
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **China Evergrande New Energy Vehicle Group Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA EVERGRANDE NEW ENERGY VEHICLE GROUP LIMITED

中國恒大新能源汽車集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock code: 708)

**VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF SUBSIDIARIES
AND
NOTICE OF GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the Board is set out on pages 7 to 20 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 21 to 22 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 23 to 51 of this circular.

A notice convening the GM of the Company to be held at 15/F, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong on Friday, 12 May 2023 at 11:00 a.m. is set out on pages GM-1 to GM-2 of this circular. Whether or not you are able to attend the GM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time of the GM (or adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the GM (or adjournment thereof).

25 April 2023

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DEFINITIONS

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

“Adjusted Consideration”	has the meaning ascribed to it under the section headed “Letter from the Board — The Sale and Purchase Agreement — Post-Completion” in this circular
“Adjusted NAV of the Disposal Group”	the combined net assets (or net liabilities) value of the Disposal Group which is to be adjusted by the value of the Projects based on the valuation as at 28 February 2023 conducted by the Independent Property Valuer
“Announcement”	the announcement of the Company dated 24 April 2023 in relation to the Disposal
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, determination, orders or notices of any Authority or stock exchange that is applicable to such person
“Assemble Guard”	Assemble Guard Limited (薈保有限公司), a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Assemble Guard Share”	one share in Assemble Guard, representing the entire issued share capital of Assemble Guard
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Authority”	any national, provincial, municipal or local government, administrative or regulatory body or department, court, tribunal, arbitrator or any body that exercises the function of a regulator, including without limitation the Stock Exchange and the Securities and Futures Commission in Hong Kong
“Board”	the board of Directors
“Business Day”	a day other than a Saturday or Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands

DEFINITIONS

“CEG”	China Evergrande Group, a company incorporated in the Cayman Islands with limited liability and the controlling shareholder of the Company, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3333)
“Comfort Letter”	has the meaning ascribed to it under the section headed “Letter from the Board — Waiver from strict compliance with Rules 14.68(2)(a)(i), 14.68(2)(a)(ii) and 14.66(12) of the Listing Rules” in this circular
“Company”	China Evergrande New Energy Vehicle Group Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 708)
“Completion”	the completion of the Disposal
“Completion Date”	the date which is the fifth Business Day after the date (not being later than the Longstop Date) on which the last of the Conditions is satisfied or waived, or such other date as the Purchaser and the Company may agree in writing
“Condition(s)”	the condition(s) precedents for the Completion
“connected person(s)”, “connected transaction(s)” and “controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate purchase price for the Target Shares, which shall be RMB2, subject to adjustment with reference to the Adjusted NAV of the Disposal Group as at 31 December 2022
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Target Shares under the Sale and Purchase Agreement
“Disposal Group”	collectively, Assemble Guard, Flaming Ace and their respective subsidiaries from time to time
“Disposal Group’s Accounts”	has the meaning ascribed to it under the section headed “Letter from the Board — Waiver from strict compliance with Rules 14.68(2)(a)(i), 14.68(2)(a)(ii) and 14.66(12) of the Listing Rules” in this circular

DEFINITIONS

“Encumbrances”	any claim, mortgage, charge, pledge, lien, restriction, assignment, power of sale, hypothecation, security interest, title retention, trust arrangement, subordination arrangement, contractual right of set-off or any other agreement or arrangement the effect of which is the creation of security, or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption), or any agreement, arrangement or obligation to create any of the same
“EUR”	Euros, the lawful currency of the member states of the Eurozone
“Flaming Ace”	Flaming Ace Limited, a company incorporated in the BVI with limited liability and a direct wholly-owned subsidiary of the Company as at the Latest Practicable Date
“Flaming Ace Share”	one share in Flaming Ace, representing the entire issued share capital of Flaming Ace
“Forecast Period”	the 12 months from the date of this circular
“FY2020”	the financial year ended 31 December 2020
“FY2020 Disposal Group Financial Information”	has the meaning ascribed to it under the paragraph headed “Financial Information of the Disposal Group” in Appendix II to this circular
“FY2021”	the financial year ended 31 December 2021
“FY2022”	the financial year ended 31 December 2022
“GM”	the general meeting of the Company to be convened and held at 15/F, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong on 12 May 2023 at 11:00 a.m. for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Guangxi Lichi”	Guangxi Lichi Enterprise Management Co., Ltd.* (廣西立馳企業管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company holding the Nanning Project as at the Latest Practicable Date

DEFINITIONS

“Health Management Segment”	has the meaning ascribed to it under the section headed “Letter from the Board — Information on the Group” in this circular
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors who have no material interest in the Disposal, namely, Mr. Guo Jianwen and Mr. Xie Wu
“Independent Financial Adviser” or “Maxa Capital”	Maxa Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholder(s)”	Shareholder(s) other than those required to abstain from voting on the resolution(s) relating to the Sale and Purchase Agreement and the transactions contemplated thereunder at the GM under the Listing Rules
“Independent Property Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
“Latest Practicable Date”	20 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	30 September 2023, or such other date as the Company, the Purchaser and CEG may agree
“Model Code”	means the Model Code for Securities Transactions by Directors of Listed Companies as contained in Appendix 10 to the Listing Rules
“Nanning Project”	has the meaning ascribed to it under the section headed “Reasons for and benefits of the Disposal” in this circular

DEFINITIONS

“NEV Segment”	has the meaning ascribed to it under the section headed “Letter from the Board — Information on the Group” in this circular
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Prism”	Prism Hong Kong and Shanghai Limited, the reporting accountant and auditor of the Company
“Project(s)”	has the meaning ascribed to it under the section headed “Letter from the Board — Information on the Disposal Group” in this circular
“Pro Forma Financial Information”	has the meaning ascribed to it under the section headed “Letter from the Board — Waiver from strict compliance with Rules 14.68(2)(a)(i), 14.68(2)(a)(ii) and 14.66(12) of the Listing Rules” in this circular
“Purchaser”	Anxin Holding Limited, a company incorporated in Hong Kong with limited liability and a subsidiary of CEG
“R&D”	research and development
“Remaining Consideration”	has the meaning ascribed to it under the section headed “Letter from the Board — The Sale and Purchase Agreement — Post-Completion” in this circular
“Remaining Group”	the Group, excluding the Disposal Group after Completion
“RMB”	Renminbi, the lawful currency of the PRC
“Rules Requirement(s)”	has the meaning ascribed to it under the section headed “Letter from the Board — Waiver From Strict Compliance with Rules 14.68(2)(a)(i), 14.68(2)(a)(ii) and 14.66(12) of the Listing Rules” in this circular
“Sale and Purchase Agreement”	the sale and purchase agreement dated 24 April 2023 entered into between the Company, the Purchaser and CEG in relation to, among others, the disposal of the Target Shares
“SFO”	means the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Shares”	collectively, the Assemble Guard Share and the Flaming Ace Share
“Tianjin Guoneng”	Tianjin Guoneng Life Service Co., Ltd.* (天津國能生活服務有限責任公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company holding the Tianjin Project as at the Latest Practicable Date
“Tianjin Project”	has the meaning ascribed to it under the section headed “Reasons for and benefits of the Disposal” in this circular
“USD”	United States dollars, the lawful currency of the United States of America
“Valuation Report”	means the valuation report prepared by the Independent Property Valuer as set out in Appendix III to this circular
“Waiver”	has the meaning ascribed to it under the section headed “Letter from the Board — Waiver from strict compliance with Rules 14.68(2)(a)(i), 14.68(2)(a)(ii) and 14.66(12) of the Listing Rules” in this circular
“%”	means per cent.

* *For identification purpose only*



CHINA EVERGRANDE NEW ENERGY VEHICLE GROUP LIMITED

中國恒大新能源汽車集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock code: 708)

Executive Directors

Mr. Siu Shawn (*Chairman*)
Mr. Liu Yongzhuo (*Vice Chairman*)
Mr. Qin Liyong

Registered Office

15/F, China Evergrande Centre
38 Gloucester Road
Wanchai
Hong Kong

Independent non-executive Directors

Mr. Chau Shing Yim, David
Mr. Guo Jianwen
Mr. Xie Wu

25 April 2023

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF SUBSIDIARIES
AND
NOTICE OF GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement whereby the Company announced that on 24 April 2023 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser and CEG pursuant to which the Purchaser has conditionally agreed to purchase, and the Company has conditionally agreed to sell as the beneficial owner, the Target Shares at the Consideration of RMB2, subject to the terms and conditions thereunder.

The purpose of this circular is to provide you with, among other things, (i) further details of the Sale and Purchase Agreement and the transactions contemplated thereunder; (ii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the GM.

LETTER FROM THE BOARD

THE SALE AND PURCHASE AGREEMENT

The principal terms and conditions of the Sale and Purchase Agreement are set forth below.

Date

24 April 2023 (after trading hours)

Parties

Seller: the Company

Purchaser: the Purchaser

Guarantor: CEG

The Purchaser is a subsidiary of CEG, the controlling shareholder of the Company which is interested in approximately 58.54% of the total number of issued Shares and hence a connected person of the Company. Therefore, the Purchaser is an associate of CEG and thus a connected person of the Company.

Assets to be disposed of

The Purchaser has conditionally agreed to purchase, and the Company has conditionally agreed to sell as the beneficial owner, the Target Shares, free from all Encumbrances and with all rights accruing or attaching to them including the right to receive all distributions and dividends declared, paid or made in respect of the Target Shares as at or after the Completion.

The Target Shares are made up of one issued share of each of Assemble Guard and Flaming Ace, representing the entire issued share capital of Assemble Guard and Flaming Ace respectively.

Consideration

The Consideration for the Target Shares shall be RMB2, subject to adjustment with reference to the Adjusted NAV of the Disposal Group as at 31 December 2022 and shall be paid by the Purchaser at Completion.

The Consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to, *inter alia*, (i) the unaudited net liabilities of the Disposal Group of approximately RMB24,789 million as at 31 December 2022; (ii) the valuation of the Projects (as defined below) of approximately RMB60,154 million as at 28 February 2023 performed by the Independent Property Valuer (the amount of which is higher than the aggregate value of investment properties and properties under development and completed properties held for sale as at 31 December 2022, being approximately RMB54,696 million, primarily due to certain

LETTER FROM THE BOARD

items with their values as per the Valuation Report higher than their corresponding carrying amounts by approximately RMB5,458 million); and (iii) the reasons for and benefits of the Disposal as set out in the section headed “Reasons for and benefits of the Disposal” in this circular below.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Conditions Precedent

The Completion is conditional on the following Conditions being satisfied or, as the case may be, waived, on or before the Longstop Date:

- (i) the relevant shareholders of the Company having approved the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (ii) the representations, warranties and undertakings of the Company given under the Sale and Purchase Agreement remaining true, accurate and not misleading;
- (iii) the representations, warranties and undertakings of the Purchaser given under the Sale and Purchase Agreement remaining true, accurate and not misleading; and
- (iv) all necessary governmental and other consents, approvals, licences, waivers and/or exemptions in respect of the execution and performance of the Sale and Purchase Agreement and any documents entered into in connection with the Sale and Purchase Agreement having been obtained and not having been revoked or withdrawn at any time before the Completion.

The Condition (i) above cannot be waived, in whole or in part, by any party to the Sale and Purchase Agreement. The Condition (ii) above may be waived in whole or in part by the Purchaser by notice in writing to the Company. The Condition (iii) above may be waived in whole or in part by the Company by notice in writing to the Purchaser. The parties to the Sale and Purchase Agreement may jointly waive the Condition (iv) above in whole or in part (to the extent not required by the Applicable Laws) by notice in writing to the other parties.

If the Conditions have not been satisfied or, as the case may be, waived by 11:59 p.m. (Hong Kong time) on the Longstop Date, the Sale and Purchase Agreement shall automatically terminate with immediate effect, save for certain surviving clauses in the Sale and Purchase Agreement, without prejudice to any rights or remedies of the parties to the Sale and Purchase Agreement which have accrued prior to such termination.

Completion

The Completion shall take place on the Completion Date.

LETTER FROM THE BOARD

Post-Completion

The Company shall, as soon as practicable after Completion, use reasonable endeavours to procure its auditors to conduct a review of the accounts of the Disposal Group for FY2022 in accordance with the Hong Kong Standard on Review Engagements 2400 (Revised) and provide a statement as to the amount of the Adjusted NAV of the Disposal Group as at 31 December 2022 to the parties to the Sale and Purchase Agreement. If the Adjusted NAV of the Disposal Group reviewed by the auditors remains to be a negative amount or is not more than RMB2, the Consideration will remain unchanged. If the Adjusted NAV of the Disposal Group reviewed by the auditors is more than RMB2, the Consideration shall be adjusted to the amount of the Adjusted NAV of the Disposal Group (the “**Adjusted Consideration**”) and the Purchaser shall pay to the Company an amount equal to the difference between the Adjusted Consideration and the Consideration (the “**Remaining Consideration**”).

The Remaining Consideration shall be paid by the Purchaser in cash or in kind or a combination of both, at the election of the Purchaser.

If the Purchaser elects to pay the Remaining Consideration wholly in cash, such payment shall be made pursuant to a payment schedule to be agreed by the parties to the Sale and Purchase Agreement.

If the Purchaser elects to pay the Remaining Consideration partly or wholly in kind, the Company shall obtain further approval by the relevant shareholders of the Company with respect to such manner of settlement. If such proposal is rejected by those shareholders of the Company, the Remaining Consideration shall be settled in cash according to a payment schedule to be agreed by the parties to the Sale and Purchase Agreement.

The payment of the Remaining Consideration by the Purchaser is subject to the requirements of the then prevailing Listing Rules applicable to CEG.

INFORMATION ON THE DISPOSAL GROUP

Each of Assemble Guard and Flaming Ace is a company incorporated in the BVI with limited liability, and is principally engaged in the investment holding of, collectively, 47 existing health and living projects of the Group under the Health Management Segment and the NEV Segment via their subsidiaries (the “**Projects**”). Set out below is a list of the Projects, which are primarily residential and property development projects:

No.	Name of the Project*
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- | | |
|----|---|
| 1. | Cangzhou Evergrande Health Valley (滄州恒大養生谷) |
| 2. | Hohhot Evergrande Health Valley (呼和浩特恒大養生谷) |
| 3. | Jiangyin Evergrande Health Valley (江陰恒大養生谷) |
| 4. | Jinhua Evergrande Health Valley (金華恒大養生谷) |
| 5. | Jinzhai Evergrande Health Valley (金寨恒大養生谷) |

LETTER FROM THE BOARD

- | No. | Name of the Project* |
|-----|--|
| 6. | Kunming Evergrande International Health City (昆明恒大國際健康城) (including properties situated at Kunming Astral Garden (昆明星體花園) and Kunming Starland Commercial Plaza (昆明星天地商業廣場)) |
| 7. | Nanjing Evergrande Health Valley (南京恒大養生谷) |
| 8. | Nanning Airport Evergrande Health Valley (南寧空港恒大養生谷) |
| 9. | Ningchu Evergrande International Health City (寧滁恒大國際健康城) |
| 10. | Shangrao Evergrande Health Valley (上饒恒大養生谷) |
| 11. | Shenfu Evergrande Health Valley (沈撫恒大養生谷) |
| 12. | Suihua Longjiang Evergrande Health Valley (綏化龍江恒大養生谷) |
| 13. | Tangshan Evergrande Health Valley (唐山恒大養生谷) |
| 14. | Urumqi Evergrande Health Valley (烏魯木齊恒大養生谷) |
| 15. | Wuzhou Evergrande Health City (梧州恒大健康城) |
| 16. | Wuhan Evergrande Health City (武漢恒大健康城) |
| 17. | Xi'an Evergrande Health Valley (西安恒大養生谷) |
| 18. | Xiangtan Evergrande Health Valley (湘潭恒大養生谷) |
| 19. | Yangzhong Evergrande Health Valley (揚中恒大養生谷) |
| 20. | Yueyang Evergrande Health Valley (岳陽恒大養生谷) |
| 21. | Yuntai Mountain Evergrande Health Valley (雲台山恒大養生谷) |
| 22. | Zhengzhou Evergrande Health Valley (鄭州恒大養生谷) |
| 23. | Chongqing Beibei Evergrande Health Valley (重慶北碚恒大養生谷) |
| 24. | Chongqing Shuangfu Evergrande Health City (重慶雙福恒大健康城) |
| 25. | Zibo Evergrande Health Valley (淄博恒大養生谷) |
| 26. | Zishan Lake Evergrande Health Valley (梓山湖恒大養生谷) |
| 27. | Guiyang Evergrande Imperial Dragon Peak (貴陽恒大御龍天峰) |
| 28. | Liu'an Evergrande Jade Garden (六安恒大翡翠華庭) |
| 29. | Liu'an Evergrande Garden (六安恒大珺庭) |
| 30. | Nantong Evergrande Jade Garden (南通恒大翡翠華庭) |
| 31. | Nantong Evergrande Linxi County (南通恒大林溪郡) |
| 32. | Nantong Evergrande Cloud Garden (南通恒大雲錦華庭) |
| 33. | Shenyang Evergrande Junrui Mansion (瀋陽恒大珺睿府) |
| 34. | Shenyang Evergrande Linxi County (瀋陽恒大林溪郡) |
| 35. | Shenyang Evergrande Imperial Lake County (瀋陽恒大御湖郡) |
| 36. | Shouxian Evergrande Future City (壽縣恒大未來城) |
| 37. | Urumqi Cloud Garden (烏魯木齊雲錦華庭) |
| 38. | Xiangyin Evergrande Imperial Lake Manor (湘陰恒大御湖莊園) |
| 39. | Xinjiang Evergrande Imperial Peak (新疆恒大御峰) |
| 40. | Xinjiang Evergrande Imperial Lake County (新疆恒大御湖郡) |
| 41. | Xinjiang Evergrande Yulan Bay (新疆恒大御瀾灣) |
| 42. | Yangzhou Evergrande Guanglan Mansion (揚州恒大觀瀾府) |
| 43. | Yangzhou Evergrande Cloud Garden (揚州恒大雲錦華庭) |
| 44. | Yueyang Evergrande Hua Mansion (岳陽恒大華府) |
| 45. | Zhengzhou Evergrande Future Light (鄭州恒大未來之光) |
| 46. | Zhengzhou Evergrande Yue Mansion (鄭州恒大悅府) |
| 47. | Six commercial buildings under construction of Sanyuan Evergrande Cultural Tourism and Health City (三原恒大文化旅遊康養城配套) |

LETTER FROM THE BOARD

FINANCIAL INFORMATION ON THE DISPOSAL GROUP

The unaudited consolidated financial information attributable to the Disposal Group for the two financial years ended 31 December 2022 are set forth as follows:

	For the year ended/ As at 31 December 2021	For the year ended/ As at 31 December 2022
	(unaudited)	(unaudited)
	<i>RMB('000)</i>	<i>RMB('000)</i>
	(approx.)	(approx.)
Results		
Revenue	6,977,270	1,504,269
Net loss before tax	16,725,355	8,856,212
Net loss after tax	16,782,562	8,824,385
Assets		
Total assets	82,250,093	71,715,024
Net liabilities	15,775,625	24,789,399

The consolidated net liability book value (including non-controlling interests) of the Disposal Group as at 31 December 2022 was approximately RMB24,789,399,000.

