Ltd;
4. Minutes of the Board Meeting of Ocean Lord Investment Limited;

(ii) Basis of laws and regulations

1. The Asset Appraisal Law of the People's Republic of China (adopted at the 21st Session of the Standing Committee of the 12th National People's Congress on 2 July 2016);
2. The Company Law of the People's Republic of China (amended at the 6th Session of the Standing Committee of the 13th National People's Congress on 26 October 2018);

3. Measures for the Fiscal Supervision and Administration of the Asset Appraisal Industry (Order No. 86 of the Ministry of Finance, amended by Order No. 97 of the Ministry of Finance on 2 January 2019);
4. Enterprise Income Tax Law of the People's Republic of China (amended at the 7th Session of the 13th National People's Congress on 29 December 2018);
5. Law of the People's Republic of China on the State-owned Assets of Enterprises (adopted at the 5th Session of the Standing Committee of the 11th National People's Congress on 28 October 2008);
6. Interim Regulation on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 709 of the State Council);
7. Administrative Measures for the Assessment of State-owned Assets (Order No. 732 of the State Council);
8. Notice on Issuing the Detailed Rules for the Implementation of the Administrative Measures for the Assessment of State-owned Assets (Guo Zi Ban Fa [1992] No. 36);
9. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
10. Notice on Strengthening the Administration of Assessment of State-owned Assets of Enterprises (Guo Zi Wei Chan Quan [2006] No. 274);
11. Notice on Matters Related to the Audit of Valuation Reports on State-owned Assets of Enterprises (Guo Zi Chan Quan [2009] No. 941);
12. Guidelines for the Filing for Recordation of the Assessment Projects of State-owned Assets of Enterprises (Guo Zi Fa Chan Quan [2013] No. 64);
13. Interim Measures of Beijing Municipality on the Administration of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2008] No. 5);
14. Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);

15. Accounting Standards for Business Enterprises – Basic Standards (Order No. 33 of the Ministry of Finance), Decision of the Ministry of Finance on Amending the Accounting Standards for Business Enterprises – Basic Standards (Order No. 76 of the Ministry of Finance);
16. Detailed Rules for the Implementation of the Interim Regulation of the People’s Republic of China on Value-Added Tax (Order No. 65 of the Ministry of Finance and the State Taxation Administration);
17. Notice on the Comprehensive Implementation of the Pilot Program of Replacing Business Tax with Value-Added Tax (Cai Shui [2016] No. 36);
18. Interim Regulations of the People’s Republic of China on Urban and Town Land Use Tax (2 March 2019, Order No. 709 of the State Council of the People’s Republic of China);
19. Announcement of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs on Relevant Policies for Deepening the Value-Added Tax Reform (Announcement No. 39 [2019] of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, hereinafter referred to as Announcement No. 39);
20. Opinions of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality and the Beijing Municipal Finance Bureau on the Implementation of the Measures for the Supervision and Administration of the Transactions of State-Owned Assets of Enterprises (Jing Guo Zi Fa [2017] No. 10);
21. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2019] No. 2);
22. Notice of the State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality Regarding Matters on Further Deepening the Administration and Reform of Assessment of State-owned Assets of Enterprises (Jing Guo Zi Fa [2020] No. 9);
23. Civil Code of the People’s Republic of China (adopted at the 3rd Session of the 13th National People’s Congress on 28 May 2020);
24. Urban Real Estate Administration Law of the People’s Republic of China (amended at the 10th Session of the Standing Committee of the 11th National People’s Congress on 27 August 2009);

25. Land Administration Law of the People's Republic of China (adopted at the 11th Session of the Standing Committee of the 10th National People's Congress on 28 August 2004);
26. Foreign Investment Law of the People's Republic of China (adopted at the 2nd Session of the 13th National People's Congress on 15 March 2019);
27. Regulation for Implementing the Foreign Investment Law of the People's Republic of China (Order No. 723 of the State Council of the People's Republic of China).

(iii) Basis of valuation standards

1. Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
2. Practice Guidelines for Asset Valuation – Asset Valuation Report (Zhong Ping Xie [2018] No. 35);
3. Practice Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practice Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
5. Practice Guidelines for Asset Valuation – Asset Valuation Methodology (Zhong Ping Xie [2019] No. 35);
6. Practice Guidelines for Asset Valuation – Enterprise Value (Zhong Ping Xie [2018] No. 38);
7. Practice Guidelines for Asset Valuation – Asset Valuation Engagement Contract (Zhong Ping Xie [2017] No. 33);
8. Practice Guidelines for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
9. Guidance on Valuation Report of State-owned Assets of Enterprises (Zhong Ping Xie [2017] No. 42);
10. Quality Control Guidance on the Business of Asset Valuation Agency (Zhong Ping Xie [2017] No. 46);
11. Guiding Opinions on Types of Value under Asset Valuation (Zhong Ping Xie [2017] No. 47);

12. Guiding Opinions on Legal Ownership of the Asset Valuation Target (Zhong Ping Xie [2017] No. 48);
13. Basic Rules for Asset Appraisal (Cai Zi [2017] No. 43);
14. Practice Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
15. Terms for Asset Valuation Standards 2020 (Zhong Ping Xie [2020] No. 31);
16. Guiding Opinions on Appraisal of Investment Properties (Zhong Ping Xie [2017] No. 53).