The key financial information of the Disposal Group as extracted from the unaudited consolidated management accounts of the Group for FY2021 and FY2022 has been set out above to keep the Shareholders and potential investors of the Company abreast of the financial position and performance of the Group. For further details of the unaudited financial information of the Disposal Group, please refer to Appendix II to this circular. The Directors confirmed that the unaudited financial information has been prepared using the same accounting policies as those adopted by the Company in the preparation of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up).

The Board emphasises that the unaudited financial information for FY2021 and FY2022 has not been reviewed or audited. The unaudited financial information is only based on the preliminary assessment of the Board, and is not based on any other data or information that has been audited or reviewed by the auditor of the Company. The Board cannot guarantee that the unaudited financial information truly reflects the financial performance and position of the Group and such information might be misleading if any potential adjustments have not been taken into account. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the unaudited financial information when dealing in the securities of the Company.

LETTER FROM THE BOARD

The Independent Shareholders are also reminded to read the “Letter from the Independent Financial Adviser” as set out on pages 23 to 51 of this circular, which contains the advice of the Independent Financial Adviser to each of the Independent Board Committee and the Independent Shareholders in relation to the Disposal. It should be noted that since the latest published audited accounts for FY2020 were too outdated to be used by the Independent Financial Adviser to conduct any meaningful analysis, it has therefore based on the unaudited financial information (which the Board believes such be able to provide the Independent Shareholders with a broad indication of the Group’s financial position and performance during FY2021 and FY2022) to conduct its analysis. However, the Independent Shareholders are reminded to exercise caution in placing reliance on the unaudited financial information and are advised to also consider other factors set out in the “Letter from the Independent Financial Adviser” upon which the Independent Financial Adviser draws its opinion and advice.

FINANCIAL EFFECT OF THE DISPOSAL

Upon Completion, the Company will cease to have any interest in the Disposal Group and the financial information of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Group.

It is estimated that the Company will record a gain on disposal of approximately RMB24,789 million. Such gain on disposal as a result of the Disposal represents the difference between the Consideration and the net liability value of the Disposal Group as at 31 December 2022. The actual amount of gain in connection with the Disposal may be different from the above and will be assessed after Completion taking place and is subject to review by the auditors of the Company.

As only a nominal consideration of RMB2 is payable in connection with the Disposal, the Company does not expect to receive any net proceeds from the Disposal.

INFORMATION ON THE GROUP

The Company and the Group

The Company is a company incorporated in Hong Kong with limited liability. The Group is principally engaged in technology research and development and manufacturing of, and sales services in respect of new energy vehicles (collectively, the “NEV Segment”), as well as health management businesses including “Internet+” community health management, international hospitals, elderly care and rehabilitation (collectively, the “Health Management Segment”).

INFORMATION ON THE PURCHASER AND CEG

The Purchaser

The Purchaser is a subsidiary of CEG and is principally engaged in investment holding.

LETTER FROM THE BOARD

CEG

CEG is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange. CEG is a conglomerate and is principally engaged in the property development, property investment, property management, new energy vehicle business, hotel operations, finance business, internet business and health industry business in the PRC. CEG, together with its subsidiaries, has transformed from a real estate developer to a conglomerate featuring “diversified business & digital technology” and will gradually spin off its high-quality assets for listing, building a concentric and diversified ecosystem centered around fixed and mobile spaces, while connecting the eight major businesses through closed-loop data sharing to serve hundreds of millions of customers.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board undertakes strategic review of its businesses from time to time with a view to maximising returns to the Shareholders.

The Disposal will allow the Group to focus on the NEV Segment and deploy the appropriate resources towards funding existing and future projects which will, in the long term, offer better and more sustainable returns to the Group and in turn benefit the Company and its Shareholders as a whole.

In 2018, the Group made a strategic entry into the new energy vehicle industry. Since then, it has set up its NEV Segment, established a vertical value-chain across the industry covering vehicle research and development, power batteries, electric motor control and powertrain technology, manufacturing, smart-charging and shared mobility. The Company showcased its first new energy vehicle series “*Hengchi (恒馳)*” in 2020 and the NEV Segment has emerged to be an area of key focus for the Company. As disclosed in the announcement of the Company dated 22 March 2023, the Group has delivered over 900 units of Hengchi 5 to the customers as at the date of that announcement. However, as at the Latest Practicable Date, the production of Hengchi 5 in the Group’s Tianjin facilities was suspended due to insufficient funding. The Group aims to resume production in May 2023. For details, please refer to the paragraph headed “Outlook and Future Plan” in Appendix V to this circular.

In view of the significant capital commitment required by the NEV Segment, and having considered the Group’s current resources, the Board is of the view that committing further resources in health and living projects within the Disposal Group would not be in line with its overall strategy to de-leverage and may pose limitations to the Group in the development of the NEV Segment.

By de-leveraging and reducing its holding of the Projects, through better focus and specialisation in the NEV Segment, the Board believes that the Company can take the NEV Segment to its next stage of growth. The Board also believes that the business growth in the NEV Segment will allow the Shareholders to realise shareholder value from their continued investment in the Remaining Group. Upon Completion, the Remaining Group will continue its existing principal

LETTER FROM THE BOARD

business in the NEV Segment, and the holding of one residential and property development project in each of Tianjin (the “**Tianjin Project**”) and Nanning (the “**Nanning Project**”) respectively. It is expected that the residential units in the Tianjin Project will be delivered to the purchasers by the end of June 2023 and hence, Tianjin Guoneng will not form part of the Disposal Group. Regarding the Nanning Project, the Group is in negotiation with the relevant parties and intends to complete the disposal of Guangxi Lichi as soon as practicable.

After Completion, the Company would become a company purely focusing on the research, development and production of new energy vehicles in the NEV Segment, save and except that the Company will continue to hold the Tianjin Project and the Nanning Project in the short term. Given the recent appetite of the investors as revealed by the valuation of the fellow companies listed on the Stock Exchange which are principally engaged in the NEV Segment, the Company considers that the valuation of the Company would improve without two distinctive segments within the same Group. This in turn would attract investors and help raising funds. The Company is actively seeking external potential investors for possible cooperation opportunities. As at the Latest Practicable Date, no definitive agreement has been entered into with any potential investor.

In addition, since the Disposal Group will no longer be consolidated into the financial statements of the Group after Completion, the Company is of the view that the Disposal would be able to facilitate the audit process for the financial statements prepared after the Completion.

Having considered the above factors and the section headed “Financial Effect of the Disposal” in this circular above, the Board is of the view that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and that the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules.

Also, the Purchaser is a subsidiary of CEG, the controlling shareholder and hence a connected person of the Company. Therefore, the Purchaser is an associate of CEG and thus a connected person of the Company. Accordingly, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As a result, the Disposal is subject to reporting, announcement, circular and Independent Shareholders’ approval requirements under the Listing Rules.

Mr. Siu Shawn, an executive Director and the chairman of the Company, who is also an executive director and the chief executive officer of CEG, as well as Mr. Chau Shing Yim, David, an independent non-executive Director, who is also an independent non-executive director of CEG, have abstained from voting on the relevant Board resolutions approving the Sale and Purchase

LETTER FROM THE BOARD

Agreement and the Disposal since they have material interests in the Sale and Purchase Agreement. Save as disclosed above, none of the other Directors has material interests in the Sale and Purchase Agreement and therefore no other Director has abstained from voting on the relevant Board resolutions approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

WAIVER FROM STRICT COMPLIANCE WITH RULES 14.68(2)(A)(I), 14.68(2)(A)(II) AND 14.66(12) OF THE LISTING RULES

Pursuant to the Listing Rules, for a circular issued in relation to a very substantial disposal, the Company is required to (i) include in the circular in relation to the disposal, the financial information of (a) the disposal group; or (b) the listed issuer's group with the disposal group being shown separately, which must be reviewed by the listed issuer's auditors or reporting accountants according to the relevant accounting standards as specified under Rule 14.68(2)(a)(i) of the Listing Rules (the "**Disposal Group's Accounts**"); (ii) include in the circular in relation to the disposal, the pro forma income statement, balance sheet and cash flow statement of the remaining group on the same accounting basis in accordance with Chapter 4 of the Listing Rules as specified under Rule 14.68(2)(a)(ii) of the Listing Rules (the "**Pro Forma Financial Information**"); and (iii) provide a letter (the "**Comfort Letter**") from the listed issuer's financial advisers or auditors confirming that the statement made by the directors that the working capital available to the listed issuer's group is sufficient for its requirements for at least 12 months from the date of publication of the circular has been made by the directors after due and careful enquiry and the persons or institutions providing finance have confirmed in writing that such facilities exist as specified under Rule 14.66(12) of the Listing Rules (collectively, the "**Rules Requirements**").

The Company has applied to the Stock Exchange for a waiver from strict compliance with the Rules Requirements (the "**Waiver**") based on the following grounds:

- (a) the liquidity issues at CEG level have, amongst other reasons, resulted in the Company's former auditors' inability to complete the audit of the Group's financial statements. It would be unduly burdensome and impracticable for the Company to require the Company's former auditors to review the Disposal Group's Accounts and the Pro Forma Financial Information;
- (b) the Disposal Group is primarily engaged in the holding of the Projects. The Shareholders will be able to evaluate the value of the Projects by referring to the Valuation Report prepared by the Independent Property Valuer as set out in Appendix III to this circular;
- (c) the Company's alternative disclosure (as set out below) is included. The Company hopes that disposing of the Projects is a first step towards the Company's resumption of trading;
- (d) in the event that the Adjusted NAV of the Disposal Group after review by the auditors is more than RMB2, the Consideration will be adjusted as stated in the section headed "The Sale and Purchase Agreement — Post-Completion" in this circular above; and

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- (e) Shareholders will be fully aware of the limitation on the professional assurance with respect to the unaudited financial information of the Disposal Group by referring to the disclaimers in this circular.

In light of the above, the Company is of the view that the Waiver will not materially and adversely affect Independent Shareholders' assessment of the Disposal.

The Stock Exchange has agreed to waive the following requirements:

- (a) the disclosure of the Disposal Group's Accounts for FY2021 and FY2022 under Rule 14.68(2)(a)(i) of the Listing Rules;
- (b) the disclosure of the Pro Forma Financial Information under Rule 14.68(2)(a)(ii) of the Listing Rules; and
- (c) the provision of the Comfort Letter under Rule 14.66(12) of the Listing Rules,

subject to the Company's disclosure of the Waiver (including the details, reasons and alternative disclosure) in this circular.

As an alternative to disclosure in compliance with the Rules Requirements, the unaudited consolidated management accounts of the Disposal Group for FY2020, FY2021 and FY2022 have been included in this circular. Please refer to Appendix II to this circular in respect of the unaudited consolidated management accounts of the Disposal Group for FY2020, FY2021 and FY2022. The unaudited pro forma consolidated statement of financial position of the Remaining Group prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2021, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2020, have also been included in this circular. Please refer to Appendix IV to this circular in respect of the unaudited pro forma financial information of the Remaining Group.

In addition, the Company shall despatch a supplemental circular containing the Disposal Group's Accounts for FY2021 and FY2022 to Shareholders for information purpose once the review of the Disposal Group's financial statements for FY2021 and FY2022 is completed.

Views of the Independent Board Committee on the application for the Waiver

The Independent Board Committee believes that the Company is having practical difficulties, and it would be unduly burdensome for the Company, to strictly comply with the Rule Requirements due to a number of factors which are beyond the Company's control, such as the COVID-19 pandemic and the significant delay in obtaining confirmations/information from external parties.

LETTER FROM THE BOARD

Given (i) the alternative disclosure of the unaudited consolidated management accounts of the Disposal Group for FY2020, FY2021 and FY2022 in this circular; (ii) the fact that Prism has conducted a review of the accounts of the Disposal Group for FY2020 in accordance with the Hong Kong Standard on Review Engagements 2400 (Revised); and (iii) the valuation of the Projects conducted by the Independent Property Valuer and the information of which is fully disclosed in this circular, the Independent Board Committee considers that there would be sufficient information for the Independent Shareholders to assess the Disposal and/or make a properly informed voting decision notwithstanding that the Company has obtained the Waiver.

GM

The GM will be convened for the purpose of considering and, if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

In accordance with the Listing Rules, the proposed resolution shall be passed by way of poll as ordinary resolution. CEG and its associates will abstain from voting on the resolution to approve the Sale and Purchase Agreement and the transactions contemplated thereunder to be proposed at the GM. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders or any of their respective associates has material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder. Therefore, none of the Shareholders (save for CEG and its associates) is required to abstain from voting on the relevant resolution to be proposed at the GM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 9 May 2023 to Friday, 12 May 2023 (both dates inclusive) for the purpose of ascertaining Shareholder's entitlement to attend and vote at the GM, during which period no share transfers can be registered. In order to be eligible to attend and vote at the GM, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Monday, 8 May 2023.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended until further notice.

GENERAL

An Independent Board Committee comprising all the independent non-executive Directors (except Mr. Chau Shing Yim, David who is also an independent non-executive director of CEG) has been established by the Company to consider the Sale and Purchase Agreement and the transactions contemplated thereunder and to advise the Independent Shareholders whether and the basis thereof, the Sale and Purchase Agreement, the transactions contemplated thereunder are on

LETTER FROM THE BOARD

normal commercial terms or better and fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Maxa Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

RECOMMENDATIONS

Your attention is drawn to the letter from the Independent Board Committee set out on pages 21 to 22 of this circular which contains its recommendation to the Independent Shareholders on the terms of the Sale and Purchase Agreement and voting at the GM. Your attention is also drawn to the letter of advice from the Independent Financial Adviser set out on pages 23 to 51 of this circular which contains its advices to the Independent Board Committee and the Independent Shareholders in relation to the Disposal.

The Directors (other than Mr. Siu Shawn and Mr. Chau Shing Yim, David, being directors of the Company and CEG, who have abstained from voting on the relevant Board resolutions approving the Sale and Purchase Agreement and the Disposal since they have material interests in the Sale and Purchase Agreement) consider that the terms of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors (other than Mr. Siu Shawn and Mr. Chau Shing Yim, David) recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the GM to consider and, if thought fit, approve the Sale and Purchase Agreement and transactions contemplated thereunder.

ADDITIONAL INFORMATION

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

FORWARD-LOOKING STATEMENTS

There can be no assurance that any forward-looking statements regarding the business development of the Group set out in this circular and any of the matters set out herein are attainable, will actually occur or will be realised or are complete or accurate. Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and not to place any excessive reliance on the information disclosed herein. Any Shareholder or potential investor who is in doubt is advised to seek advice from professional advisors.

WARNING

Completion of the Disposal is conditional upon the satisfaction or, if applicable, waiver of the Conditions set out in the section headed “The Sale and Purchase Agreement — Conditions Precedent” in this circular. Accordingly, the Disposal may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

LETTER FROM THE BOARD

The publication of this circular does not indicate any decision or conclusion from the Stock Exchange nor warrant any approval from the Stock Exchange on the resumption of trading in Shares. For the avoidance of doubt, the Stock Exchange is not satisfied that the Company has fulfilled all resumption guidance.

Yours faithfully,

By Order of the Board

China Evergrande New Energy Vehicle Group Limited

SIU Shawn

Chairman



CHINA EVERGRANDE NEW ENERGY VEHICLE GROUP LIMITED

中國恒大新能源汽車集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock code: 708)

25 April 2023

To the Independent Shareholders

Dear Sirs,

**VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION
IN RELATION TO THE DISPOSAL OF SUBSIDIARIES**

We refer to the circular of the Company dated 25 April 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter have the same meanings as those defined in the Circular unless specified otherwise.

We have been appointed by the Board as the Independent Board Committee to advise you on, in our opinion, whether the terms of the Disposal contemplated under the Sale and Purchase Agreement are fair and reasonable to the Independent Shareholders, and whether the relevant connected transaction is entered into in the ordinary course of business of the Company and are in the interests of the Company and the Shareholders as a whole.

Maxa Capital has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee on whether the terms of the connected transaction contemplated under the Sale and Purchase Agreement are fair and reasonable. Details of advice from Maxa Capital, together with the principal factors and reasons it has taken into consideration in giving such advice, are set out on pages 23 and 51 of the Circular.

Your attention is also drawn to the Letter from the Board as set out on pages 7 to 20 of the Circular. Having considered the information set out in the Letter from the Board, the interests of the Independent Shareholders and the advices and recommendations of Maxa Capital, we are of the view that (i) the terms of the Sale and Purchase Agreement are fair and reasonable and on normal commercial terms, and (ii) although the Disposal is not in the ordinary and usual course of business, it is in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend that the Independent Shareholders vote in favour of the resolution to approve the transactions contemplated under the Sale and Purchase Agreement to be proposed at the GM.

Yours faithfully

The Independent Board Committee of

China Evergrande New Energy Vehicle Group Limited

Mr. Guo Jianwen

Independent non-executive Director

Mr. Xie Wu

Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Maxa Capital, the Independent Financial Adviser, to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



Unit 1908, Harbour Center
25 Harbour Road
Wan Chai
Hong Kong

25 April 2023

To the Independent Board Committee and the Independent Shareholders

Dear Sirs,

VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF SUBSIDIARIES

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Disposal, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 25 April 2023 issued by the Company (the “**Circular**”) of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 24 April 2023 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Purchaser, a subsidiary of CEG, pursuant to which the Company conditionally agreed to sell as the beneficial owner and the Purchaser conditionally agreed to buy the Target Shares at the Consideration of RMB2. The principal underlying assets represented by the Target Shares are the Disposal Group, being 47 existing health and living projects of the Group which are primarily residential and property development projects (the “**Projects**”).

As the highest applicable percentage ratio (calculated in accordance with Rule 14.07 of the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules. As at the Latest Practicable Date, the Purchaser is a subsidiary of CEG, the controlling shareholder of the Company interested in approximately 58.54% of the total number of issued Shares and hence a connected person of the Company. Therefore, the Purchaser is an associate of CEG and thus a connected person of the Company. Accordingly, the Disposal also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and therefore subject to the requirements of reporting, announcement, circular and approval by the Independent Shareholders under the Listing Rules. CEG and its associates are required to abstain from voting at the GM on the resolution(s) in relation to the Disposal. The Independent Board Committee has been established by the Company

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

to consider the Sale and Purchase Agreement and the transactions contemplated thereunder and to advise the Independent Shareholders whether and the basis thereof, the Sale and Purchase Agreement, the transactions contemplated thereunder are on normal commercial terms or better and fair and reasonable, and in the interests of the Company and the Shareholders as a whole. We, Maxa Capital Limited, have been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from the Company in accordance with Rule 13.84 of the Listing Rules. We did not have any relationship with or interest in the Company, its subsidiaries and any other parties that could reasonably be regarded as relevant to our independence. We are not associated with the Company, its subsidiaries, its associates, or their respective substantial shareholders or associates or any other parties to the Disposal, and accordingly, are eligible to give independent advice and recommendations on the terms of the Disposal. Save for this appointment, there was no other engagement between the Company and us in last two years. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, its subsidiaries, its associates or their respective substantial shareholders or associates.

BASIS OF OUR OPINION

In formulating our advice and recommendations, we have reviewed, among others, (i) the Sale and Purchase Agreement; (ii) the annual reports of the Company for the year ended 31 December 2019 (the “**2019 AR**”) and the year ended 31 December 2020 (the “**2020 AR**”); (iii) the interim report of the Company for the six months ended 30 June 2021 (the “**2021 IR**”); (iv) the unaudited management account in relation to the Disposal Group as set out in Appendix II to the Circular; (v) the Valuation Report prepared by the Independent Property Valuer as set out in Appendix III to the Circular; and (vi) the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to the Circular. We have assumed that all statements of belief and intention made by the Directors and the management of the Company were made after due enquiry. We have also assumed that all information, representations, and opinions made were true, accurate and complete at the time they were made and continued to be true at the date of the Circular and will remain so up to the date of the GM.

We consider that we have reviewed sufficient and relevant information and documents and have taken reasonable steps as required under Rule 13.80 of the Listing Rules to reach an informed view and to provide a reasonable basis for our recommendation. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the Company, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the date of this letter. We have also assumed that all statements of belief, opinion, expectation, and intention made by the Directors in the Circular were reasonably made

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

after due enquiry and careful consideration. Our opinion is based on the Directors' representation and confirmation that no material facts have been omitted from the information provided and referred to in the Circular.

The Company confirmed that it has, at our request, provided us with all currently available information and documents which are available under present circumstances to enable us to reach an informed view and we have relied on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our opinion. We have no reason to suspect that any material facts or information, which is known to the Company, have been omitted or withheld from the information supplied or opinions expressed in the Circular nor do we doubt the truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company and the Directors which have been provided to us. We have not, however, conducted any independent verification on the information provided to us by the Directors and the Independent Property Valuer, nor have we conducted any form of independent in-depth investigation into the business and affairs of the Company, CEG and each of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the terms of the Sale and Purchase Agreement, we have taken into consideration the following principal factors and reasons:

1. Background of the Disposal and recent developments

1.1 *Information of the Group*

The principal business activities of the Group are (i) Health Management Segment, including “internet+” community health management, international hospitals, elderly care and rehabilitation; and (ii) NEV Segment, including the R&D and manufacturing of, and sales services in respect of new energy vehicles. For the Health Management Segment, the Group developed property projects, namely Evergrande Elderly Care Valley, across China for its members or customers to stay in home elderly care service centers, apartments or elderly care institutions that complimented with medical and health care solutions. For the NEV Segment, the Group has been dedicated to establish Hengchi as a world-renowned Chinese automobile brand with a full industry chain of new energy vehicles covering automobile manufacturing, electric motor control, power batteries, intelligent network connection, autonomous driving, vehicle sales, smart charging and other aspects.

According to the business update announced by the Company on 30 December 2022, the Group has delivered a total of 324 units to customers. As stated in the Board Letter, the Remaining Group had delivered over 900 units of Hengchi 5 to the customers as at the Latest Practicable Date. The Group also implemented a series of cost reduction measures such as reduction of salaries of some employees and cutting down the number of employees in order to save costs. Besides, a wholly-owned subsidiary of the Company established in Sweden received a statutory demand regarding a debt of around Euro 4.8 million due to its creditor, which has been fully settled as at the Latest Practicable Date

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

according to the management of the Company. However, as at the Latest Practicable Date, the production of Hengchi 5 in the Group's Tianjin facilities was suspended due to insufficient funding.

Trading in the Shares has been suspended since 1 April 2022 and there is no liquid market for Shareholders to trade their Shares on the Stock Exchange. Prior to the suspension, the Company has conducted three equity fund raising exercises during 2021 and the gross amount raised was around HK\$29.3 billion that has been utilised toward R&D and production in NEV Segment and repayment of debts. The Company received a resumption guidance (“**Resumption Guidance**”) from the Stock Exchange on 15 June 2022 that required the Company to meet, among others, (a) publish all outstanding financial results required under the Listing Rules and address any audit modifications; (b) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and (c) inform the market of all material information for the Shareholders and other investors to appraise the Company's position, and remedy the issues causing the trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in Shares is allowed to resume. As stated in the Board Letter, the Company hopes that by restructuring the Projects outside of the Group is a first step towards the Company's resumption of trading, thereby facilitating the Shareholders' exit (if they so wish). Independent Shareholders should note that if the Company fails to resume trading in the Shares by 30 September 2023, the Listing Division of the Stock Exchange will recommend the Listing Committee to proceed with the cancellation of the Company's listing status.

1.2 *Financial information of the Group and Disposal Group*

1.2.1 *Financial information of the Group*

Set out below is the summarised financial information of the Group for the two years ended 31 December 2018 and 2019 (“**FY2018**” and “**FY2019**”) and FY2020, and for the six months ended 30 June 2020 and 2021 (“**1H2020**” and “**1H2021**”, respectively), as extracted from the 2019 AR, the 2020 AR and the 2021 IR:

	For the year ended			For the six months ended	
	31 December		2020	30 June	
	2018	2019		2020	2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
Total revenue	3,133,018	5,635,559	15,486,625	4,510,321	6,923,244
Health Management Segment	3,133,018	4,975,064	15,299,092	4,457,320	6,886,260
NEV Segment	—	660,495	187,533	53,001	36,984
Profit/(Loss) for the year/ period	(1,428,378)	(4,947,478)	(7,664,907)	(2,456,910)	(4,821,626)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the 2019 AR, the total revenue of the Group was approximately RMB5,635.6 million for FY2019, representing an increase of approximately RMB2,502.5 million or 79.9% as compared to FY2018, whereas the loss for FY2019 was approximately RMB4,947.5 million as compared to a loss of approximately RMB1,428.4 million for FY2018. Such increase in revenue is mainly attributable to the increase in revenue from Evergrande Elderly Care Valley by 58.4% to RMB4,948.5 million for FY2019 from RMB3,124.4 million for FY2018, and the Group recognised revenue from NEV Segment for the first time during FY2019 which attributed approximately RMB660.5 million or 11.7% of the total revenue, while an increase in loss for the year was primarily due to the Group's development of the NEV Segment and the increase in R&D expenses, administrative expenses and finance cost for FY2019.

As disclosed in the 2020 AR, the total revenue of the Group was approximately RMB15,486.6 million for FY2020, representing an increase of approximately RMB9,851.1 million or 174.8% as compared to FY2019, whereas the Group recorded a loss of RMB7,664.9 million, representing an increase of 54.9% from a loss of RMB4,947.5 million for FY2019. Such an increase in revenue is mainly attributable to the increase in revenue from Evergrande Elderly Care Valley by 208.5% to RMB15,268.1 million for FY2020 from RMB4,948.5 million for FY2019, which was partially offset by the decrease in revenue from NEV Segment by 71.6% to RMB187.5 million for FY2020 from RMB660.5 million in FY2019, while an increase in loss for the year was primarily due to the decline in gross profit of the health management business and the increase in marketing expenses, finance cost, and R&D expenses in the new energy vehicle business along with the Group's strategy to expand in the NEV Segment.

As disclosed in the 2021 IR, the total revenue of the Group was approximately RMB6,923.2 million for 1H2021, representing an increase of approximately RMB2,412.9 million or 53.5% as compared to 1H2020, whereas loss for the period was approximately RMB4,821.6 million for 1H2021 as compared to a loss for the period of RMB2,456.9 million for 1H2020. Such an increase in the revenue for the period was primarily attributable to the increase in revenue from Evergrande Elderly Care Valley by 54.4% to RMB6,865.2 million during 1H2021 from RMB4,446.0 million in the corresponding period of 2020, while an increase in loss for the period was primarily due to the combined effect of a decline in gross profit of health management business and the increased marketing expenses and R&D expenses in the new energy vehicle business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Based on the financial information as stated above, the Health Management Segment represented about 88% to 100% of the Group's revenue during the respective period while the loss of the Group as a whole was mainly attributed to increasing expenses from marketing, interest and R&D from the NEV Segment. According to 2019 AR and 2020 AR, Health Management Segment recorded segmental profit of RMB606 million, RMB837 million and RMB820 million for the three years ended 31 December 2020, respectively, while NEV Segment incurred segmental loss of RMB1,727 million, RMB5,295 million, RMB8,191 million during the same periods given the Group's new energy vehicle "Hengchi" was still in the development stage and not able to generate any revenue.

	As at 31 December			As at
	2018	2019	2020	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(audited)	(unaudited)
Non-current assets	6,328,920	36,413,675	46,843,248	53,509,577
Property, plant and equipment	1,534,925	10,422,736	17,058,834	21,294,077
Intangible asset	5,199	7,581,130	10,243,587	11,990,210
Goodwill	—	6,193,274	6,244,210	5,964,172
Current assets	15,854,190	56,994,773	103,221,492	111,580,758
Trade and other receivables	507,137	4,593,702	7,973,999	12,456,381
Properties under development	11,170,539	29,317,271	61,126,374	64,849,748
Completed properties held for sale	1,169,672	2,679,747	12,678,679	14,023,488
Restricted cash	367,825	2,415,109	3,668,420	2,936,427
Cash and cash equivalents	1,570,014	9,857,780	10,476,239	9,577,100
Total assets	22,183,110	93,408,448	150,064,740	165,090,335
Non-current liabilities	11,293,732	51,580,322	61,362,453	28,434,608
Borrowings	11,248,425	47,214,338	55,915,728	21,821,897
Lease liabilities	—	223,221	589,422	636,674
Current liabilities	11,551,846	43,123,693	94,540,809	124,580,061
Trade and other payables	7,330,851	24,282,087	52,964,764	73,045,007
Contract liabilities	99,284	2,444,932	23,464,876	35,884,516
Borrowings	3,613,900	15,172,530	16,290,530	13,268,475
Total liabilities	22,845,578	94,704,015	155,903,262	153,014,669
Total equity (deficit)	(662,468)	(1,295,567)	(5,838,522)	12,075,666

As disclosed in the 2019 AR, the Group had total assets of approximately RMB93,408.4 million as at 31 December, 2019 as compared to total assets of approximately RMB22,183.1 million as at 31 December, 2018. Such increase in

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total assets was mainly attributable to (i) the increase in properties under development (“**PUD**”) by 162.5% or RMB18,146.7 million mainly due to the increase in costs of acquiring rights to use certain lands; and (ii) the increase in goodwill by RMB6,193.3 million mainly arose from the acquisition of the new energy vehicle business. The Group had total liabilities of approximately RMB94,704.0 million as at 31 December 2019, representing an increase of approximately 314.5% or RMB71,858.4 million as compared to that as at 31 December 2018, which was primarily due to (i) the increase in total borrowings by 319.8% or RMB47,524.5 million; and (ii) the increase in trade and other payables by 231.2% or RMB16,951.2 million mainly due to the increasing liquidity risk under the impacts on cash flows. The Group has a total deficit of approximately RMB1,295.6 million as at 31 December 2019. As at 31 December 2019, the assets allocated to the Health Management Segment and NEV Segment represented 47% and 53% of the total assets of the Group, respectively. As at 31 December 2019, the gearing ratio calculated as total liabilities to total assets (the “**Gearing Ratio**”) of the Health Management Segment and NEV Segment was 84% and 110%, respectively.

As disclosed in the 2020 AR, the Group had total assets of approximately RMB150,064.7 million as at 31 December, 2020 as compared to total assets of approximately RMB93,408.4 million as at 31 December, 2019. Such increase in total assets was mainly attributable to (i) the increase in PUD by 108.5% or RMB31,809.1 million mainly due to the significant increase in construction costs and capitalised expenditures; and (ii) the increase in completed properties held for sale (“**PHS**”) by 373.1% or RMB9,998.9 million mainly attributable to the adoption of strict COVID-19 prevention and control measures by the government nationwide, which resulted in extensive obstructions on construction and delivery of properties. The Group had total liabilities of approximately RMB155,903.3 million as at 31 December 2020, representing an increase of approximately 64.6% or RMB61,199.2 million as compared to that as at 31 December 2019, which was primarily due to (i) the increase in trade and other payables by 118.1% or RMB28,682.7 million mainly due to the increasing liquidity risk under the impacts on cash flows; and (ii) the increase in contract liabilities by 859.7% or RMB21,019.9 million that mainly arose from sales of vehicle living projects. The Group’s total equity further decrease to a deficit of approximately RMB5,838.5 million as at 31 December 2020 mainly due to the continuous loss for the year. As at 31 December 2020, the assets allocated to the Health Management Segment and NEV Segment represented 39% and 61% of the total assets of the Group, respectively. As at 31 December 2020, the Gearing Ratio of the Health Management Segment increased to 94% from 84% as at 31 December 2019 while the Gearing Ratio of the NEV Segment decreased to 106% from 110% as at 31 December 2019.

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As disclosed in the 2021 IR, the Group had total assets of approximately RMB165,090.3 million as at 30 June, 2021 as compared to total assets of approximately RMB 150,064.7 million as at 31 December, 2020. Such increase in total assets was mainly attributable to (i) the increase in trade and other receivables by 56.2% or RMB4,482.4 million that mainly arose from sale of health and living projects; and (ii) the increase in property, plant and equipment by 24.8% or RMB4,235.2 million mainly due to the increased investment in property, plant and equipment and construction in progress. The Group had total liabilities of approximately RMB153,014.7 million as at 30 June, 2021, representing a decrease of approximately 1.9% or RMB2,888.6 million as compared to that as at 31 December 2020, which was primarily due to the decrease in total borrowings by 51.4% or RMB37,115.9 million through partial repayment of the principal of borrowings after the Company raised net proceed of HK\$26 billion by issuance of new Shares. As at 30 June 2021, the Group turned around the deficit to equity of approximately RMB12,075.7 million mainly due to the share subscription by third party investors with net proceeds of approximately HK\$26 billion. Taking out the impact of the fundraising, the Disposal Group would still record a total deficit as at 30 June, 2021. As at 30 June 2021, the assets allocated to the Health Management Segment and NEV Segment represented 36% and 64% of the total assets of the Group, respectively. As at 30 June 2021, the Gearing Ratio of the Health Management Segment continued to increase to 95% from 94% as at 31 December 2020, while the Gearing Ratio of the NEV Segment decreased further to 88% from 106% as at 31 December 2020.

As disclosed in the Company's announcement on quarterly update dated 22 March 2023, in order to centralize financial resources to support the mass production of Hengchi 5, the Company continues to promote cost saving measures, improve management efficiency, actively adopt staff reduction measures towards and optimize employee structure in National Electric Vehicle Sweden AB, a Sweden-established subsidiary within the Group. In face of the inability to obtain additional liquidity, the Group is at risk of discontinuing production. However, if the Group is able to obtain financing of more than RMB29 billion in the future, it plans to launch a number of flagship models and hopes to achieve mass production. Under this plan, the cumulative unleveraged cash flow from 2023 to 2026 is expected to reach negative RMB7 billion to negative RMB5 billion. As at the Latest Practicable Date, the production of Hengchi 5 in the Group's Tianjin facilities was suspended due to insufficient funding. The Remaining Group will continue to carry out technical skills training and various facilities enhancements and improvements. The Remaining Group intends to raise funds by disposing of certain non-core assets and introducing strategic investments so that it may resume payments to suppliers and the Tianjin facilities may resume production capacity in May 2023.

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1.2.2 Financial information of the Disposal Group

As mentioned in the Board Letter, the Disposal Group is principally engaged in the investment holding of, collectively, 47 existing health and living projects of the Group under the Health Management Segment and the NEV Segment via their subsidiaries (the “**Projects**”). The Projects are primarily residential and property development projects.

Set out below are the unaudited combined consolidated financial information of the Disposal Group for the three years ended 31 December 2022, as extracted from the financial information of the Disposal Group as set out in Appendix II to the Circular (“**Financial Information of the Disposal Group**”):

	2020	2021	For the year ended 31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)
Total revenue	15,298,551	6,977,270	1,504,269
Profit/(loss) for the year	68,126	(16,782,562)	(8,824,385)

The total revenue of the Disposal Group was approximately RMB6,977.3 million for FY2021, representing a substantial decrease of approximately RMB8,321.3 million or 54.4% as compared to FY2020, whereas the loss for FY2021 was approximately RMB16,782.6 million as compared to a profit of approximately RMB68.1 million for FY2020. As discussed with the management, such decrease in revenue is mainly attributable to the (i) impacts from the struggling residential property market as homebuyers remain cautious; (ii) operational challenges the Company faced such as obstructions on construction area due to financial difficulties and unstable employment; and (iii) travel restrictions against the background of the COVID-19 pandemic and the subsequent impact on China’s economy, while an increase in loss for the year was primarily due to the increase in net other expenses by RMB13,283.9 million mainly as a result of (i) the write-downs of inventories; (ii) the impairment losses on trade and other receivables as counterparties write off registrations; and (iii) returns of certain land parcels.

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The total revenue of the Disposal Group was approximately RMB1,504.3 million for FY2022, representing a decrease of approximately RMB5,473.0 million or 78.4% as compared to FY2021, whereas the loss for FY2022 was approximately RMB8,824.4 million as compared to a loss of approximately RMB16,782.6 million for FY2021, leading to a cumulative loss of approximately RMB25.6 billion for the two years ended 31 December 2022. As discussed with the management, such decrease in revenue is mainly attributable to the (i) continuous impacts from the struggling residential property market; and (ii) operational challenges the Company faced, leading to a decrease in sales volume, while the loss for the year narrowed by RMB7,958.2 million was primarily due to the decrease in net other expenses by RMB5,983.2 million to RMB7,309.3 million.