(iv) Ownership basis

1. Contracts for transfer of property rights;
2. Property ownership certificates;
3. Other property certificates.

(v) Pricing basis

1. Financial statements and audit reports of prior years provided by the enterprise;
2. WIND database, national macro economic and industry statistics analysis;
3. Profit forecast and relevant information provided by the appraised entity;
4. Other relevant valuation information collected by valuers;
5. Other materials related to the asset valuation.

(vi) Other basis

1. The list of assets and the reporting forms for asset valuation provided by the appraised entity;
2. Audit report issued by Beijing Xiwen Certified Public Accountants (北京希文會計師事務所有限公司);
3. Code for Real Estate Appraisal;
4. Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic.

VII. VALUATION METHODOLOGY

Income approach refers to the approach in which the expected return of the valuation target shall be capitalised or discounted so as to determine its value.

Market approach refers to the approach in which the valuation target shall be compared with comparable listed companies or comparable transactions so as to determine its value.

Asset-based approach refers to the approach in which, based on the balance sheet of the valuation target as at the Valuation Reference Date, the value of identifiable assets and liabilities in and out of the balance sheet shall be reasonably appraised so as to determine the value of the valuation target.

As stated in the Practice Guidelines for Asset Valuation – Enterprise Value, when performing any evaluation of enterprise value, asset valuation professionals shall analyse the suitability of the three basic asset valuation methods, namely the income approach, the market approach and the asset-based approach, based on the purpose and target of the valuation, the type of value and the collected information, and select the appropriate valuation method. If different valuation methods are suitable for the evaluation of enterprise value, asset valuation professionals should adopt two or more valuation methods.

The valuation adopts the asset-based approach for the following reasons:

(i) Income approach

The appraised entity is a management company without real businesses and primarily relies on the 80% owned subsidiary, Xiamen Xunda Hongtong Warehouse Company Limited, for business operation. Valuers have adopted the asset-based approach and the income approach to appraise Xiamen Xunda Hongtong Warehouse Company Limited, therefore, the income approach is adopted in this valuation.

(ii) Market approach

As there is limited channel for acquiring information of transactions in the domestic property exchange market and enterprises of the same class differ greatly from each other in terms of product structure and core business, it is difficult to select comparable transactions from the market to serve as reference. Therefore, the market approach is not adopted.

(iii) Asset-based approach

The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.

1. Long-term equity investments

For the overall evaluation of the wholly-owned and controlling long-term equity investments, valuers first assess the value of all shareholders' equity in the investee and then multiply the proportion of equity interest held to arrive at the value of the shareholders' portion of equity. For the valuation of the long-term investment of "Xiamen Xunda Hongtong Warehouse Company Limited", valuers adopt the asset-based approach and the income approach for the following reasons:

- 1) The asset-based approach reflects the value of assets from the perspective of asset reacquisition, which means that the approach reflects the value of assets by deducting depreciation from the replacement cost of assets. Preconditions include: firstly, the appraised assets can be used or are being used; secondly, the appraised assets can be acquired through replacement; thirdly, the replacement cost and relevant depreciation of the appraised assets can be reasonably estimated. The assets to be appraised in the valuation meet the conditions stated above.
- 2) In light of conditions for applying the income approach, valuers consider that such conditions are fulfilled after they have discussed with the management and conducted investigation and analysis, as the enterprise has independent profitability, the management of the appraised entity provides the profit forecast for future years, the profit levels of future years can be reasonably estimated based on historical business data and internal and external business environments, and the risks related to future revenues can be reasonably quantified.

2. Liabilities

The assessment of liabilities mainly involves review and verification. Valuers review the relevant documents, contracts, account books and relevant evidences to verify the truthfulness, after which, valuers determine the appraised value by the verified book value or the liabilities to be actually assumed.

VIII. IMPLEMENTATION PROCESS AND STATUS OF VALUATION PROCEDURES

Valuers appraise the assets and liabilities associated with the valuation target. The main implementation process and status of valuation procedures are as follows:

(i) Acceptance of engagement

We and the entrusting party reach an agreement on the basic matters related to the valuation service, including the purpose, target and scope of the valuation and the Valuation Reference Date, and the rights and obligations of each party. Through negotiations, we and the entrusting party prepare the relevant valuation plan, the time and way for delivering the valuation report and other basic matters related to the valuation service.

(ii) First-phase preparation

Based on the basic valuation matters, we prepare the valuation plan, build the valuation team and provide trainings to personnel involving in the project.

(iii) On-site investigation

Valuers conduct necessary verification on the assets and liabilities associated with the valuation target, and carry out necessary due diligence on the operation and management of the appraised entity.