	As at 31 December		
	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(unaudited)	(unaudited)	(unaudited)
Non-current assets	4,888,039	4,155,565	1,650,981
Property, plant and equipment	2,220,203	2,445,294	621,013
Current assets	98,672,968	78,094,528	70,064,043
Trade and other receivables and prepaid taxes	6,512,909	7,210,598	12,725,266
Properties under development and completed properties held for sale	73,003,062	65,415,742	54,202,850
Restricted cash	3,447,149	664,156	2,354,737
Cash and cash equivalents	9,183,588	305,009	88,481
Total assets	103,561,007	82,250,093	71,715,024
Non-current liabilities	12,685,316	11,295,883	5,289,806
Borrowings	11,815,737	10,543,787	5,164,496
Current liabilities	90,042,908	86,729,835	91,214,617
Trade and other payables	60,986,264	42,415,428	49,201,052
Contract liabilities	20,576,486	37,706,768	32,779,684
Borrowings	6,811,568	4,905,000	7,521,284
Total liabilities	102,728,224	98,025,718	96,504,423
Total equity/(deficit)	832,783	(15,775,625)	(24,789,399)

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The Disposal Group had total assets of approximately RMB82,250.1 million as at 31 December, 2021, representing a decrease of approximately RMB21,310.9 million or 20.6% as compared to total assets of approximately RMB103,561.0 million as at 31 December, 2020. Such decrease in total assets was mainly attributable to the impairment losses of approximately RMB10 billion on properties under development and completed properties held for sale, resulting from the macroeconomic changes in the operational development in the property sector in the PRC in late 2021 as well as the prolonged impact brought by the COVID-19 pandemic. The Disposal Group had total liabilities of approximately RMB98,025.7 million as at 31 December 2021, representing a decrease of approximately RMB4,702.5 million or 4.6% as compared to that as at 31 December 2020, which was primarily due to decrease in trade and other payables by RMB18,570.8 million as a result of the reduction in construction area under the circumstance of abovementioned operational challenges. The Gearing Ratio of the Disposal Group increased from 99.2% as at 31 December 2020 to 119.2% as at 31 December 2021. The Disposal Group's total equity decreased from approximately RMB832.8 million as at 31 December 2020 to a deficit of approximately RMB15,775.6 million as at 31 December 2021, which is mainly attributable to a loss of approximately RMB16,782.6 million for FY2021.

The Disposal Group had total assets of approximately RMB71,715.0 million as at 31 December, 2022, representing a decrease of approximately RMB10,535.1 million or 12.8% as compared to total assets of approximately RMB82,250.1 million as at 31 December, 2021. Such decrease in total assets was mainly attributable to (i) the decrease in PUD and PHS by RMB11,212.9 million as a result of the write-downs of inventories and returns of certain land parcels; and (ii) decrease in property, plant and equipment by RMB1,824.3 million due to the disposal of several subsidiaries. The Disposal Group had total liabilities of approximately RMB96,504.4 million as at 31 December 2022, representing a decrease of approximately RMB1,521.3 million or 1.6% as compared to that as at 31 December 2021, which was primarily due to the decrease in total borrowings by RMB2,763.0 million mainly due to the repayment of borrowings, partially through disposal of assets. The Disposal Group's total deficit continues to increase from approximately RMB15,775.6 million as at 31 December 2021 to approximately RMB24,789.4 million as at 31 December 2022, which is mainly due to a loss of approximately RMB8,824.4 million for FY2022 and the loss by write-downs of inventories and returns of certain land parcels. The Gearing Ratio of the Disposal Group increased further to 134.6% as at 31 December 2022 from 119.2% as at 31 December 2021.

1.3 *Information of CEG*

CEG and its subsidiaries are principally engaged in the property development, property investment, property management, new energy vehicle business, hotel operations, finance business and health industry business in the PRC.

Trading the shares of CEG on the Stock Exchange has been suspended since 21 March 2022. Prior to such suspension, CEG Group has been facing operational and financial challenges, in particularly the debt stress. According to the announcement of CEG dated 20 December 2022, it is actively pushing forward the offshore debt restructuring work with its financial and legal advisers, and is also engaging in constructive communications with certain offshore bondholders and their advisers, in order to push forward the formulation of an offshore debt restructuring plan. Due to the substantial liabilities, the operation of CEG still faces significant challenges and there is significant uncertainty as to whether the resources for debt repayment can generate the expected value. CEG also announced on 16 August 2022 that the Financial Reporting Council has initiated and extended enquiries into the financial statements of CEG and one of its subsidiaries, namely Evergrande Property Service Group Limited.

As stated in the Board Letter, the Disposal will allow the Group to focus on the NEV Segment and deploy the appropriate resources toward funding existing and future projects which will, in the long term, offer better and more sustainable returns to the Group and in turn benefit the Company and its Shareholders as a whole. In view of the significant capital commitment required by the NEV Segment, and having considered the Group's current resources, the Board is of the view that committing further resources in health and living projects within the Disposal Group would not be in line with its overall strategy to de-leverage and may pose limitations to the Group in the development of the NEV Segment. By de-leveraging and reducing its holding of the Projects, through better focus and specialisation in the NEV Segment, the Board believes that the Company can take the NEV Segment to its next stage of growth. Segmental assets attributed by the NEV Segment increased from approximately RMB4,747.5 million in FY 2018 to nearly 10 times of RMB 49,497.5 million in FY2019 and then further increased to RMB91,056.4 million in FY2020, notwithstanding the segmental liabilities also increased accordingly. The aggregated investment, associated borrowings and capital expenditure under the NEV Segment had exceeded those under the Health Management Segment since FY2020.

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Upon Completion, the Remaining Group will continue its existing principal business in the NEV Segment, and the holding of one residential and property development project in each of Tianjin (the “**Tianjin Project**”) and Nanning (the “**Nanning Project**”) respectively. It is expected that the residential units in the Tianjin Project will be delivered to the purchasers by the end of June 2023 and hence, the company holding the Tianjin Project will not form part of the Disposal Group. Regarding the Nanning Project, the Group is in negotiation with the relevant parties and intends to complete the disposal of the company holding the Nanning Project as soon as practicable. The Board also believes that the business growth in the NEV Segment will allow the Shareholders to realise shareholder value from their continued investment in the Remaining Group.

2. Principal terms of the Sale and Purchase Agreement

2.1 Terms of the Sale and Purchase Agreement

Date: 24 April 2023 (after trading hours)

Parties: The Company as seller, the Purchaser as purchaser and CEG as Guarantor.

As at the Latest Practicable Date, the Purchaser is a subsidiary of CEG, the controlling shareholder of the Company which is interested in approximately 58.54% of the total number of issued Shares and hence a connected person of the Company. Therefore, the Purchaser is an associate of CEG and thus a connected person of the Company.

Assets to be disposed of: The Purchaser has conditionally agreed to purchase, and the Company has conditionally agreed to sell as the beneficial owner, the Target Shares, free from all Encumbrances and with all rights accruing or attaching to them including the right to receive all distributions and dividends declared, paid or made in respect of the Target Shares as at or after the Completion.

The Target Shares are made up of one issued share of each of Assemble Guard and Flaming Ace, representing the entire issued share capital of Assemble Guard and Flaming Ace respectively.

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Consideration: The Consideration for the Target Shares shall be RMB2 and shall be paid by the Purchaser at the Completion, subject to adjustment with reference to the Adjusted NAV of the Disposal Group as at 31 December 2022. The Consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to, *inter alia*, (i) the unaudited net liabilities of the Disposal Group of approximately RMB24,789 million as at 31 December 2022; (ii) the property valuation of approximately RMB60,154 million as at 28 February 2023 performed by an Independent Property Valuer (the amount of which is higher than the aggregate value of investment properties and properties under development and completed properties held for sale as at 31 December 2022, being approximately RMB54,696 million, primarily due to certain items with their values as per the Valuation Report higher than their corresponding carrying amounts by approximately RMB5,458 million); and (iii) the reasons for and benefits of the Disposal as set out in the section headed "Reasons for and benefits of the Disposal" in the Board Letter.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

Conditions
Precedent: The Completion is conditional on the following Conditions being satisfied or, as the case may be, waived, on or before the Longstop Date:

- (i) the relevant shareholders of the Company having approved the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with the Listing Rules;
- (ii) the representations, warranties and undertakings of the Company given under the Sale and Purchase Agreement remaining true, accurate and not misleading;
- (iii) the representations, warranties and undertakings of the Purchaser given under the Sale and Purchase Agreement remaining true, accurate and not misleading; and

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(iv) all necessary governmental and other consents, approvals, licences, waivers and/or exemptions in respect of the execution and performance of the Sale and Purchase Agreement and any documents entered into in connection with the Sale and Purchase Agreement having been obtained and not having been revoked or withdrawn at any time before the Completion.

The Condition (i) above cannot be waived, in whole or in part, by any party to the Sale and Purchase Agreement. The Condition (ii) above may be waived in whole or in part by the Purchaser by notice in writing to the Company. The Condition (iii) above may be waived in whole or in part by the Company by notice in writing to the Purchaser. The parties to the Sale and Purchase Agreement may jointly waive the Condition (iv) above in whole or in part (to the extent not required by the Applicable Laws) by notice in writing to the other parties.

If the Conditions have not been satisfied or, as the case may be, waived by 11:59 p.m. (Hong Kong time) on the Longstop Date, the Sale and Purchase Agreement shall automatically terminate with immediate effect, save for certain surviving clauses in the Sale and Purchase Agreement, without prejudice to any rights or remedies of the parties to the Sale and Purchase Agreement which have accrued prior to such termination.

Completion: The Completion shall take place on the Completion Date.

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Post-Completion: The Company shall, as soon as practicable, after Completion, use reasonable endeavours to procure its auditors to conduct a review of the accounts of the Disposal Group for FY2022 in accordance with the Hong Kong Standard on Review Engagements 2400 (Revised) and provide a statement as to the amount of the Adjusted NAV of the Disposal Group as at 31 December 2022 to the parties to the Sale and Purchase Agreement. If the Adjusted NAV of the Disposal Group reviewed by the auditors remains to be a negative amount or is not more than RMB2, the Consideration will remain unchanged. If the Adjusted NAV of the Disposal Group reviewed by the auditors is more than RMB2, the Consideration shall be adjusted to the amount of the Adjusted NAV of the Disposal Group (the “**Adjusted Consideration**”) and the Purchaser shall pay to the Company an amount equal to the difference between the Adjusted Consideration and the Consideration (the “**Remaining Consideration**”). The Remaining Consideration shall be paid by the Purchaser in cash or in kind or a combination of both, at the election of the Purchaser. If the Purchaser elects to pay the Remaining Consideration wholly in cash, such payment shall be made pursuant to a payment schedule to be agreed by the parties to the Sale and Purchase Agreement. If the Purchaser elects to pay the Remaining Consideration partly or wholly in kind, the Company shall obtain further approval by the relevant shareholders of the Company with respect to such manner of settlement. If such proposal is rejected by those shareholders of the Company, the Remaining Consideration shall be settled in cash according to a payment schedule to be agreed by the parties to the Sale and Purchase Agreement. The payment of the Remaining Consideration by the Purchaser is subject to the requirements of the then prevailing Listing Rules applicable to CEG.

2.2 Valuation of the Properties and basis to determine the Consideration

As disclosed in the Board Letter, the Consideration is RMB2, which was determined after arm’s length negotiations between the parties to the Sale and Purchase Agreement with reference to, *inter alia*, the unaudited net liabilities of the Disposal Group of approximately RMB24,789.4 million as at 31 December 2022 after taken into account of the property valuation of the property interests held by the Disposal Group of approximately RMB60,154 million as at 28 February 2023 (the “**Valuation Date**”), as valued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the Independent Property Valuer.

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In order to assess the expertise and independence of the Independent Property Valuer, we have obtained and reviewed its engagement letter and the relevant licenses, qualifications and experience of the Independent Property Valuer and its working team. We have also discussed with the working team of the Independent Property Valuer to understand its previous experiences on valuation projects, the methodologies, basis and assumptions which they have adopted in the Valuation Report as well as the steps and measures taken by them in conducting such valuation. We also understand from the Independent Property Valuer that it has carried out on-site inspections on the Projects and made relevant enquiries and searches for preparing such Valuation Report. The Independent Property Valuer confirmed that it is independent from the Group and their respective associates. Based on the above, we consider that the Independent Property Valuer is qualified and possesses relevant experience in conducting the valuations, and the terms and scope of the engagement between the Company and the Independent Property Valuer are appropriate to the opinion the Independent Property Valuer is required to give.

We have reviewed the list of projects valued by the Independent Property Valuer from the Valuation Report and crosschecked the list of the Projects set out in the Board Letter. We understood that property No.47 and property No.48 in the Valuation Report are properties grouped under property No.46, Kunming Evergrande International Health City, but they are listed and valued separately in the Valuation Report since they are located at addresses or lot number different from Project Kunming Evergrande International Health City.

We have discussed with the Independent Property Valuer on the methodologies of, and basis and assumptions adopted therein. We noted that the valuation is carried out on a market value basis and we understood that (i) for property interests held for sale by the Group and the Company's joint ventures (the "**Joint Ventures**") in the PRC ("**Group I**"), property interests held for future development by the Group and Joint Ventures in the PRC ("**Group III**"), property interests held for investment by the Group in the PRC ("**Group IV**") and property interests held and occupied by the Group in the PRC ("**Group V**"), the Independent Property Valuer has adopted the comparison approach by making reference to comparable sales transactions as available in the market as this approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors; (ii) for property interests held under development by the Group and Joint Ventures in the PRC ("**Group II**"), the Independent Property Valuer has adopted the comparison approach by making reference to comparable sales transactions as available in the market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the Valuation Date and the remainder of the cost and fees expected to be incurred for completing the development. We noted that the Independent Property Valuer has relied on the accrued construction cost and professional fees information provided by the Group and Joint Ventures according to the different stages

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of construction of the properties as at the Valuation Date, and did not find any material inconsistency from those of other similar developments; and (iii) for property interests contracted to be acquired by the Group and Joint Ventures in the PRC, who has entered into agreements with the relevant government authorities (“**Group VI**”), the Independent Property Valuer has attributed no commercial value to such property interests since the Group and Joint Ventures have not yet obtained the State-owned Land Use Rights Certificates/Real Estate Title Certificates (for land) and/or the payment of the land premium has not yet been fully settled as at the Valuation Date, while the Independent Property Valuer also opined on the market value of such property interests as at the valuation date assuming all the relevant legal issues have been settled. We understood from the Independent Property Valuer that the abovementioned comparison approach is fully in line with the relevant valuation and market standards for appraising the properties in the PRC.

We have selected the top five properties in terms of valuation as set out in the valuation report, namely Project No. 46 Kunming Evergrande International Health City, Project No. 14 Zhengzhou Evergrande Future Light, Project No. 28 Nantong Evergrande Cloud Garden, Project No. 24 Nanjing Evergrande Health Valley, and Project No. 7 Chongqing Shuangfu Evergrande Health City, (collectively, the “**Selected Properties**”). As the aggregated value of the Selected Properties accounts for approximately 30% of the total value of the 47 projects held by the Disposal Group, we are of the view that the review of the Selected Properties would be sufficient for the purpose of concluding that the valuation methodologies, the basis and assumptions are reasonable and acceptable. We have also reviewed the list of comparable sales transactions identified by the Independent Property Valuer (“**Comparable Properties**”) for the constructions erected of Selected Properties from the Projects, and such Comparable Properties form an exhaustive list of properties most comparable to the Selected Properties in terms of location, time of transaction, usage, accessibility and other relevant factors. We noted that (i) the Comparable Properties are of car parking, commercial or residential use and located in the nearby districts of the Selected Properties; (ii) the transactions of Comparable Properties are conducted before the Valuation Date; and (iii) the information of the Comparable Properties is consistent with the information published on several real estate internet portals. We understood that the Comparable Properties are subject to appropriate adjustments when taking into account the differences in location, size and other characters between the Comparable Properties and the Selected Properties to arrive at the assumed unit price for the Comparable Properties, from which an upward adjustment is made to allow for conditions, functional obsolescence and other relevant factors if the Comparable Properties are inferior than the Selected Properties, or alternatively, a downward adjustment is made, which is in line with market practice. The Independent Property Valuer then used the average of the adjusted unit price of the Comparable Properties to arrive at a reasonable value of the Selected Properties.

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We have also reviewed the list of comparable lands identified by the Independent Property Valuer (“**Comparable Lands**”) for the Selected Properties and such Comparable Lands form an exhaustive list of lands most comparable to the Selected Properties in terms of location, time of transaction, usage, accessibility and other relevant factors. We noted that (i) the Comparable Lands are located in the nearby districts of the Selected Properties assuming all relevant title certificate has been obtained and could be freely transferred; (ii) the transactions of Comparable Lands are conducted before the Valuation Date; and (iii) the information of the Comparable Lands is consistent with relevant information from the database of China Real Estate Index System (CREIS). We understood that the Comparable Lands are also subject to appropriate adjustments when taking into account the differences in location, size and other characters between the Comparable Lands and the Selected Properties to arrive at the assumed accommodation value for lands of the Comparable Lands. The Independent Property Valuer then used the average of the assumed accommodation value of the Comparable Lands to arrive at a reasonable value of the lands of the Selected Properties.

In addition, we have obtained and reviewed the legal due diligence report on the Disposal Group. We have crosschecked the relevant description on the legal opinion as set out in the Valuation Report and noted that such description in the Valuation Report is consistent with that in the legal due diligence report. Especially, for those properties which the Independent Property Valuer attributed no commercial value as (i) the properties have been seized; (ii) the Group has not yet obtained the State-owned Land Use Rights Certificates/Real Estate Title Certificates (for land) and/or the payment of the land premium has not yet been fully settled as at the Valuation Date; and/or (iii) the constructions erected are in violation of relevant building approval procedures, we noted that the description of such properties in the legal due diligence report fits at least one of the three scenarios mentioned above.

Taking into account the above work and steps we have conducted in relation to the Valuation Report, including but not limited to (i) interviewing the Independent Property Valuer as to its expertise and its independence; (ii) reviewing the terms of engagement of the Independent Property Valuer and assessing the appropriateness of its scope of work; (iii) assessment on the reasonableness of the valuation methodologies, basis and assumptions being adopted in the Valuation Report; and (iv) reviewing the legal due diligence report on the Disposal Group, we are of the view that the valuation methodologies, the basis and assumptions adopted in the Valuation Report are reasonable and acceptable and the total market value of the property interests held by the Disposal Group as at the Valuation Date is fair and reasonable.

2.3 Valuation of comparable peers of the Disposal Group

In order to assess the potential valuation of the Disposal Group which is mainly engaged in the investment holding of health and living projects of the Group (being primarily residential and property development projects) in the PRC, we have conducted

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a search on companies (i) whose shares are listed on the Stock Exchange and were not subject to trading halt or suspension as at the Latest Practicable Date; (ii) whose business operations are in the PRC; and (iii) principally engaged in investment holding of health and living projects. However, no comparable companies can be identified under such criteria. We understood from the Company that the business nature of the Disposal Group is in essence a specific category of the property development business, and therefore we have modified the selection criteria to companies mainly engaged in property development business that also involved in investment holding of health and living projects. 6 comparable companies (“**Property Comparable Companies**”) have been identified based on the above revised criteria, which is an exhaustive list and forms a representative sample to provide us with the recent market sentiment on the valuation of relevant companies. We consider such Property Comparable Companies are comparable with the Disposal Group in terms of business operation (i.e. property development business and holding of health and living projects), assets nature (i.e. heavy assets) and operation location (i.e. the PRC). Since the Disposal Group recorded loss for FY2022, we have adopted the price-to-book ratio (the “**P/B Ratio**”) as the main multiple for our analysis purpose, which is widely accepted for valuation of companies with heavy assets such as property companies. Set out below is the summary of the Property Comparable Companies:

Stock code	Company name	Percentage of revenue derived from property development segments	Market capitalisation as at the Latest Practicable Date (HK\$ billion)	Net Assets (RMB billion)	P/B Ratio ¹ (times)
0337.HK	Greenland Hong Kong Holdings Limited	96%	1.8	14.0	0.12
0688.HK	China Overseas Land & Investment Ltd.	97%	222.2	354.5	0.56
0817.HK	China Jinmao Holdings Group Limited	90%	20.6	47.4	0.39
2329.HK	Glory Health Industry Limited	86%	0.8	11.7	0.06
3377.HK	Sino-Ocean Group Holding Limited	81%	5.9	31.7	0.17
3900.HK	Greentown China Holdings Limited	92%	26.0	36.0	0.64
	Minimum				0.06
	Average				0.32
	Maximum				0.64

Source: Wind

Note:

- The P/B Ratio of Comparable Companies are calculated based on their respective market capitalisation on the Latest Practicable Date and net assets attributable to owners of the Company as at 31 December 2022.

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As shown in table above, the P/B Ratios of the Property Comparable Companies ranged from approximately 0.06 times to approximately 0.64 times, with an average of approximately 0.32 times. Given that (i) the P/B ratios of the Property Comparable Companies are all far below 1, indicating that the market valuation of such companies represents significant discount to their book value; and (ii) the Disposal Group had substantial total deficit of around RMB24.8 billion as at 31 December 2022, which is based on valuation of the property interests held by the Disposal Group of approximately RMB60,154 million, we are of the view the Consideration of RMB2 is fair and reasonable.

3. Reasons for and benefits of the transactions contemplated under the Sale and Purchase Agreement

3.1 Rationale of the Disposal

The Board undertakes strategic review of its businesses from time to time with a view to maximising returns to the Shareholders. We are of the view that based on the heavily geared financial status of the Group as a whole with deteriorated performance on both NEV Segment and Health Management Segment over the years, it is essential for the Group to reform its operation or assets in order to restore a sustainable operation.

The Disposal will allow the Group to focus on the NEV Segment and deploy the appropriate resources towards funding existing and future projects which will, in the long term, offer better and more sustainable returns to the Group and in turn benefit the Company and its Shareholders as a whole.

In 2018, the Group made a strategic entry into the new energy vehicle industry. Since then, it has set up its NEV Segment, established a vertical value-chain across the industry covering vehicle R&D, power batteries, electric motor control and powertrain technology, manufacturing, smart-charging and shared mobility. The Company showcased its first new energy vehicle series “Hengchi (恒馳)” in 2020 and the NEV Segment has emerged to be an area of key focus for the Company. As disclosed in the announcement of the Company dated 30 December 2022, the Group has delivered a total of 324 units of Hengchi 5 to the customers. As stated in the Board Letter, the Remaining Group had delivered over 900 units of Hengchi 5 to the customers as at the Latest Practicable Date. However, as at the Latest Practicable Date, the production of Hengchi 5 in the Group’s Tianjin facilities was suspended due to insufficient funding.

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We noted the Group has been developing new energy vehicle projects for vehicles, batteries and motors since 2019. Its R&D expenses increase significantly from RMB295.1 million in 2019 to RMB1,664.0 million in 2020. Since September 2020, the Company has conducted four rounds of equity fundraising activities and raised around HK\$33 billion, which is mainly used for the R&D and production of the Group's new energy vehicles, paving the groundwork for putting Hengchi new energy vehicles into production.

In view of the significant capital commitment required by the NEV Segment, and having considered the Group's current resources, the Board is of the view that committing further resources in health and living projects within the Disposal Group would not be in line with its overall strategy to de-leverage and may pose limitations to the Group in the development of the NEV Segment.

By de-leveraging and reducing its holding of the Projects, through better focus and specialisation in the NEV Segment, the Board believes that the Company can take the NEV Segment to its next stage of growth. The Board also believes that the business growth in the NEV Segment will allow the Shareholders to realise shareholder value from their continued investment in the Remaining Group. Upon Completion, the Remaining Group will continue its existing principal business in the NEV Segment, and the holding of one residential and property development project in each of Tianjin and Nanning respectively.

After Completion, the Company would become a company purely focusing on the research, development and production of new energy vehicles in the NEV Segment, save and except that the Company will continue to hold the Tianjin Project and the Nanning Project in the short term. Given the recent appetite of the investors as revealed by the valuation of the fellow companies listed on the Stock Exchange which are principally engaged in the NEV Segment, the Company considers that the valuation of the Company would improve without two distinctive segments within the same Group. This in turn would attract investors and help raising funds. The Company is actively seeking external potential investors for possible cooperation opportunities. As at the Latest Practicable Date, no definitive agreement has been entered into with any potential investor.

In addition, since the Disposal Group will no longer be consolidated into the financial statements of the Group after Completion, the Company is of the view that the Disposal would be able to facilitate the audit process for the financial statements prepared after the Completion.

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For our due diligence purpose, we have checked the policies and regulations in relation to the Disposal Group and the Remaining Group. On one hand, we noted there were strengthening regulatory requirements on the property development industry in the PRC since 2020. In 2020, the government implemented the ‘three red lines’ policy on the property development sector, and strict limits would be imposed on developers’ allowable annual debt growth as the penalties for non-compliance. As mentioned in the National Real Estate Development and Sales in 2022 published by the National Bureau of Statistic of China, sales of commercial housing decreased by 26.7%, of which residential sales decreased by 28.3%. On October 16 2022, the government issued the Report to the 20th National Congress of the Communist Party of China, adhering to the principle that “housing is for living in and not for speculation” for the real estate industry. Although the central government issued steady policy support since late 2022, the sector has been struggling for several years, with various large developers mired in debt, and the three-year-long COVID-19 pandemic worsen the situation for property developers. Against the background of industry downturn and regulatory policy on the real estate industry as discussed above, it is expected the Disposal Group is difficult to turn around its current struggling financial performance. The Disposal Group recorded substantially declining revenue from RMB15.3 billion FY2020 to RMB1.5 billion for FY2022 and loss of approximately RMB16.8 billion for FY2021 and RMB8.8 billion FY2022. The Gearing Ratio of the Disposal Group increased from 99.2% as at 31 December 2020 to 119.2% as at 31 December 2021 and reached 134.6% as at 31 December 2022. As discussed with the management of the Company, we understood that the Company had been seeking opportunities on the disposal of the Projects to independent third parties but failed to reach any agreement in this regard. Based on the above, we consider that the Disposal would be overall beneficial to the Group in terms of deleveraging and risk control.

On the other hand, we noted the new energy vehicles are promoted by the PRC government along with supporting regulations and policies. On 26 October 2021, the State Council issued the Action Plan for Carbon Dioxide Peaking Before 2030, requiring that new energy vehicles and clean energy-powered vehicles make up 40% of all new vehicle sales by 2030. With reference to the published information on the Ministry of Industry and Information Technology of the PRC, the production and sales of new energy vehicles were approximately 7.1 million and 6.9 million respectively in 2022, representing a year-on-year increase of 96.9% and 93.4% respectively, and the sales of new energy vehicles reached 25.6% of the total sales of new vehicles, indicating an opportunity for future growth in the market under the current policy. According to Frost & Sullivan, China’s sales volume of NEVs is expected to reach 10.6 million units in 2026, growing at a CAGR of 26.0% from 2021 and accounting for 43.9% of the global new energy vehicle market. Based on such supporting regulations, statistics and projection, we are of the view that the NEV Segment has a relatively promising development potential. As discussed with the Company, we understood that the potential investors which the Company is currently approaching are more interested in investing in the NEV Segment alone rather than the Group as a whole. The successful four rounds of

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equity fundraising by the Company since September 2020, the proceeds of which were mainly used for the R&D and production of the Group's new energy vehicles, also reflected the investors' appetite on the NEV Segment.

Having considered the above factors and the section headed "Financial Effect of the Disposal" in the Board Letter, the Board (including the independent non-executive Directors) is of the view and we concur that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and that the entering into of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interest of the Company and its Shareholders as a whole.

3.2 Prospect of the Remaining Group and valuation of its comparable peers

In order to assess the potential valuation of the Remaining Group which would focus on the NEV Segment on production of new energy vehicles, we have conducted a search on companies (i) whose shares are listed on the Hong Kong Stock Exchange; (ii) whose business operations mainly in the PRC; (iii) which have similar business nature of the NEV Segment (i.e., design, manufacture and sales of new energy vehicles); and (iv) 80% or more of whose total revenue is generated from the manufacturing and sales of new energy vehicles. 4 comparable companies ("NEV Comparable Companies") have been identified based on the abovementioned criteria, which is an exhaustive list and forms a representative sample to provide us with the recent market sentiment on the valuation of relevant companies. Given all NEV Comparable Companies recorded loss in FY2022, we have adopted the price-to-sales ratio (the "P/S Ratio") and the P/B Ratio as the main multiples for our analysis purpose. Set out below is the summary of the NEV Comparable Companies:

Stock code	Company name	Market Capitalisation as at the Latest Practicable Date (HK\$ billion)	Percentage of revenue derived from manufacturing and sales of new energy vehicles	Revenue (RMB billion)	Net Assets (RMB billion)	P/S Ratio ¹ (times)	P/B Ratio ² (times)
2015.HK	Li Auto Inc.	192.1	97%	45.3	44.9	3.79	3.83
9863.HK	Zhejiang Leapmotor Technology Co., Ltd.	45.1	100%	12.4	8.3	3.26	4.88
9866.HK	NIO Inc.	114.3	92%	49.3	23.9	2.07	4.28
9868.HK	Xpeng Inc.	64.6	93%	26.9	36.9	2.15	1.56
Minimum						2.07	1.56
Average						2.82	3.64
Maximum						3.79	4.88
0708.HK	the Company ³	34.70	0.5%	17.9	11.1	1.61	2.61

Source: Wind

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Notes:

1. The P/S Ratios of NEV Comparable Companies are calculated based on their respective market capitalisation on the Latest Practicable Date and revenue for FY2022.
2. The P/B Ratios of NEV Comparable Companies are calculated based on their respective market capitalisation on the Latest Practicable Date and net assets attributable to owners of the company as at 31 December 2022.
3. The P/S Ratio and the P/B Ratio of the Company are calculated based on its market capitalisation on 31 March 2022, being the last trading day of the Shares before the suspension of trading, revenue of the Group for the 12 months ended 30 June 2021 and the net assets attributable to owners of the Company.

As shown in table above, the P/S Ratios of the NEV Comparable Companies ranged from approximately 2.07 times to approximately 3.79 times, with an average of approximately 2.82 times; and the P/B Ratios of the NEV Comparable Companies ranged from approximately 1.56 times to approximately 4.88 times, with an average of approximately 3.64 times. Since the lower end of the range of the P/S Ratios of the NEV Comparable Companies is higher than the P/S Ratio of the Company and the average P/B Ratio of the NEV Comparable Companies is higher than the P/B Ratio of the Company, it indicates the market might give higher valuation to the Remaining Group (i.e. the NEV Segment alone) than to the NEV Segment as a part of the Company.

In addition, we noted the P/B Ratios of the NEV Comparable Companies are all substantially higher than those of the Property Comparable Companies, which ranged from approximately 0.06 times to approximately 0.64 times, indicating that investors have better appetite for the prospects of companies in the NEV industry and therefore willing to give them higher valuation.

As stated in the Board Letter, it is expected that the residential units in the Tianjin Project will be delivered to the purchasers by the end of June 2023, and hence, Tianjin Guoneng will not form part of the Disposal Group. Regarding the Nanning Project, the Group is in negotiation with the relevant parties and intends to complete the disposal of Guangxi Lichi as soon as practicable. Given both projects are expected to be disposed in the near future, we consider that the temporary holding of the Tianjin Project and Nanning Project would have little bearing on our assessment of the valuation of the Remaining Group and conclusion that the market might give higher valuation to the Remaining Group.

The Company is facing the problems including but not limited to, high gearing, lack of working capital, illiquidity of assets represented by the Projects, new energy vehicle production was halted, we agreed with the Board that carving out the Disposal Group allows the Group to better focus on the NEV Segment. The Board expects only with a streamlined business strategy and offloading the liabilities burden in associated with the Projects, it is more likely to attract new investors to collaborate with the Group in revitalising and expanding the NEV Segment. The Remaining Group is still subject to among others, business risks and liquidity risks as mentioned in Appendix V to the

Circular thus the operations remains challenging as a whole for the Group despite the Disposal could improve its financial burden from the Disposal Group. In view of the significant investments made by the Company on the NEV Segment in the past few years, we believed through reorganising the key business line by carving out the Health Management Segment and if the Group is able to ramp up its production with new funding from investors, financier or other market players, there are great chances the Remaining Group that focusing on the NEV Segment can form a major source of revenue for the Group over time.

4. Financial effects of the Disposal

Upon Completion, the Company will cease to have any interest in the Disposal Group and the financial information of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Group. The analysis below is based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to the Circular (the “**Pro Forma Financial Information**”). It should be noted that such analysis is for illustrative purposes only and does not purport to represent how the financial position of the Remaining Group will be upon the Completion.

4.1 *Effects on net assets*

As at 30 June 2021, the Group had unaudited net assets attributable to owners approximately RMB11,080.2 million. Based on, the net assets attributable to owners of the Remaining Group would be approximately RMB10,240.4 million, representing a decrease of approximately 7.6% as compared to the net assets attributable to owners of the Group as at 30 June 2021.

4.2 *Effects on liabilities*

As at 30 June 2021, the Group had unaudited total liabilities of approximately RMB153,014.7 million. Based on the Pro Forma Financial Information, the total liabilities of the Remaining Group would be approximately RMB50,293.4 million, representing a decrease of approximately 67.1% as compared to the total liabilities of the Group as at 30 June 2021.

The Gearing Ratio of the Remaining Group would be 81.7% as at 30 June 2021, representing a substantial decrease from the Gearing Ratio of the Group of approximately 92.7% as at 30 June 2021.

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4.3 Effects on working capital

As at 30 June 2021, the Group had a negative unaudited working capital of approximately RMB12,999.3 million. Based on the Pro Forma Financial Information, the negative working capital of the Remaining Group would be approximately RMB21,636.4 million, representing a decrease of approximately RMB8,637.1 million as compared to the working capital of the Group as at 30 June 2021.

As mentioned in the Appendix I to the Circular, to address the working capital sufficiency issue, the Directors will seek other possible financing alternatives (including both equity financing, i.e. the issue of new Shares to the major Shareholders and/or potential investors, and debt financing, i.e. borrowings from banks/financial institutions and/or the major Shareholders) in order to fulfil the future working capital requirements of the Remaining Group if necessary.

4.4 Effects on earnings

For FY2020, the Group recorded unaudited loss for the year of approximately RMB7,664.9 million. Based on the Pro Forma Financial Information, the loss for the year of the Remaining Group would be approximately RMB7,740.0 million, representing an increase of approximately RMB75.1 million as compared to loss for the year of the Company for FY2020.

Based on the above analysis, we are of the view that, although the Remaining Group would still suffer from insufficient working capital and loss making, the Disposal has overall positive financial effects on the Group's financial position and is in the interest of the Company and the Independent Shareholders as a whole.

5. Application for the Waiver

As stated in the Board Letter, the Company has applied to the Stock Exchange for the Waiver from strict compliance with the Rules Requirements and the Stock Exchange has granted the Waiver to the Company from strict compliance with the Rules Requirements. For further details of the Waiver, please refer to the section headed "WAIVER FROM STRICT COMPLIANCE WITH RULES" in the Board Letter.

Shareholders should be fully aware of the limitation on the professional assurance with respect to the unaudited financial information of the Disposal Group. We emphasise that the unaudited financial information for FY2021 and FY2022 has not been reviewed or audited. The unaudited financial information is only based on the preliminary assessment of the Board, and is not based on any other data or information that has been audited or reviewed by the auditor of the Company. The Board and we cannot guarantee that the unaudited financial information truly reflects the financial performance and position of the Disposal Group and such information might be misleading if any potential adjustments have not been taken into

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account. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the unaudited financial information when marking their voting decisions.

Fully informed about the grounds for applying for the Waiver, we as the Independent Financial Adviser can only opine on the reasonableness of any transaction based on the available information provided to or obtained by us during the course of preparing our recommendation. Since the latest published audited accounts for FY2020 were too outdated to be used by us to conduct any meaningful analysis, we have therefore based on the unaudited financial information (which the Board believes such be able to provide the Independent Shareholders with a broad indication of the Disposal Group's financial position and performance during FY2021 and FY2022) to conduct our analysis. However, the Independent Shareholders are reminded to exercise caution in placing reliance on the unaudited financial information and are advised to also consider other factors set out in our letter upon which we draw our opinion and advice.

We focused on whether the financial figures, even unaudited and not even reviewed by the Company's reporting accountant, can provide sufficient ground to confirm that the Disposal Group is in net deficit position and plagued by the cash flow and going concern issues and hence to form our recommendation to the Independent Board Committee and the Independent Shareholders of the Company. We consider that the Independent Board Committee and the Independent Shareholders of the Company can still form a reasonable ground and view to vote given (i) their possession of information as revealed by the management accounts of the Disposal Group for the three years ended 31 December 2022 as set out in Appendix II of the Circular; (ii) the unaudited financial information of the Disposal Group has taken into account of the latest valuation of the Projects conducted by the Independent Property Valuer as set out in Appendix III to the Circular; (iii) their understanding that the Disposal Group is an enormous burden to the Group as a whole based on the aforementioned issues discussed in the section headed "3.1 Rationale of the Disposal" in this letter; (iv) their understanding that the Disposal is an essential step for the corporate rescue exercise; (v) we have conducted an interview with Prism, who is in the course of preparing the audit of the Company, confirming that after taking into account of information available and audit/review procedures performed, it is expected the Disposal Group shall remain as net deficit position as at 31 December 2022 upon completion of the review, notwithstanding that the review of the financial statements of the Disposal Group for FY2021 and FY2022 had not been completed as at the Latest Practicable Date; and (vi) there is a post-completion adjustment mechanism on the consideration of the Disposal Group to safeguard the interest of the Independent Shareholders should the Adjusted NAV of the Disposal Group reviewed by the auditors is more than RMB2.