1. *Guide the appraised entity on how to complete the relevant forms and to prepare materials to be provided to the valuation agency*

While the financial and asset management personnel of the appraised entity check the assets of the enterprise, valuers guide them to report carefully and accurately the assets that fall within the valuation scope according to the Asset Valuation Schedule and the instructions provided thereon and the list of information provided by the valuation agency, to collect and prepare property certificates of assets and documents reflecting the performance, state, economic and technical indicators and other information.

2. *Preliminarily review and improve the Asset Valuation Schedule completed by the appraised entity*

Valuers acquire the detailed information of assets falling within the valuation scope through consulting relevant materials, and carefully review all the Asset Valuation Schedules to check if there are any incomplete information, errors or unclear statements of asset items. Based on the experience and the information obtained, valuers check if there is any omission from the Asset Valuation Schedule and provide the feedback to the appraised entity for improving the Asset Valuation Schedule.

3. *Conduct on-site survey*

In accordance with the relevant provisions of asset valuation standards, valuers conduct on-site survey on assets falling within the valuation scope in terms of type, quantity and distribution under the cooperation of relevant personnel of the appraised entity. Different survey methods are adopted in light of the nature and characteristics of different assets. Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other receivables and other payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification.

4. *Supplement, revise and improve the Asset Valuation Schedule*

Based on the result of on-site survey and the thorough communication with relevant personnel of the appraised entity, valuers further improve the Asset Valuation Schedule to ensure the consistency among the book, the form and the actual condition.

5. *Verify property certificates*

Valuers verify the property certificates of assets falling within the valuation scope, and require the enterprise to check or provide the relevant property documents for assets with incomplete ownership information or unclear ownership.

(iv) Collection of information

Based on specific conditions of the valuation, valuers collect the relevant information, which include the information obtained directly and independently from the market and other channels, the information obtained from the entrusting party and other relevant parties and the information obtained from governmental authorities, professional institutions and other relevant departments, and conduct necessary analysis, induction and collation of the collected information to develop the basis for valuation and estimate.

(v) Valuation and estimate

Based on the specific conditions of assets and the valuation method adopted, valuers select the corresponding formulas and parameters to make analysis, calculation and judgements and to reach a preliminary valuation conclusion. The project leader summarises the preliminary valuation conclusion in respect of the assets, prepares and finalises the preliminary asset valuation report.

(vi) Internal review

According to our measures for the management of valuation business process, the project leader submits the preliminary asset valuation report to our company for internal review. Following the internal review, the project leader communicates with the entrusting party or other relevant parties agreed by the entrusting party about the relevant content of the asset valuation report, reasonably improves the report based on the feedback, and then issues and delivers the final asset valuation report.

(vii) Archiving of valuation documents

In accordance with the requirements of asset valuation standards, we sort working papers, the asset valuation report and other relevant materials to maintain the valuation archive.

IX. VALUATION ASSUMPTIONS

The following assumptions are adopted for the analysis and estimate in the asset valuation report:

(i) Basic assumptions

1. Open market assumption assumes that the parties to the asset transaction or the proposed asset transaction in the market are in equal position and have opportunities and time to obtain sufficient market information, so as to make rational judgments on the functions, purposes and transaction prices of the asset;
2. Transaction assumption assumes that all the assets to be appraised are already in the process of transaction and the valuer carries out the valuation based on a simulated market which involves the transaction conditions of the assets to be appraised. Transaction assumption is the most fundamental assumption for the valuation of assets;
3. Going-concern assumption assumes that the appraised entity will not cease to operate for various reasons in the foreseeable future based on the conditions of existing assets and resources, but will operate legally and on a going-concern basis.

(ii) General assumptions

1. It is assumed that there is no material change in the current laws, regulations and policies, and the macroeconomic situation of the country, and there is no material change in the political, economic and social environment of the regions where the parties to this transaction are located;
2. It is assumed that there is no material change in the interest rate, exchange rate, tax base and tax rate, policy levy and other expenses related to the appraised entity after the Valuation Reference Date;
3. It is assumed that the management of the appraised entity is responsible, stable and capable of assuming its duties after the Valuation Reference Date;
4. Unless otherwise stated, it is assumed that the appraised entity fully complies with all relevant laws and regulations;
5. It is assumed that all the parameters deriving from the valuation are determined in accordance with the current price system, without taking into account the impact of inflation factors after the Valuation Reference Date;
6. It is assumed that there is no force majeure and unforeseeable factors after the Valuation Reference Date, which will have a significant adverse impact on the appraised entity.

(iii) Special assumptions

1. It is assumed that the accounting policies adopted by the appraised entity after the Valuation Reference Date are consistent with the accounting policies adopted in preparing the asset valuation report in material aspects.
2. It is assumed that the business scope and the operation mode of the appraised entity after the Valuation Reference Date are consistent with the current ones based on the existing management mode and management level.
3. It is assumed that the general information, property right information, policy documents and other relevant materials associated with the business operation provided by the entrusting party and the appraised entity are true and valid.
4. It is assumed that the purchase, acquisition and construction process of assets associated with the valuation target comply with relevant laws and regulations of the country.
5. It is assumed that the cash inflows and outflows of the appraised entity after the Valuation Reference Date are even.