As elaborated above, we consider that there will be sufficient information for us as well as the Independent Board Committee and the Independent Shareholders of the Company to assess the Sale and Purchase Agreement and the transactions contemplated thereunder and/or make a properly informed voting decision notwithstanding the Waiver.

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RECOMMENDATION

Having taken into consideration the above principal factors and reasons, we consider that (i) the terms of the Sale and Purchase Agreement are fair and reasonable; and (ii) although the Disposal is not in the ordinary and usual course of business, it is in on normal commercial terms and the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favor of the relevant resolution(s) at the GM to approve the transactions contemplated under the Sale and Purchase Agreement.

Yours faithfully,

For and on behalf of

Maxa Capital Limited

Michael Fok

Dian Deng

Managing Director

Managing Director

Mr. Michael Fok is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 23 years of experience in the corporate finance industry. Ms. Dian Deng is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Maxa Capital Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in the corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the six months ended 30 June 2021, FY2020 and the 12 months ended 31 December 2019 and 31 December 2018 are disclosed in the following documents which have been published on the website of Stock Exchange (<http://www.hkexnews.hk/>) and the website of the Company (<https://www.irasia.com/listco/hk/evergrandevehicle/>):

- (a) interim report of the Company for the six months ended 30 June 2021 (pages 19–72):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0930/2021093000703.pdf>
- (b) annual report of the Company for FY2020 (pages 56–164):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900569.pdf>
- (c) annual report of the Company for the 12 months ended 31 December 2019 (pages 48–150):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042902995.pdf>
- (d) annual report of the Company for the 12 months ended 31 December 2018 (pages 75–153):
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0426/ltn201904262779.pdf>

2. INDEBTEDNESS STATEMENT

Debts and borrowings

As at 28 February 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Remaining Group had outstanding (i) secured and guaranteed bank and other borrowings of approximately RMB7,991 million, (ii) unsecured and guaranteed bank and other borrowings of approximately RMB935 million, (iii) unsecured and unguaranteed other borrowings of approximately RMB16,979 million, and (iv) lease liabilities of approximately RMB335 million.

As at 28 February 2023, the Group's borrowings of approximately RMB7,991 million were secured by pledge of the Group's property, plant and equipment, right-of-use assets, properties under development, completed properties held for sale, restricted cash and equity interests of certain subsidiaries.

Save as aforesaid and apart from intra-group liabilities and normal trade payables and accruals and other payables in the ordinary course of business, as at 28 February 2023, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, lease liabilities, hire purchase commitments, guarantees or material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the present financial resources available to the Remaining Group, including internally generated funds and the available banking facilities, the Remaining Group, after Completion, will not have sufficient working capital for its present requirements for at least the Forecast Period.

Major assumptions and events taken into account by the Directors in preparing the working capital forecast include:

- (i) the Disposal will be completed in May 2023;
- (ii) lenders of loans with no specific maturity dates will not demand partial or full repayment of the loans during the Forecast Period and the existing borrowings will be extended by respective lenders;
- (iii) there will be additional banking facilities of approximately RMB1.7 billion available to the Group; and
- (iv) core business operation and asset base (including real assets, financial assets and any other forms of assets and/or liabilities and contingent liabilities) of the Remaining Group and the market conditions in which the Remaining Group operates and/or invests in will not differ materially from those of present, including no acquisition or disposal and/or intended acquisition or disposal (save for the Disposal) with concrete terms would be proposed, conducted and/or completed by the Remaining Group during the Forecast Period.

The major factor leading to the insufficiency of working capital is the substantial interest bearing borrowings as at 31 December 2022 with the amount of approximately RMB18 billion, most of which have already been matured and/or default. Based on the Group's current operations scale, the Group would not be able to repay the principals as well as the interest of the interest bearing borrowings. Furthermore, the developments and manufacturing of new energy vehicles require substantial capital expenditures and working capital that the Group would not be able to sustain.

The Board has continuously devoted effort to resolve the issue mentioned above. The Board has been negotiating with the lenders for restructuring the existing banking facilities and extend the repayment terms to 2024. On the other hand, the Group has been in discussion with the Shareholders and potential investors in relation to the further injection of capital into the Company.

During the Forecast Period, the main source of revenue is the sale of new energy vehicles. However, the revenue arising from the sale of new energy vehicles is expected to be insufficient to match the operating expenses of the Group. Also, after taking into account the potential needs of repayments of the interest and/or the principals of the interest bearing borrowings, the working capital requirement could not be satisfied.

To address the working capital sufficiency issue, the Directors will seek other possible financing alternatives (including both equity financing, i.e. the issue of new Shares to the major Shareholders and/or potential investors, and debt financing, i.e. borrowings from banks/financial institutions and/or the major Shareholders) in order to fulfil the future working capital requirements of the Remaining Group if necessary.

4. MATERIAL ADVERSE CHANGE

Save as disclosed in: (i) the announcement of the Company dated 9 August 2021 in relation to profit warning; (ii) the announcement of the Company dated 30 August 2021 in relation to, among other things, the interim results for the six months ended 30 June 2021; (iii) the announcement of the Company dated 24 September 2021 in relation to updates since 31 August 2021; (iv) the announcement of the Company dated 26 November 2021 in relation to updates since 24 September 2021; (v) the announcements of the Company dated 22 March 2022 in relation to, among other things, the expected delay in publication of 2021 audited results; (vi) the announcement of the Company dated 29 March 2022 in relation to, among other things, the inside information and business update; (vii) the announcement of the Company dated 20 June 2022 in relation to, among other things, the resumption guidance; (viii) the announcements of the Company dated 22 March 2023, 30 December 2022 and 16 September 2022 on quarterly updates, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited accounts of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2022 and will remain suspended until further notice.

Upon Completion, the Company will cease to hold any interests in the Disposal Group. For further information of the financial and prospects of the Remaining Group, please refer to Appendix V to this circular.

The key financial information of the Disposal Group as extracted from the unaudited consolidated management accounts of the Group for FY2021 and FY2022 has been set out in this appendix to keep the Shareholders and potential investors of the Company abreast of the financial position and performance of the Group. The Directors confirmed that the unaudited financial information has been prepared using the same accounting policies as those adopted by the Company in the preparation of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 (being the date to which the latest published audited accounts of the Company were made up).

The Board emphasises that the unaudited financial information for FY2021 and FY2022 has not been reviewed or audited. The unaudited financial information is only based on the preliminary assessment of the Board, and is not based on any other data or information that has been audited or reviewed by the auditor of the Company. The Board cannot guarantee that the unaudited financial information truly reflects the financial performance and position of the Group and such information might be misleading if any potential adjustments have not been taken into account. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution in placing reliance on the unaudited financial information when dealing in the securities of the Company.

The Independent Shareholders are also reminded to read the “Letter from the Independent Financial Adviser” as set out on pages 23 to 51 of this circular, which contains the advice of the Independent Financial Adviser to each of the Independent Board Committee and the Independent Shareholders in relation to the Disposal. It should be noted that since the latest published audited accounts for FY2020 were too outdated to be used by the Independent Financial Adviser to conduct any meaningful analysis, it has therefore based on the unaudited financial information (which the Board believes such be able to provide the Independent Shareholders with a broad indication of the Group’s financial position and performance during FY2021 and FY2022) to conduct its analysis. However, the Independent Shareholders are reminded to exercise caution in placing reliance on the unaudited financial information and are advised to also consider other factors set out in the “Letter from the Independent Financial Adviser” upon which the Independent Financial Adviser draws its opinion and advice.

Given (i) the information as revealed by the management accounts of the Disposal Group for the three years ended 31 December 2022 as set out in this appendix; (ii) the unaudited financial information of the Disposal Group has taken into account of the latest valuation of the Projects as of 28 February 2023 conducted by the Independent Property Valuer as set out in Appendix III to this circular; (iii) the Disposal Group is an enormous burden to the Group as a whole based on the issues as set out in the section headed “3.1 Rationale of the Disposal” in the “Letter from the Independent Financial Adviser”; (iv) the Disposal is an essential step for the corporate rescue exercise; (v) the Independent Financial Adviser has conducted an interview with Prism, which is in the course of auditing the accounts of the Company and confirmed that after taking into account of the information available and the audit/review procedures performed, it is expected that the Disposal Group shall remain in a net deficit position as at 31 December 2022 upon completion of the review, notwithstanding that the review of the financial statements of the Disposal Group for FY2021 and FY2022 had not been completed as at the Latest Practicable Date; and (vi) the post-Completion adjustment mechanism for the Consideration as stated in the section headed “The Sale and Purchase Agreement — Post-Completion” in the “Letter from the Board” to safeguard the interest of the Independent Shareholders should the Adjusted NAV of the Disposal Group reviewed by the auditors is more than RMB2, the Independent Board Committee concurs with the Independent Financial Adviser’s view that the Independent Shareholders will still have sufficient reliable information to make an informed investment decision based on the information contained in this circular.

FINANCIAL INFORMATION OF THE DISPOSAL GROUP

Set out below is the financial information of the Disposal Group which comprises the unaudited combined consolidated statement of financial position of the Disposal Group as at 31 December 2020, 31 December 2021 and 31 December 2022 and the unaudited combined consolidated statement of profit or loss and other comprehensive income, unaudited combined consolidated statement of changes in equity and unaudited combined consolidated statement of cash flows of the Disposal Group for FY2020, FY2021 and FY2022 and certain explanatory notes (the “**Disposal Group Financial Information**”).

The Disposal Group Financial Information has been prepared on the basis set out in note 2 to the Disposal Group Financial Information. The Disposal Group Financial Information is prepared by the Directors solely for the purposes of inclusion in this circular in connection with the Disposal.

Prism, the reporting accountant of the Company, was engaged to review the unaudited combined consolidated statement of financial position of the Disposal Group as at 31 December 2020, the unaudited combined consolidated statement of profit or loss and other comprehensive income, unaudited combined consolidated statement of changes in equity and unaudited combined consolidated statement of cash flows of the Disposal Group for FY2020 (the “**FY2020 Disposal Group Financial Information**”) in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) “Engagements to Review Historical Financial Statements” 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.

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 FY2020 Disposal Group Financial Information, nothing has come to the attention of Prism that causes them to believe that the FY2020 Disposal Group Financial Information is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the FY2020 Disposal Group Financial Information.

The Directors noted that there was a change in the financial position of the Disposal Group as at 31 December 2021 and 2022. The Disposal Group had net assets of RMB0.8 billion and net current assets of RMB8.6 billion as at 31 December 2020, and net liabilities of RMB15.8 billion and RMB24.8 billion and net current liabilities of RMB8.6 billion and RMB21.2 billion as at 31 December 2021 and 2022, respectively.

Such a change in the Disposal Group's financial position was a reflection of the changes in the macroeconomic policies for the PRC real estate sector, COVID-19 pandemic and project management strategy. In order to curb any excessive investments in the PRC real estate market and the rapid rise in housing prices, the PRC government introduced a series of measures including financial measures, taxation, land supply and other real estate regulation policies. Such policies have led to various issues for market players such as the Disposal Group including a decline in sales, financing difficulties, sale of properties at discounted rates or delay in delivery of properties. In addition, the overall consumer appetite in purchasing real estate dropped further once the COVID-19 pandemic took place since 2019, which permeated into 2022. Prospective purchasers were constrained in visiting, inspecting or purchasing any new property during the pandemic, causing consumer appetite in purchasing real estate to hit a low point between 2021 and 2022. In addition, some of our property development projects, which are located in the scenic suburban areas of the city and more price sensitive than properties located in the city areas, had experienced a downward price pressure and a drop in sales during the property market downturn. In order to mitigate such downward market forces and to maintain a stable cash inflow, the Disposal Group had to adopt a business strategy of selling properties at discounted rates to boost sales.

As a result of the above, between 31 December 2020 and 2021, the Disposal Group had experienced (i) a decrease in non-current assets of RMB0.7 billion, primarily owing to a decline in investment properties and intangible assets; and (ii) a decrease in current assets of RMB20.6 billion, which primarily consisted of a decline in prepayments and a significant drop in properties under development and completed properties held for sale, and cash and cash equivalents. This trajectory continued to 31 December 2022 with (i) a further decrease in non-current assets of RMB2.5 billion, which primarily consisted of a continuation in the decline in investment properties and intangible assets, compounded by a significant drop in property, plant and equipment; and (ii) a further decrease in current assets of RMB8.0 billion, which primarily consisted of the continued decrease in prepayments, properties under development and completed properties held for sale, and cash and cash equivalents.

The Disposal Group's change in financial position was also attributable to a gradual increase in current liabilities, at RMB90.0 billion, RMB86.7 billion and RMB91.2 billion as at 31 December 2020, 2021 and 2022, respectively. This increase consisted of increases in contract liabilities as a result of the impacts from the COVID-19 pandemic where construction sites had to be shut down to avoid crowds during the outbreak in 2020 and 2021, some of the projects had fully resumed after the pandemic while many others remained suspended, causing a delay in the delivery of completed properties to customers in 2021 and 2022, and increases in borrowings in 2022 and trade and other payables in 2022.

APPENDIX II FINANCIAL INFORMATION OF THE DISPOSAL GROUP

**UNAUDITED COMBINED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

	Year ended 31 December		
	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)
Revenue	15,298,551	6,977,270	1,504,269
Cost of sales	<u>(12,452,855)</u>	<u>(6,334,244)</u>	<u>(2,288,027)</u>
Gross profit/(loss)	2,845,696	643,026	(783,758)
Other income/(losses), net	(1,540)	1,042	5,143
Other gains/(expenses), net	(8,592)	(13,292,502)	(7,309,324)
Selling and marketing costs	(1,558,629)	(1,875,655)	(184,379)
Administration expenses	(554,112)	(518,623)	(130,157)
Net impairment losses on financial costs	(37,187)	(359,192)	(164)
Fair value losses on investment properties	<u>(126,420)</u>	<u>(262,100)</u>	<u>(183,300)</u>
Operating profit/(loss)	559,216	(15,664,004)	(8,585,939)
Finance costs, net	31,869	(953,968)	27,195
Fair value (losses)/gain on financial assets at fair value through profit or loss	(14,846)	241	—
Share of losses of investments accounted for using the equity method	<u>(35,787)</u>	<u>(107,624)</u>	<u>(297,468)</u>
Profit/(loss) before income tax	540,452	(16,725,355)	(8,856,212)
Income tax (expense)/credit	<u>(472,326)</u>	<u>(57,207)</u>	<u>31,827</u>
Profit/(loss) for the year	<u><u>68,126</u></u>	<u><u>(16,782,562)</u></u>	<u><u>(8,824,385)</u></u>

	Year ended 31 December		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
Other comprehensive (loss)/income:			
Items that may be reclassified to profit and loss:			
Currency translation differences	<u>(138,589)</u>	<u>174,138</u>	<u>(189,389)</u>
Total comprehensive (loss)/income for the year	<u><u>(70,463)</u></u>	<u><u>(16,608,424)</u></u>	<u><u>(9,013,774)</u></u>
Profit/(loss) attributable to:			
Owners of the Company	83,794	(16,782,562)	(8,824,385)
Non-controlling interests	<u>(15,668)</u>	<u>—</u>	<u>—</u>
Profit/(loss) for the year	<u><u>68,126</u></u>	<u><u>(16,782,562)</u></u>	<u><u>(8,824,385)</u></u>
Total comprehensive loss attributable to:			
Owners of the Company	(54,795)	(16,608,424)	(9,013,774)
Non-controlling interests	<u>(15,668)</u>	<u>—</u>	<u>—</u>
Loss for the year	<u><u>(70,463)</u></u>	<u><u>(16,608,424)</u></u>	<u><u>(9,013,774)</u></u>

APPENDIX II FINANCIAL INFORMATION OF THE DISPOSAL GROUP

UNAUDITED COMBINED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at 31 December		
	2020	2021	2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Assets			
Non-current assets			
Property, plant and equipment	2,220,203	2,445,294	621,013
Right-of-use assets	316,815	343,033	120,192
Investment properties	938,100	676,000	492,700
Trade receivables	41,862	—	—
Prepayments	380	—	—
Investments accounted for using the equity method	438,507	330,883	370,763
Financial assets at fair value through profit or loss	349,876	20,000	20,000
Intangible assets	311,388	67,550	17,411
Deferred income tax assets	<u>270,908</u>	<u>272,805</u>	<u>8,902</u>
	<u>4,888,039</u>	<u>4,155,565</u>	<u>1,650,981</u>
Current assets			
Trade and other receivables and prepaid taxes	6,512,909	7,210,598	12,725,266
Prepayments	5,924,905	3,160,146	417,670
Properties under development and completed properties held for sale	73,003,062	65,415,742	54,202,850
Contract assets	601,355	1,338,877	275,039
Restricted cash	3,447,149	664,156	2,354,737
Cash and cash equivalents	<u>9,183,588</u>	<u>305,009</u>	<u>88,481</u>
	<u>98,672,968</u>	<u>78,094,528</u>	<u>70,064,043</u>
Total assets	<u><u>103,561,007</u></u>	<u><u>82,250,093</u></u>	<u><u>71,715,024</u></u>

	As at 31 December		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)
EQUITY			
Equity attributable to owners of the Company			
Share capital	—	—	—
Reserves	(39,195)	134,943	(22,619)
Retained earnings/(accumulated losses)	<u>871,994</u>	<u>(15,910,568)</u>	<u>(24,766,780)</u>
	832,799	(15,775,625)	(24,789,399)
Non controlling interests	<u>(16)</u>	<u>—</u>	<u>—</u>
Total equity/(deficiency in equity)	<u>832,783</u>	<u>(15,775,625)</u>	<u>(24,789,399)</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	32,425	15,517	15,517
Deferred income	10,000	10,000	101,812
Borrowings	11,815,737	10,543,787	5,164,496
Deferred income tax liabilities	<u>827,154</u>	<u>726,579</u>	<u>7,981</u>
	<u>12,685,316</u>	<u>11,295,883</u>	<u>5,289,806</u>
Current liabilities			
Contract liabilities	20,576,486	37,706,768	32,779,684
Lease liabilities	33,948	21,281	96,755
Trade and other payables	60,986,264	42,415,428	49,201,052
Borrowings	6,811,568	4,905,000	7,521,284
Current income tax liabilities	<u>1,634,642</u>	<u>1,681,358</u>	<u>1,615,842</u>
	<u>90,042,908</u>	<u>86,729,835</u>	<u>91,214,617</u>
Total liabilities	<u>102,728,224</u>	<u>98,025,718</u>	<u>96,504,423</u>
Total equity and liabilities	<u>103,561,007</u>	<u>82,250,093</u>	<u>71,715,024</u>

UNAUDITED COMBINED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital <i>RMB'000</i>	Share premium and reserves <i>RMB'000</i>	Accumulated losses <i>RMB'000</i>	Total <i>RMB'000</i>	Non- controlling interests <i>RMB'000</i>	Total deficit <i>RMB'000</i>
As at 1 January 2020	—	99,394	788,200	887,594	15,652	903,246
Profit/(loss) for the year	—	—	83,794	83,794	(15,668)	68,126
Other comprehensive expenses for the year	—	(138,589)	—	(138,589)	—	(138,589)
Total comprehensive (expenses)/income for the year	—	(138,589)	83,794	(54,795)	(15,668)	(70,463)
As at 31 December 2020	—	(39,195)	871,994	832,799	(16)	832,783
As at 1 January 2021	—	(39,195)	871,994	832,799	(16)	832,783
Loss for the year	—	—	(16,782,562)	(16,782,562)	—	(16,782,562)
Other comprehensive income for the year	—	174,138	—	174,138	—	174,138
Total comprehensive income/(expenses) for the year	—	174,138	(16,782,562)	(16,608,424)	—	(16,608,424)
Disposal of subsidiaries	—	—	—	—	16	16
As at 31 December 2021	—	134,943	(15,910,568)	(15,775,625)	—	(15,775,625)
As at 1 January 2022	—	134,943	(15,910,568)	(15,775,625)	—	(15,775,625)
Loss for the year	—	—	(8,824,385)	(8,824,385)	—	(8,824,385)
Other comprehensive expenses for the year	—	(189,389)	—	(189,389)	—	(189,389)
Total comprehensive expenses for the year	—	(189,389)	(8,824,385)	(9,013,774)	—	(9,013,774)
As at 31 December 2022	—	(54,446)	(24,734,953)	(24,789,399)	—	(24,789,399)

APPENDIX II FINANCIAL INFORMATION OF THE DISPOSAL GROUP

UNAUDITED COMBINED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2020	2021	2022
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Cash flows of operating activities			
Cash generated from/(used in) operations	3,421,556	(4,568,194)	5,314,026
Interest paid	(2,043,695)	(1,894,651)	(1,520,508)
Income tax paid	<u>(176,110)</u>	<u>(102,490)</u>	<u>(735,750)</u>
Net cash from/(used in) operating activities	<u>1,201,751</u>	<u>(6,565,335)</u>	<u>3,057,768</u>
Cash flows of investing activities			
Purchases of property, plant and equipment	(366,970)	(253,011)	(200,950)
Purchases of intangible assets	(316,408)	(105,330)	(70,760)
Purchases of right-of-use assets	(2,553)	—	(4,839)
Proceeds from disposal of financial assets at fair value through profit or loss	—	230,536	—
Proceeds from government grants for construction	852,107	460,391	402,950
Interest received	70,503	55,931	20,931
Repayments from joint ventures	731,062	468,320	339,102
Repayments from associates	13,920	3,029	6,947
Disposal of property, plant and equipment	<u>2,012</u>	<u>860</u>	<u>1,583</u>
Net cash from investing activities	<u>983,673</u>	<u>860,726</u>	<u>494,964</u>
Cash flows from financing activities			
Proceeds from borrowings	13,493,592	8,302,191	7,039,201
Repayments of borrowings	(10,878,154)	(11,480,709)	(10,812,207)
Repayments of principal element of lease payment	<u>(60,853)</u>	<u>(36,877)</u>	<u>(21,281)</u>
Net cash from/(used in) financing activities	<u>2,554,585</u>	<u>(3,215,395)</u>	<u>(3,794,287)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
	4,740,009	(8,920,004)	(241,555)
Cash and cash equivalents at beginning of year	4,469,509	9,183,588	305,009
Effect of exchange difference on cash and cash equivalents	<u>(25,930)</u>	<u>41,425</u>	<u>25,027</u>
Cash and cash equivalents at end of year	<u>9,183,588</u>	<u>305,009</u>	<u>88,481</u>

NOTES TO DISPOSAL GROUP FINANCIAL INFORMATION**1. GENERAL INFORMATION**

Assemble Guard Limited and Flaming Ace Limited (the “**Disposal Companies**”, and hereinafter together with the subsidiaries as the “**Disposal Group**”) were incorporated in the BVI with limited liabilities. The principal activities of the Disposal Companies are investment holding. The subsidiaries of the Disposal Companies are mainly engaged in the provision of health management services.

The intermediate holding company of the Disposal Companies is China Evergrande New Energy Vehicle Group Limited (the “**Company**”), a company which was incorporated as an exempted company with limited liability in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

On 24 April 2023, the Company and Anxin Holding Limited (the “**Purchaser**”) had entered into a sale and purchase agreement, pursuant to which the Company has conditionally agreed to sell as the beneficial owner, and the Purchaser has conditionally agreed to purchase, the entire issued shares of the Disposal Companies (the “**Sale Shares**”) at the consideration of RMB2 (the “**Proposed Disposal**”).

2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The financial information of the Disposal Group for the three years ended 31 December 2020, 2021 and 2022 (“**Unaudited Financial Information**”) has been prepared in accordance with Rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the very substantial disposal of the entire issued share capital of the Disposal Entity on 25 April 2023.

As at 31 December 2021 and 2022, the Disposal Group had net current liabilities of approximately RMB8,635,307,000 and RMB21,150,574,000 respectively. The directors of the Disposal Companies have carefully assessed the Disposal Group’s liquidity position by taking into account: (a) included in the current liabilities were the contract liabilities of RMB37,706,768,000 and RMB32,779,684,000 respectively, with no expected future cash outflows; (b) the Disposal Group’s expected cash inflows from operating activities; and (c) the fellow subsidiaries of the Target Company do not intend to demand repayment of the amounts owed to them until the Target Group has sufficient cash to make repayment. The directors of the Target Company believe that the Disposal Group has adequate resources to continue operations and meet its abilities as at when they fall due for the foreseeable future of not less than 12 months from the end of the reporting period. Therefore, the directors of the Target Company are of the opinion that it is appropriate to prepare the Unaudited Financial Information on a going concern basis.

The Unaudited Financial Information has been prepared using the same accounting policies as those adopted by the Company in the preparation of the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2020 and the consolidated financial statements of the Company and its subsidiaries for the six months ended 30 June 2021, which conform with Hong Kong Financial Reporting Standards issued by the HKICPA. The Unaudited Financial Information neither contains sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 “Presentation of Financial Statements” nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the HKICPA. It should be read in connection with the Company’s relevant published annual financial statements.

The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this circular received from Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 28 February 2023 of the property interests held by the Group and joint ventures.



仲量聯行

Jones Lang LaSalle Corporate Appraisal and Advisory Limited
7/F One Taikoo Place 979 King's Road Hong Kong
tel +852 2846 5000 fax +852 2169 6001
Licence No.: C-030171

25 April 2023

The Board of Directors

China Evergrande New Energy Vehicle Group Limited

23rd Floor

China Evergrande Centre

38 Gloucester Road

Wanchai

Hong Kong

Dear Sirs,

In accordance with your instructions to value the property interests held by China Evergrande New Energy Vehicle Group Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) and Company’s joint ventures in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the property interests as at 28 February 2023 (the “**valuation date**”) for disclosure purpose.

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

We have valued the property interests in Group I which are held for sale by the Group and joint ventures, Group III which are held for future development by the Group and joint ventures, Group IV which are held and occupied by the Group and Group V which are held for investment by the Group by the comparison approach assuming sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

For the purpose of our valuation, real estate developments for sale are those the Construction Work Completion and Inspection Certificates/Tables or Building Ownership Certificates/Real Estate Title Certificates thereof are issued by the relevant local authorities, and this also includes those property interests which have been contracted to be sold, but the formal assignment procedures of which have not yet been completed; and real estate developments for future development are those the Construction Work Commencement Permits are not issued while the State-owned Land Use Rights Grant Contract have been obtained.

In valuing the property interests in Group II which are held under development by the Group and joint ventures, we have assumed that they will be developed and completed in accordance with the latest development proposals provided to us by the Group. In arriving at our opinion of values, we have adopted the comparison approach by making reference to comparable sales evidence as available in the relevant market and have also taken into account the accrued construction cost and professional fees relevant to the stage of construction as at the valuation date and the remainder of the cost and fees expected to be incurred for completing the development. We have relied on the accrued construction cost and professional fees information provided by the Group and joint ventures according to the different stages of construction of the properties as at the valuation date, and we did not find any material inconsistency from those of other similar developments.

For the purpose of our valuation, real estate developments under development are those for which the Construction Works Commencement Permits have been issued while the Construction Work Completion and Inspection Certificate/Tables have not been issued.

For the property interests in Group VI which are contracted to be acquired by the Group and joint ventures, the Group and joint ventures have entered into agreements with the relevant government authorities. Since the Group has not yet obtained the State-owned Land Use Rights Certificates/Real Estate Title Certificates (for land) and/or the payment of the land premium has not yet been fully settled as at the valuation date, we have attributed no commercial value to the property interests.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

In valuing the property interests, we have complied with all requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by the Stock Exchange of Hong Kong Limited; the RICS Valuation — Global Standards published by the Royal

Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors, and the International Valuation Standards published by the International Valuation Standards Council.

We have relied to a very considerable extent on the information given by the Group and joint ventures and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of title documents including State-owned Land Use Rights Grant Contracts, State-owned Land Use Right Certificates, Real Estate Title Certificates, Building Ownership Certificates, Construction Work Planning Permits, Construction Work Commencement Permits and other official plans relating to the property interests in the PRC and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the properties in the PRC and any material encumbrance that might be attached to the properties or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC Legal Adviser — Junzejun Law Offices, concerning the validity of the properties in the PRC.

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. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

Inspection of the properties was carried out in January to March 2023 by Ms. Yanna Li, Mr. Elvin Zhang, Mr. Le Yu and other 11 valuation experts including Mr. Ke Ding, Mr. Yedong Guo, Ms. Linmei Wang, Ms. Dehui Jia, etc. They are China Certified Real Estate Appraisers/China Certified Public Valuers and have more than 3 years' experience in the valuation of properties in the PRC.

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

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB) in respect of all the properties.

Our summary of values and valuation certificates are attached below for your attention.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Eddie T. W. Yiu

MRICS MHKIS RPS (GP)

Senior Director

Notes: Eddie T. W. Yiu is a Chartered Surveyor who has 29 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.

SUMMARY OF VALUES

Abbreviation:

- Group I: Property interests held for sale by the Group and joint ventures in the PRC
 Group II: Property interests held under development by the Group and joint ventures in the PRC
 Group III: Property interests held for future development by the Group and joint ventures in the PRC
 Group IV: Property interests held and occupied by the Group in the PRC
 Group V: Property interests held for investment by the Group in the PRC
 Group VI: Property interests contracted to be acquired by the Group and joint ventures in the PRC

“N/A”: Not Available or Not Applicable

“GFA”: Gross Floor Area

No.	Property	Market value	The total					
		in existing state as at the valuation date	in existing state as at the valuation date	in existing state as at the valuation date	in existing state as at the valuation date	in existing state as at the valuation date	in existing state as at the valuation date	market value in existing state as at the valuation date
		RMB						
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:	
1.	Project Shouxian Evergrande Future City located at the junction of Shouzhou Road and Yingbin Road Xinqiao International Industrial Park Shou County Huainan City Anhui Province The PRC (壽縣恒大未來城)	No commercial value <i>note 1</i>	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	No commercial value
2.	Project Liu'an Evergrande Garden located at the eastern side of Jiangjun Road and the northern side of Qiyun Road Yu'an District Liu'an City Anhui Province The PRC (六安恒大郡庭)	N/A	2,783,000,000	N/A	N/A	N/A	N/A	2,783,000,000

No.	Property	Market value	The total					
		in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	market value in existing state as at the valuation date RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:	
3.	Project Liu'an Evergrande Jade Garden located at the junction of Chibi Road and Qingshan Road Yu'an District Liu'an City Anhui Province The PRC (六安恒大翡翠华庭)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	No commercial value
4.	Project Ningchu Evergrande International Health City located at the eastern side of Chuzhou Road Shizi Town Quanjiao County Chuzhou City Anhui Province The PRC (寧滁恒大國際健康城)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	No commercial value
5.	Project Jinzhai Evergrande Health Valley located at Xiandai Industrial Park Jinzhai County Liu'an City Anhui Province The PRC (金寨恒大養生谷)	N/A	392,700,000	N/A	N/A	N/A	N/A	392,700,000
6.	Project Chongqing Beibei Evergrande Health Valley No. 11-1-1502 Wenxia Road Chengjiang Town Beibei District Chongqing The PRC (重慶北碚恒大養生谷)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	No commercial value <i>note 3</i>	No commercial value

No.	Property	Market value	The total						
		in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	market value in existing state as at the valuation date RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:	Group VI:	market value
7.	Project Chongqing Shuangfu Evergrande Health City located at the western side of Nanbei Avenue Shuangfu Sub-district Jiangjin District Chongqing The PRC (重慶雙福恒大健康城)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	N/A	No commercial value
8.	Project Wuzhou Evergrande Health City located at the junction of Enyi Road and Huangchongding Road Canghai New Area Longxu District Wuzhou City Guangxi Zhuang Autonomous Region The PRC (梧州恒大健康城)	N/A	301,400,000	N/A	N/A	N/A	N/A	N/A	301,400,000
9.	Project Nanning Airport Evergrande Health Valley located at the southern side of Konggang Road Xinming Town Fusui County Chongzuo City Guangxi Zhuang Autonomous Region The PRC (南寧空港恒大養生谷)	N/A	No commercial value <i>notes 1 and 2</i>	N/A	N/A	N/A	N/A	N/A	No commercial value
10.	Project Guiyang Evergrande Imperial Dragon Peak No. 40 Baihua Avenue Yunyan District Guiyang City Gguizhou Province The PRC (貴陽恒大御龍天峰)	N/A	1,543,800,000	354,000,000	N/A	N/A	N/A	N/A	1,897,800,000

No.	Property	Market value	The total market value in existing state as at the valuation date RMB						
		in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:	Group VII:	
11.	Project Cangzhou Evergrande Health Valley located at the northern side of Weiwu Road Nanpaihe Town Huangye City Cangzhou City Hebei Province The PRC (滄州恒大養生谷)	N/A	189,000,000 <i>note 1</i>	87,900,000	N/A	N/A	N/A	N/A	276,900,000
12.	Project Tangshan Evergrande Health Valley located at the western side of Qingshang Road Caofeidian District Tangshan City Hebei Province The PRC (唐山恒大養生谷)	N/A	No commercial value <i>note 1</i>	75,400,000	N/A	N/A	N/A	N/A	75,400,000
13.	Project Zhengzhou Evergrande Yue Mansion located at the southern side of Consulate Nansi Road and the eastern side of Consulate Nansan Street Zhengzhou Airport Economy Zone Zhengzhou City Henan Province The PRC (鄭州恒大悅府)	N/A	260,600,000 <i>note 2</i>	N/A	N/A	N/A	N/A	N/A	260,600,000
14.	Project Zhengzhou Evergrande Future Light located at the junction of Jinzhou Road and Poyanghu Road Zhengzhou Airport Economy Zone Zhengzhou City Henan Province The PRC (鄭州恒大未來之光)	N/A	3,781,900,000	N/A	N/A	N/A	N/A	N/A	3,781,900,000

No.	Property	Market value	Market value	Market value	Market value	Market value	Market value	The total
		in existing state as at the valuation date RMB Group I:	in existing state as at the valuation date RMB Group II:	in existing state as at the valuation date RMB Group III:	in existing state as at the valuation date RMB Group IV:	in existing state as at the valuation date RMB Group V:	in existing state as at the valuation date RMB Group VI:	market value in existing state as at the valuation date RMB
15.	Project Zhengzhou Evergrande Health Valley located at the junction of Xingze Avenue and Yuelaxi Road Xingyang City Henan Province The PRC (鄭州恒大養生谷)	N/A	920,100,000 <i>notes 1 and 4</i>	N/A	N/A	N/A	N/A	920,100,000
16.	Project Yuntai Mountain Evergrande Health Valley located at the eastern side of Baijiayan Parking Space Yuntai Mountain Area Jiaozuo City Henan Province The PRC (雲台山恒大養生谷)	N/A	No commercial value <i>note 1</i>	20,800,000	N/A	N/A	N/A	20,800,000
17.	Project Suihua Longjiang Evergrande Health Valley located at Dongfa Village Wuzhan Town Zhaodong City Suihua City Heilongjiang Province The PRC (綏化龍江恒大養生谷)	N/A	1,559,400,000	176,100,000	N/A	N/A	No commercial value <i>note 3</i>	1,735,500,000
18.	Project Wuhan Evergrande Health City No.1 Yuanyang Avenue Road Economic and Technological Area Hong'an County Hubei Province The PRC (武漢恒大健康城)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	No commercial value <i>note 3</i>	No commercial value

No.	Property	Market value	Market value	Market value	Market value	Market value	Market value	Market value	The total
		in existing state as at the valuation date RMB Group I:	in existing state as at the valuation date RMB Group II:	in existing state as at the valuation date RMB Group III:	in existing state as at the valuation date RMB Group IV:	in existing state as at the valuation date RMB Group V:	in existing state as at the valuation date RMB Group VI:	in existing state as at the valuation date RMB	market value in existing state as at the valuation date RMB
19.	Project Zishan Lake Evergrande Health Valley located at the Zishanhu New Town Xian'an District Xianning City Hubei Province The PRC (梓山湖恒大養生谷)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	N/A	No commercial value
20.	Project Xiangtan Evergrande Health Valley located at the junction of Hongyi Road and Zhaoshan North Road Yuetang District Xiangtan City Hunan Province The PRC (湘潭恒大養生谷)	231,800,000	928,300,000	N/A	N/A	N/A	N/A	N/A	1,160,100,000
21.	Project Yueyang Evergrande Hua Mansion located at the junction of Tonghai North Road and Lengshuiipu Road Yueyanglou District Yueyang City Hunan Province The PRC (岳陽恒大華府)	N/A	938,400,000	N/A	N/A	N/A	N/A	N/A	938,400,000
22.	Project Yueyang Evergrande Health Valley located at the junction of Zhongke Road and Yueyang Avenue Yueyanglou District Yueyang City Hunan Province The PRC (岳陽恒大養生谷)	N/A	809,200,000 <i>note 3</i>	N/A	N/A	N/A	N/A	N/A	809,200,000