6. It is assumed that the company will not have major changes in business scope and operation mode in future operation periods and maintains the structure of main businesses, the composition of revenues and costs, the marketing strategy related to future businesses and the cost control the same as those of recent years without material changes. The valuation does not consider possible changes in operation capability, business scale and business structure in the future caused by changes in the management, business strategies, further investments and the business environment, although such changes may probably occur. That means the valuation assumes the company continues as a going concern based on the operation capability, business scale and operation mode as at the Valuation Reference Date, without consideration of special changes caused by possible over-productions or production cuts.
7. It is assumed that the operating and administrative expenses and other costs in future operation periods will not change significantly from the current basis, will maintain the trends in recent years and change in line with the change of business scale.
8. The company can continue to use the planned premises and equipment and will not bear any unexpected expenses incurred due to changes of asset ownership.

The valuation conclusion of this asset valuation report stands as at the Valuation Reference Date based on the above assumptions. In the event of any material changes to the above assumptions, the undersigned asset valuers and the valuation agency shall not be responsible for deducing different valuation conclusions due to any changes of the assumptions.

X. VALUATION CONCLUSION

As at the Valuation Reference Date, 31 August 2021, the value of total shareholders' equity of Ocean Lord Investment Limited is assessed as follows:

As at the Valuation Reference Date, the book value of total assets of Ocean Lord Investment Limited is RMB206,350,300, and the appraised value is RMB254,972,900, representing an appreciation of RMB48,622,600 and an appreciation rate of 23.56%. The book value of total liabilities is RMB2,371,300, and the appraised value is RMB2,371,300, indicating no changes of value. The book value of total shareholders' equity is RMB203,979,000, and the appraised value is RMB252,601,600, representing an appreciation of RMB48,622,600 and an appreciation rate of 23.84%.

APPENDIX VI VALUATION REPORTS OF THE TARGET GROUPS

Details of valuation results under the asset-based approach are set out in the table below:

Summary of valuation results under the asset-based approach

Valuation Reference Date: 31 August 2021

Unit: RMB'0,000

Item		Book value	Appraised value	Increase or decrease in value	Appreciation rate % $D = C/A \times 100\%$
		A	B	C = B - A	
I. Current assets	1	–	–	–	–
II. Non-current assets	2	20,635.03	25,497.29	4,862.26	23.56
Long-term equity investments	3	20,635.03	25,497.29	4,862.26	23.56
Total assets	4	20,635.03	25,497.29	4,862.26	23.56
III. Current liabilities	5	237.13	237.13	–	–
IV. Non-current liabilities	6	–	–	–	–
Total liabilities	7	237.13	237.13	–	–
Value of total shareholders' equity	8	20,397.90	25,260.16	4,862.26	23.84

The appraised value of total shareholders' equity of Ocean Lord Investment Limited is RMB252,601,600.

Differences between the valuation result under the asset-based approach and the book value and their reasons are as follows:

1. Differences between the valuation result under the asset-based approach and the book value

The comparison of the valuation result and the book value indicates an appreciation of RMB48,622,600 and an appreciation rate of 23.84%. In specific,

- (1) Long-term equity investments: The appraised value is RMB254,972,900, representing an increase of RMB48,622,600 from the book value and an appreciation rate of 23.56%.
- (2) Liabilities: The appraised value indicates no increase or decrease from the book value.

2. Analysis of the valuation result under the asset-based approach

The comparison of the valuation result and the book value of assets appraised reflects some changes.

The changes are mainly in the following aspects:

In the accounting process, the book value of long-term equity investments is stated at the historical cost. The core business of the investee is to lease warehouses to third parties. The income approach is adopted to appraise the investment properties for operating purposes, which results in a significant increase of value.

XI. NOTES ON SPECIAL MATTERS

Set out below are matters noticed in the valuation that may affect the valuation conclusion but are beyond valuers' practicing experience and professional ability for performing the valuation and estimate:

- (i) The valuation conclusion of this valuation report has not taken into consideration the potential expenses and taxes arising from the process of registration or change of titles of the appraised assets, or the impact of pledge, guarantee, pending litigation and other matters, or the possible changes of tax obligation arising from the increase or decrease of the appraised value.
- (ii) This valuation report is based on the information related to asset valuation provided by the entrusting party and relevant parties of the appraised entity. It is the responsibility of the entrusting party and the relevant parties to provide necessary information, ensure the truthfulness, legality and completeness of the information provided and guarantee the legality of operation. The responsibility of asset valuers is to analyse, estimate and express professional view on the value of the valuation target for the specific purpose as at the Valuation Reference Date. Asset valuers conduct necessary verification and disclosure on such information and its sources, which does not represent any guarantee as to the truthfulness, legality and completeness of the above information. It is beyond the scope of practice for the asset valuers to ascertain or express opinions on such information and its sources.
- (iii) Prior to the valuation, Beijing Xiwen Certified Public Accountants has conducted special audit on Ocean Lord Investment Limited by taking 31 August 2021 as the Valuation Reference Date and issued the audit report (Xiwen Zhuan Shen (2021) No. 1251). Ocean Lord Investment Limited has reported the results adjusted in accordance with the audit findings. The appraisal of total shareholders' equity of Ocean Lord Investment Limited is based on the audit of certified public accountants. We remind users of the report to pay attention to the said audit report when using this asset valuation report.

- (iv) Notes on the reference to conclusions contained in reports issued by other institutions and the impact on the valuation conclusion;

The valuation makes reference to the conclusion of the audit report Xiwen Zhuan Shen (2021) No. 1248 issued by Beijing Xiwen Certified Public Accountants.

- (v) Ocean Lord Investment Limited has not provided the valuation agency with information about mortgage, pledge, guarantee, lease, contingent liabilities and other matters related to the appraised assets.

- (vi) Notes on defects in the economic activity corresponding to the asset valuation that may have a significant impact on the valuation conclusion:

(1) The future profit forecast of the appraised entity involved in the valuation is based on the profit forecast formulated by the management of the appraised entity. We have conducted necessary review on the above profit forecast and carried out appropriate adjustments according to the information obtained during the valuation process. The fact that we rely on the above profit forecast data in our estimate does not represent that we provide any guarantee to the correctness and completeness of such data.

(2) In the valuation, we refer to and adopt the appraised entity's historical financial statements and its financial statements as at the Valuation Reference Date, and the relevant announcements and transaction data of listed companies we have searched in Wind database. Our estimate relies on the said announcements and transaction data to a great extent, and we assume that the said announcements and transaction data are true and reliable. The fact that our estimate relies on the data contained in such announcements does not represent that we provide any guarantee to the correctness and completeness of such information and any assurance that such information does not have other requirements that may conflict with our use of such data.

- (vii) Due to the COVID-19 pandemic, the valuation does not contain on-site investigations on overseas assets and adopts alternative procedures in accordance with Expert Guidelines for Asset Appraisal No. 10 – Reasonable Performance of Asset Appraisal Procedures During the COVID-19 Pandemic. As the overseas business only incurs other payables and involves no other assets and liabilities, the valuation agency works with the audit firm to send letters for confirmation and verification. Valuers believe that such procedures will not have substantial impact on the valuation conclusion.

Structures such as the rain shelter, the office built inside the warehouse and the restroom built outside the warehouse have no title certificates. The area of the rain shelter is 4,217.48 sq.m., and the total area of the office built inside the warehouse and the restroom built outside the warehouse is 469.48 sq.m.

Users of the asset valuation report should note the impact of the said special matters on the valuation conclusion.

XII. RESTRICTIONS ON THE USE OF THE ASSET VALUATION REPORT

- (i) This asset valuation report shall be used for the valuation purpose and uses as set out herein only and by the users specified herein only. The extraction of, reference to or public disclosure of all or any part of this asset valuation report shall be subject to the review of the valuation agency, unless otherwise provided in the laws or regulations or agreed between the relevant parties;
- (ii) The asset valuation agency and asset valuers take no responsibility if the entrusting party or other users of the asset valuation report fail to use the asset valuation report in accordance with the provisions of laws and administrative regulations and the scope of use set out in the asset valuation report;
- (iii) Except for the entrusting party, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated in the laws and administrative regulations, other institution and individual shall not become the user of the asset valuation report;
- (iv) Users of the asset valuation report should correctly interpret the valuation conclusion. The valuation conclusion is not equivalent to the realisable value of the valuation target, and the valuation conclusion should not be considered as a guarantee for the realisable value of the valuation target;
- (v) This asset valuation report shall not be put into use unless and until it has been signed by the asset valuers undertaking the valuation business with the seal of the valuation agency and filed with the authorities of supervision and administration of state-owned assets or enterprises that make capital contributions;
- (vi) The valuation conclusion in this asset valuation report is effective for the economic activity stated herein only, and the valuation conclusion shall be valid for one year from the Valuation Reference Date.

XIII. DATE OF THE ASSET VALUATION REPORT

The date of this asset valuation report is 30 May 2022.

XIV. SEAL AND SIGNATURES OF THE VALUATION AGENCY AND ASSET VALUERS

Asset valuer:

Asset valuer:

Beijing Guorongxinghua Assets Appraisal Co., Ltd.

30 May 2022

ANNEXES TO THE ASSET VALUATION REPORT

- Annex I. Documents of the economic activity corresponding to the valuation purpose;
- Annex II. Special audit report of the appraised entity;
- Annex III. Business licenses of the entrusting party and the appraised entity;
- Annex IV. Important ownership certificates associated with the valuation target;
- Annex V. Letters of undertaking from the entrusting party and other relevant parties;
- Annex VI. Letter of undertaking from undersigned asset valuers;
- Annex VII. Certificates of qualifications of undersigned asset valuers;
- Annex VIII. Registration documents or qualification certificates of the valuation agency;
- Annex IX. Copy of the business license of the valuation agency;
- Annex X. Asset Valuation Engagement Contract;
- Annex XI. Asset Valuation Schedule; and
- Annex XII. Notes on the significant difference between the book value of assets and the valuation conclusion.

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 Group. 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 OF DIRECTORS AND CHIEF EXECUTIVE

(a) Directors' and the chief executives' interests and short positions in Shares and underlying shares

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required 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 (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules, were as follows:

(i) Long positions in the Shares

Name of Director	Nature of interest	Number of Shares held	Approximate percentage of the Company's issued share capital (%)
Mr. Yu Luning	Beneficial owner	9,690,000	0.139
Mr. Ng Kin Nam	Beneficial owner	98,445,200	1.413
	Interest of spouse	9,729,000	0.140
	Interest of controlled corporation (note)	42,491,800	0.610
		<u>150,666,000</u>	<u>2.163</u>

Note: 42,491,800 Shares are held by Jade Investment Limited which is beneficially owned by Mr. Ng Kin Nam and his spouse.

(ii) Long positions in the Underlying Shares

The interests of the Directors and chief executives in the share options of the Company are separately disclosed in the section “Share option scheme” below. Other than as disclosed above, as at the Latest Practicable Date, no Directors has interests or short positions in the Shares or underlying Shares which were recorded in the register of substantial shareholders maintained under Section 336 of the SFO.

Share Option Scheme

Name of Director	Nature of underlying shares in respect of share options	Date of grant of share options	Exercise price of share options (HK\$)	Exercise period of share options	Approximate percentage of the Company's issued share capital (%)
Mr. Siu Kin Wai	6,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0861
	5,000,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0717
	3,000,000	28 August 2014	0.750	28-08-2014 to 27-08-2024	0.0430
	<u>4,000,000</u>	8 April 2015	0.720	08-04-2015 to 07-04-2025	<u>0.0574</u>
	18,000,000				0.2582
Mr. Cheng Ching Fu	2,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0287
	2,500,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0359
	1,000,000	28 August 2014	0.750	28-08-2014 to 27-08-2024	0.0143
	<u>2,000,000</u>	8 April 2015	0.720	08-04-2015 to 07-04-2025	<u>0.0287</u>
	7,500,000				0.1076
Mr. Yu Luning	4,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0574
	4,000,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0574
	1,000,000	28 August 2014	0.750	28-08-2014 to 27-08-2024	0.0143
	<u>3,000,000</u>	8 April 2015	0.720	08-04-2015 to 07-04-2025	<u>0.0430</u>
	12,000,000				0.1721
Mr. Goh Gen Cheung	2,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0287
	1,500,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0215
	<u>1,000,000</u>	8 April 2015	0.720	08-04-2015 to 07-04-2025	<u>0.0143</u>
	4,500,000				0.0645
Mr. Zhu Wuxiang	2,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0287
	1,500,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0215
	<u>1,000,000</u>	8 April 2015	0.720	08-04-2015 to 07-04-2025	<u>0.0143</u>
	4,500,000				0.0645
Mr. James Chan	2,000,000	24 May 2013	0.574	24-05-2013 to 23-05-2023	0.0287
	1,500,000	31 March 2014	0.940	31-03-2014 to 30-03-2024	0.0215
	<u>1,000,000</u>	8 April 2015	0.720	08-04-2015 to 07-04-2025	<u>0.0143</u>
	4,500,000				0.0645
Mr. Song Lishui	1,000,000	8 April 2015	0.720	08-04-2015 to 07-04-2025	0.0143

Note: The share options have no vesting period and the exercise price is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would be required (i) 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 would be taken or deemed to have under such provisions of the SFO); (ii) to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

(b) Substantial Shareholders' and other persons' interests and short positions in Shares and underlying shares

So far as is known to the Directors, as at the Latest Practicable Date, the following persons (not being Directors or chief executives of the Company) had interests or short positions in the Shares or 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, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Long positions in Shares and underlying Shares

Name	Notes	Number of shares held, capacity and nature of interest		Number of underlying shares held, capacity and nature of interest		Total	Approximate percentage of the Company's issued share capital (%)
		Directly beneficially owned	Through a controlled corporation	Directly beneficially owned	Through a controlled corporation		
Brilliant Bright Holdings Limited ("Brilliant Bright")	(a)	1,557,792,500	–	–	–	1,557,792,500	22.35
Beijing Enterprises Real Estate (HK) Limited ("BEREHK")	(b)	2,526,882,407	1,557,792,500	–	–	4,084,674,907	58.61
北京北控城市發展集團有限公司 (Beijing Enterprises City Development Group Limited) ("BE City")	(c)	–	4,084,674,907	–	–	4,084,674,907	58.61
Illumination Holdings Limited ("Illumination")	(d)	87,451,458	–	–	–	87,451,458	1.25
Beijing Holdings Limited ("BHL")	(e)	487,166,195	87,451,458	–	–	574,617,653	8.24
Beijing Enterprises Group Company Limited ("BE Group")	(f)	–	4,659,292,560	–	–	4,659,292,560	66.85

Notes:

- (a) Brilliant Bright holds 1,557,792,500 Shares.

- (b) BEREHK (i) holds 2,526,882,407 Shares; and (ii) is deemed to be interested in the 1,557,792,500 Shares of Brilliant Bright by virtue of its controlling interests in its wholly-owned subsidiary, Brilliant Bright.
- (c) BEREHK is a wholly-owned subsidiary of BE City. BE City is deemed to be interested in the Shares which BEREHK is interested in.
- (d) Illumination holds 87,451,458 Shares.
- (e) BHL (i) holds 487,166,195 Shares; and (ii) is deemed to be interested in the 87,451,458 Shares of Illumination by virtue of its controlling interests in its wholly-owned subsidiary, Illumination. BHL is deemed to be interested in the Shares which Illumination is interested in.
- (f) BE City and BHL are wholly-owned subsidiaries of BE Group. BE Group is deemed to be interested in the Shares which BE City and BHL are interested in.
- (g) Mr. Qian Xu being a director of the Company is also a director of each of Brilliant Bright, BEREHK and BE City. Mr. Siu Kin Wai being a director of the Company is also a director of Brilliant Bright. Mr. Zhao Jiansuo being a director of the Company is also a director of BEREHK and BE City.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the Shares or 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, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

3. DIRECTORS' OTHER INTERESTS

Directors' competing interests

As at the Latest Practicable Date, Mr. Qian Xu and Mr. Zhao Jiansuo were also the directors of BE City, which engages in business of property investment and development, and they were considered to have interests in a business which competes or is likely to compete, directly or in indirectly, with the business of the Group.

As the Board is independent of the board of the aforesaid company and maintains five independent non-executive Directors, the Group operates its businesses independently of, and at arm's length from, the business of the aforesaid company.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Directors' interest in assets

As at the Latest Practicable Date, none of the Directors has any interest, either direct or indirect, in any assets which have been, since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Group.

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director was materially interested and which was significant to the business of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and there is no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

6. EXPERTS AND CONSENTS

The following is the qualification of the experts who have given their opinions and advice which are contained in this circular:

Name	Qualification
Ernst & Young	Certified Public Accountants
CHFT Advisory and Appraisal Ltd.	Independent Property Valuer
Beijing Guorongxinghua Assets Appraisal Co., Ltd.* (北京國融興華 資產評估有限責任公司)	Independent Valuer
Tianyuan Law Firm (北京市天元律師事務所)	PRC Legal Adviser

As at the Latest Practicable Date, each of the above experts did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts did not have any interest, direct or indirect, in the promotion of, or in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to, any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their reports or letters and the references to their names in the form and context in which they are included.

7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) the sale and purchase agreement dated 28 February 2022 between China Logistics Infrastructures (Holdings) Limited (as vendor) and JD Oriental Development III Limited (as purchaser) in relation to the sale and purchase of 90% of the issued share capital in New Concord Properties Limited with the final consideration of RMB 430,105,263.16 being the minimum bid price for the sale shares and under the aforesaid agreement the purchaser shall be obliged to pay the vendor to acquire interest in certain outstanding loans on the date of completion together with the supplemental agreement dated 28 February 2022 between the same parties on matters relating to completion of the transaction;
- (b) the sale and purchase agreement dated 28 February 2022 between China Logistics Infrastructures (Holdings) Limited (as vendor) and JD Oriental Development III Limited (as purchaser) in relation to the sale and purchase of 90% of the issued share capital in New Fine International Development Limited with the final consideration of RMB931,894,736.84 being the minimum bid price for the sale shares and under the aforesaid agreement the purchaser shall be obliged to pay the vendor to acquire interest in certain outstanding loans on the date of completion together with the supplemental agreement dated 28 February 2022 between the same parties on matters relating to completion of the transaction;
- (c) the facility agreement dated 9 June 2021 entered into between the Company as borrower and banks as lenders in relation to a certain term loan facility in the total amounts of up to US\$65,000,000 and HK\$195,000,000;

- (d) the facility agreement dated 14 October 2020 entered into between Phoenix Real Estate Fund Wai Gao Qiao Holdings Limited as borrower, the Company as guarantor and banks as lenders in relation to a certain term loan facility for two tranches (tranche A in amount of up to US\$29,200,000 and tranche B in amount of up to RMB78,750,000);
- (e) the fixed asset syndicated loan agreement dated 26 August 2020 entered into by Jiangsu Sunan Zhicheng Technology Development Co., Ltd. (江蘇蘇南智城科技發展有限公司) as borrower, Beijing Enterprises Group Finance Co., Ltd. (北京控股集團財務有限公司) as the 1st lender, Changzhou Branch of Bank of Communications Co., Ltd (交通銀行股份有限公司常州分行) as the 2nd lender and Changzhou Xiaoyingqian Branch of Industrial and Commercial Bank of China (中國工商銀行股份有限公司常州小營前支行) as the 3rd lender, the lead bank and the agent bank in relation to the provision of the loan(s) with total principal amounts of up to RMB1,300,000,000; and
- (f) the subscription agreement dated 7 August 2020 entered into among BPHL Capital Management Limited as issuer, the Company as guarantor and the joint lead managers (as set out in the announcement of the Company dated 7 August 2020) in relation to the additional issuance of US\$150,000,000 5.95% guaranteed bonds due 2023.

8. MISCELLANEOUS

- (a) The company secretary of the Company is Mr. Cheng Ching Fu, a fellow member of each of the Hong Kong Institute of Certified Public Accountants, the CPA Australia, the Hong Kong Chartered Governance Institute and the Chartered Governance Institute.
- (b) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (c) The head office and principal place of business of the Company in Hong Kong is located at 66th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.
- (d) The branch share registrar of the Company in Hong Kong is Tricor Tengis Limited, located at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (with effect from 15 August 2022 onwards, at 17th Floor, Far East Finance Centre, No. 16 Harcourt Road, Hong Kong).
- (e) The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

9. DOCUMENTS ON DISPLAY

Copies of the following documents are published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.bphl.com.hk) for a period of fourteen (14) days from the date of this circular:

- (a) the report on the unaudited pro forma financial information of the Specified Group issued by Ernst & Young, the text of which is set out in Appendix IV to this circular;
- (b) the valuation report issued by the Property Valuer, the text of which is set out in Appendix V to this circular;
- (c) the valuation reports issued by the PRC Valuer, the text of which is set out in Appendix VI to this circular; and
- (d) the written consents referred to in the section headed “Experts and Consents” in this Appendix.

NOTICE OF SGM



BEIJING PROPERTIES (HOLDINGS) LIMITED

北京建設（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 925)

NOTICE IS HEREBY GIVEN THAT a special general meeting (the “**SGM**”) of Beijing Properties (Holdings) Limited (the “**Company**”) will be held with a combination of a physical meeting at 66/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong and virtual meeting on Tuesday, 23 August 2022 at 11:00 a.m. for the purposes of considering and, if thought fit, passing, with or without amendments, the following resolution as the ordinary resolution of the Company:

ORDINARY RESOLUTION

Words and expressions that are not expressly defined in this notice shall bear the same meaning as that defined in the circular dated 3 August 2022 of the Company.

“**THAT** the Company is hereby authorised and approved to dispose of the Sale Shares by way of Public Tender in accordance with the major terms as stated in the circular of the Company dated 3 August 2022 and the transactions contemplated under the Proposed Disposals, which constitute a very substantial disposal, be and are hereby approved, ratified and confirmed and **THAT** any one or more of the directors of the Company be and is/are hereby authorised to do all such acts and things and to execute and deliver all agreements and documents and to take such steps which he/they may consider necessary, expedient or desirable to give effect to the Proposed Disposals and the transactions contemplated thereunder.”

By Order of the Board
Beijing Properties (Holdings) Limited
Cheng Ching Fu
Company Secretary

Hong Kong, 3 August, 2022

NOTICE OF SGM

Notes

1. Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the SGM) for the proxy to receive the login access code to participate online in the e-Meeting System.

Registered Shareholders will be able to attend the SGM, vote and submit questions online via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company.

Non-registered holders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the SGM, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

2. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxy to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of share in respect of which each such proxy is so appointed.
3. To be valid, a form of proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the form of proxy will be deposited before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the form of proxy will be deposited on or after 15 August 2022) or via the designated URL (<https://spot-emeeting.tricor.hk>) by using the username and password provided on the notification letter sent by the Company, not less than 48 hours before the time appointed for holding the SGM.
4. For determining the entitlement to attend and vote at the SGM, the register of members of the Company will be closed from Thursday, 18 August 2022 to Tuesday, 23 August 2022, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the SGM, all completed transfer forms, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (if the transfer documents will be lodged before 15 August 2022) or 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (if the transfer documents will be lodged on or after 15 August 2022) for registration, not later than 4:30 p.m. on Wednesday, 17 August 2022.
5. Where there are joint registered holders of any share, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto; but if more than one of such joint holders are present at the SGM personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register of members in respect of the relevant joint holding.
6. Details of the proposed resolutions are set out in the circular of the Company dated 3 August 2022.

NOTICE OF SGM

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

To safeguard the health and safety of shareholders of the Company and to prevent the spreading of the novel coronavirus disease (COVID-19) pandemic, the following precautionary measures will be implemented at the special general meeting:

- (1) Limiting the number of the SGM attendees to avoid over-crowding
- (2) Maintaining an appropriate social distancing between seats
- (3) Compulsory body temperature screening/checks
- (4) Compulsory wearing of surgical face mask
- (5) No provision of food or beverages and no distribution of gifts

For the health and safety of shareholders of the Company, the Company would strongly encourage shareholders of the Company to exercise their right to vote at the special general meeting by appointing the chairman of the special general meeting as their proxy and to return their forms of proxy by the time specified above, instead of attending the special general meeting in person.

As at the date of this notice, Mr. Qian Xu, Mr. Zhao Jiansuo, Mr. Siu Kin Wai, Mr. Zhang Xudong, Mr. Dong Qilin, Mr. Cheng Ching Fu, Mr. Yu Luning, Mr. Ng Kin Nam and Mr. Ren Lin are the executive Directors; and Mr. Goh Gen Cheung, Mr. Zhu Wuxiang, Mr. James Chan, Mr. Song Lishui and Mr. Xie Ming are the independent non-executive Directors.