No.	Property	Market value	The total					
		in existing state as at the valuation date RMB	market value in existing state as at the valuation date RMB					
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:	
23.	Project Xiangyin Evergrande Imperial Lake Manor located at the junction of Zhonglian Avenue and Yangshahu Avenue Xiangyin County Yueyang City Hunan Province The PRC (湘陰恒大御湖莊園)	N/A	728,500,000	N/A	N/A	N/A	N/A	728,500,000
24.	Project Nanjing Evergrande Health Valley located at the southern side of Jimiu Lake Lituhe District Nanjing City Jiangsu Province The PRC (南京恒大養生谷)	No commercial value <i>note 1</i>	No commercial value <i>note 1</i>	No commercial value <i>note 1</i>	N/A	N/A	N/A	No commercial value
25.	Project Yangzhou Evergrande Cloud Garden located at the eastern side of Shawan South Road Guangling District Yangzhou City Jiangsu Province The PRC (揚州恒大雲錦華庭)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	No commercial value
26.	Project Yangzhou Evergrande Guanglan Mansion located at the eastern side of Jinghang South Road Guangling District Yangzhou City Jiangsu Province The PRC (揚州恒大觀瀾府)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	No commercial value
27.	Project Yangzhong Evergrande Health Valley located at the northern side of Binjiang Avenue Yangzhong City Jiangsu Province The PRC (揚中恒大養生谷)	4,300,000	509,000,000	N/A	N/A	N/A	N/A	513,300,000

No.	Property	Market value	The total					
		in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	market value in existing state as at the valuation date RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:	
28.	Project Nantong Evergrande Cloud Garden located at the southern side of Haiya Road Sutong Science and Technology Industrial Park Chongchuan District Nantong City Jiangsu Province The PRC (南通恒大雲錦華庭)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	No commercial value <i>note 3</i>	No commercial value
29.	Project Nantong Evergrande Linxi County located at the eastern side of Jiangcheng Road Sutong Science and Technology Industrial Park Chongchuan District Nantong City Jiangsu Province The PRC (南通恒大大林溪郡)	No commercial value <i>note 1</i>	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	No commercial value
30.	Project Nantong Evergrande Jade Garden located at the eastern side of Sutong Road Sutong Science and Technology Industrial Park Chongchuan District Nantong City Jiangsu Province The PRC (南通恒大翡翠華庭)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	No commercial value
31.	Project Jiangyin Evergrande Health Valley located at the southern side of Fangqian Road Jiangyin City Jiangsu Province The PRC (江陰恒大養生谷)	N/A	No commercial value <i>note 2</i>	N/A	N/A	N/A	N/A	No commercial value

No.	Property	The total market value					
		Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:
32.	Project Shangrao Evergrande Health Valley No. 9 Shangrao Avenue Xinzhou District Shangrao City Jiangxi Province The PRC (上饒恒大養生谷)	N/A	1,075,500,000	N/A	N/A	N/A	1,075,500,000
33.	Project Shenyang Evergrande Junrui Mansion No. 91 Mozishan Road Hunnan District Shenyang City Liaoning Province The PRC (瀋陽恒大珺睿府)	N/A	783,700,000	N/A	N/A	N/A	783,700,000
34.	Project Shenyang Evergrande Imperial Lake County No. 31 Quanyun Road Hunnan District Shenyang City Liaoning Province The PRC (瀋陽恒大御湖郡)	N/A	1,283,600,000	N/A	N/A	N/A	1,283,600,000
35.	Project Shenyang Evergrande Linxi County located at north-western side of junction of Hunhe 17th Street and Kaifa 22nd Road Tiexi District Shenyang City Liaoning Province The PRC (瀋陽恒大林溪郡)	N/A	1,033,300,000	N/A	N/A	N/A	1,033,300,000

No.	Property	Market value	The total					
		in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	market value in existing state as at the valuation date RMB
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:	
36.	Project Shenzhou Evergrande Health Valley located at Fenglin Road Lishi Town Wanghua District Fushun City Liaoning Province The PRC (沈撫恒大養生谷)	443,400,000	413,200,000 <i>note 1</i>	81,500,000	N/A	N/A	No commercial value <i>note 3</i>	938,100,000
37.	Project Hohhot Evergrande Health Valley located at the junction of Zhiyi Road and Jinsheng Road Linxin District Hohhot City Inner Mongolia Autonomous Region The PRC (呼和浩特恒大養生谷)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	N/A	No commercial value
38.	Project Zibo Evergrande Health Valley located at the southwestern side of junction of Taohuashan Road and Zhengyang Road Wenchanghu District Zibo City Shandong Province The PRC (濰博恒大養生谷)	N/A	No commercial value <i>note 1</i>	No commercial value <i>note 1</i>	N/A	N/A	N/A	No commercial value
39.	Project Xi'an Evergrande Health Valley located at southeastern side of the junction of Ziwu Avenue and Shenhe 2nd Road Chang'an District Xi'an City Shaanxi Province The PRC (西安恒大養生谷)	23,000,000	1,055,900,000	N/A	N/A	N/A	N/A	1,078,900,000

No.	Property	Market value	Market value	Market value	Market value	Market value	Market value	The total
		in existing state as at the valuation date RMB Group I:	in existing state as at the valuation date RMB Group II:	in existing state as at the valuation date RMB Group III:	in existing state as at the valuation date RMB Group IV:	in existing state as at the valuation date RMB Group V:	in existing state as at the valuation date RMB Group VI:	market value in existing state as at the valuation date RMB
40.	6 commercial buildings under construction of Sanyuan Evergrande Cultural Tourism and Health City located at the southern side of South Ring Road Sanyuan County Xianyang City Shaanxi Province The PRC (三原恒大文化旅游康養城配套)	N/A	No commercial value <i>note 2</i>	N/A	N/A	N/A	N/A	No commercial value
41.	Project Urumqi Evergrande Health Valley located at the junction of Wenguang Road and No.10 Beichen Avenue Midong District Urumqi City Xinjiang Uygur Autonomous Region The PRC (烏魯木齊恒大養生谷)	N/A	2,084,000,000	N/A	N/A	N/A	No commercial value <i>note 3</i>	2,084,000,000
42.	Project Urumqi Cloud Garden located at the eastern side of Huanan Road Midong District Urumqi City Xinjiang Uygur Autonomous Region The PRC (烏魯木齊雲錦華庭)	N/A	No commercial value <i>note 2</i>	N/A	N/A	N/A	N/A	No commercial value
43.	Project Xinjiang Evergrande Imperial Peak located at the junction of Cangfanggou South Road and Quantaiizi Road Shaybak District Urumqi City Xinjiang Uygur Autonomous Region The PRC (新疆恒大御峰)	N/A	No commercial value <i>note 1</i>	N/A	N/A	N/A	No commercial value <i>note 3</i>	No commercial value

No.	Property	Market value	The total market value in existing state as at the valuation date RMB					
		in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	in existing state as at the valuation date RMB	
		Group I:	Group II:	Group III:	Group IV:	Group V:	Group VI:	
44.	Project Xinjiang Evergrande Imperial Lake County No.1750 Wanggu Road Toutunhe District Urumqi City Xinjiang Uygur Autonomous Region The PRC (新疆恒大御湖郡)	N/A	257,000,000	N/A	N/A	N/A	No commercial value <i>note 3</i>	257,000,000
45.	Project Xinjiang Evergrande Yulan Bay located at the eastern side of Cangfanggou Road and southern side of Caiyuan Avenue Shayibak District Urumqi City Xinjiang Uygur Autonomous Region The PRC (新疆恒大御湖湾)	N/A	261,000,000	N/A	N/A	N/A	No commercial value <i>note 3</i>	261,000,000
46.	Project Kunming Evergrande International Health City located at the junction of Road No. 1 and Road No. 2 Yanglin Town Songming County Kunming City Yunnan Province The PRC (昆明恒大國際健康城)	188,100,000	No commercial value <i>note 1</i>	No commercial value <i>note 1</i>	246,400,000	116,900,000	N/A	551,400,000
47.	29 retail units in Kunming Astral Garden No. 6009 Guangfu Road Guandu District Kunming City Yunnan Province The PRC (昆明星體花園商舖)	N/A	N/A	N/A	N/A	11,000,000 <i>note 1</i>	N/A	11,000,000

No.	Property	The total market value						
		Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB	Market value in existing state as at the valuation date RMB		
		Group I:	Group II:	Group III:	Group IV:	Group V:		
48.	Building S10 of Kunming Starland Commercial Plaza located at the northern side of Guangfu Road and western side of Caiyun North Road Guandu District Kunming City Yunnan Province The PRC (昆明星天地商業廣場)	N/A	N/A	N/A	N/A	No commercial value <i>note 1</i>	N/A	No commercial value
49.	Project Jinhua Evergrande Health Valley located at the junction of Linhu Street and Wenbo Road Wucheng District Jinhua City Zhejiang Province The PRC (金華恒大養生谷)	N/A	No commercial value <i>note 1</i>	No commercial value <i>note 1</i>	N/A	N/A	N/A	No commercial value
Total:		890,600,000	23,892,500,000	795,700,000	246,400,000	127,900,000	Nil	25,953,100,000

Notes:

- We have attributed no commercial value to these properties as portions of the properties have been seized. However, for reference purpose, we are of the opinion that the market values of these properties as at the valuation date would be RMB3,836,000,000 assuming all relevant title certificates have been obtained and they could be freely transferred.
- We have attributed no commercial value to these properties as relevant construction work permits of these properties had not been obtained. However, for reference purpose, we are of the opinion that the replacement cost of the construction works of these properties as at the valuation date would be RMB1,331,200,000.
- We have attributed no commercial value to these properties as the title certificates had not been obtained. However, for reference purpose, we are of the opinion that the market values of these properties as at the valuation date would be RMB3,836,200,000 assuming the land consideration has been paid and relevant title certificates have been obtained.
- We have attributed no commercial value to the Sidayuan Portion of the property as the Real Estate Title Certificate had been withdrawn and no new title certificates been issued. However, for reference purpose, we are of the opinion that the market value of the portion as at the valuation date would be RMB172,200,000 assuming relevant title certificate has been obtained and it could be freely transferred.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
1.	Project Shouxian Evergrande Future City located at the junction of Shouzhou Road and Yingbin Road Xinqiao International Industrial Park Shou County Huainan City Anhui Province The PRC (壽縣恒大未來城)	<p>Project Shouxian Evergrande Future City is located at Shou County of Huainan City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The project occupies 3 parcels of land with a total site area of approximately 181,307 sq.m., which is being developed into a residential and retail complex. A portion of the project had been completed in December 2022 (the “Completed portion”), and the remaining portion was under construction as at the valuation date and scheduled to be completed in 2024 (the “CIP portion”).</p> <p>The property comprises the unsold residential units of the Completed portion with a total GFA of approximately 107,167.97 sq.m., and the CIP portion of the project with a total planned GFA of approximately 280,725.42 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion of the property is estimated to be approximately RMB671,800,000, of which approximately RMB377,900,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 29 August 2089 for residential use and 29 August 2059 for commercial use.</p>	<p>As at the valuation date, the Completed portion of the property was vacant and the CIP portion was under construction.</p>	<p>No commercial value (See note 11)</p>

Notes:

- Pursuant to 3 State-owned Land Use Rights Grant Contracts dated 2 August 2019, the land use rights of 3 parcels of land with a total site area of approximately 181,307 sq.m. were contracted to be granted to Anhui Evergrande New Energy Technology Life Service Co., Ltd. (安徽恒大新能源科技生活服務有限公司, “Anhui New Energy”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB348,171,008. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to 3 Real Estate Title Certificates (for land) — Wan (2019) Shou Xian Bu Dong Chan Quan Di Nos. 0009171, 0009172 and 0000573, the land use rights of 3 parcels of land with a total site area of approximately 181,307 sq.m. have been granted to Anhui New Energy for terms expiring on 29 August 2089 for residential use and 29 August 2059 for commercial use.
3. Pursuant to 26 Construction Work Planning Permits in favour of Anhui New Energy, Project Shouxian Evergrande Future City with a total planned GFA of approximately 459,914.06 sq.m. has been approved for construction.
4. Pursuant to 16 Construction Work Commencement Permits in favour of Anhui New Energy, permissions by the relevant local authority were given to commence the construction of portions of Project Shouxian Evergrande Future City with a planned GFA of approximately 458,589.39 sq.m.
5. Pursuant to 22 Pre-sale Permits, Anhui New Energy is entitled to sell portions of Project Shouxian Evergrande Future City (representing a total GFA of approximately 304,008.76 sq.m.) to purchasers.
6. According to the information provided by the Group, the GFA/planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group I	Residential	<u>107,167.97</u>	
	Sub-total:	<u>107,167.97</u>	<u>Nil</u>
Group II	Residential	150,271.91	
	Retail	8,011.97	
	Kindergarten	6,612.90	
	Ancillary	7,162.93	
	Basement (inclusive of car parking spaces)	<u>108,665.71</u>	<u>3,245</u>
	Sub-total:	<u>280,725.42</u>	<u>3,245</u>
	Grand total:	<u>387,893.39</u>	<u>3,245</u>

7. As advised by Anhui New Energy, various residential units with a total GFA of approximately 221,223.93 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,417,614,870. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB6,000 to RMB7,000 per sq.m. for residential units, RMB8,500 to RMB11,500 per sq.m. for ground floor retail units and RMB30,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and

- b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB850 to RMB1,200 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB944,000,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium for the land parcels of the property mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. in accordance with provided information and description, Anhui Xinqiao Project Management Co., Ltd. (安徽新橋項目管理有限公司) is entrusted to be fully responsible for the disposal of the sellable assets of the project, and manage all the disposal proceeds for follow-up construction costs and other expenses;
 - d. based on the information provided by the Group, the Construction Work Commencement Permits of portions of construction works under Real Estate Title Certificates — Wan (2019) Shou Xian Bu Dong Chan Quan Di Nos. 0009172 and 0000573 have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - e. the land use rights under the Real Estate Title Certificate of Wan (2019) Shou Xian Bu Dong Chan Quan Di No. 0009172 and the buildings erected thereon have been seized; and
 - f. the Group has not set mortgage or warrant on the property except for the circumstances above.
11. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as portions of the property have been seized. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB1,192,600,000 assuming all relevant title certificate has been obtained and it could be freely transferred.
12. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table/Report | No |

13. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group I — held for sale by the Group and joint ventures	No commercial value
Group II — held under development by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
2.	Project Liu'an Evergrande Garden located at the eastern side of Jiangjun Road and the northern side of Qiyun Road Yu'an District Liu'an City Anhui Province The PRC (六安恒大珺庭)	<p>Project Liu'an Evergrande Garden is located at Yu'an District of Liu'an City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 285,266 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 715,392 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB2,778,200,000, of which approximately RMB1,575,100,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 25 July 2089 for residential use and 25 July 2059 for commercial use.</p>	As at the valuation date, the property was under construction.	2,783,000,000

Notes:

1. Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 8 July 2019, the land use rights of 2 parcels of land with a total site area of approximately 285,266 sq.m. were contracted to be granted to Taoyong Life Service (Anhui) Co., Ltd. (濤永生活服務(安徽)有限公司, "Taoyong Anhui", a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB945,390,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 2 Real Estate Title Certificates (for land) — Wan (2019) Liu An Shi Shi Bu Dong Chan Quan Di No. 0556186 and Wan (2021) Liu An Shi Shi Bu Dong Chan Quan Di No. 0632782, the land use rights of 2 parcels of land with a total site area of approximately 285,266 sq.m. have been granted to Taoyong Anhui for terms expiring on 25 July 2089 for residential use and 25 July 2059 for commercial use.
3. Pursuant to 43 Construction Work Planning Permits in favour of Taoyong Anhui, Project Liu'an Evergrande Garden with a total planned GFA of approximately 715,392 sq.m. has been approved for construction.

4. Pursuant to 14 Construction Work Commencement Permits in favour of Taoyong Anhui, permissions by the relevant local authority were given to commence the construction of Project Liu'an Evergrande Garden with a planned GFA of approximately 715,966 sq.m.
5. Pursuant to 41 Pre-sale Permits, Taoyong Anhui is entitled to sell portions of Project Liu'an Evergrande Garden (representing a total GFA of approximately 427,226.13 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	490,326.00	
	Retail	6,942.00	
	Kindergarten	3,676.00	
	Ancillary	11,479.00	
	Basement (inclusive of car parking spaces)	202,969.00	6,564
Total:		715,392.00	6,564

7. As advised by Taoyong Anhui, various residential units with a total GFA of approximately 382,072.02 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB2,840,839,215. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB6,500 to RMB7,500 per sq.m. for residential units, RMB15,000 to RMB25,000 per sq.m. for ground floor retail units and RMB60,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,900 to RMB2,500 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB3,733,900,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium for the land parcels of the property mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;

- c. the land use rights under the Real Estate Title Certificate of Wan (2019) Liu An Shi Shi Bu Dong Chan Quan Di No. 0556186 and the buildings erected thereon are subject mortgages, the Group has the rights to transfer or otherwise dispose of the property with mortgagee's approval during the mortgage period; and
- d. the Group has not set mortgage or warrant on the property except for the circumstances above.
11. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
12. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
3.	Project Liu'an Evergrande Jade Garden located at the junction of Chibi Road and Qingshan Road Yu'an District Liu'an City Anhui Province The PRC (六安恒大翡翠华庭)	<p>Project Liu'an Evergrande Jade Garden is located at Yu'an District of Liu'an City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 3 parcels of land with a total site area of approximately 171,893.80 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in December 2023.</p> <p>The property has a total planned GFA of approximately 460,748.29 sq.m., details of which are set out in note 7.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,291,900,000, of which approximately RMB954,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 25 July 2089 for residential use and 25 July 2059 for commercial use.</p>	As at the valuation date, the property was under construction.	No commercial value <i>(See note 12)</i>

Notes:

- Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 8 July 2019, the land use rights of 2 parcels of land with a total site area of approximately 272,796 sq.m. (including the land parcels of the property) were contracted to be granted to Shenan Life Service (Anhui) Co., Ltd. (深安生活服务(安徽)有限公司, "Shenan Anhui", a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB781,480,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to 2 Real Estate Title Certificates (for land) — Wan (2019) Liu An Shi Shi Bu Dong Chan Quan Di Nos. 0556986 and 0556987, the land use rights of 2 parcels of land with a total site area of approximately 124,444 sq.m. have been granted to Shenan Anhui for terms expiring on 25 July 2089 for residential use and 25 July 2059 for commercial use.

3. Pursuant to the copy of a Real Estate Title Certificate (for land) — Wan (2021) Liu An Shi Shi Bu Dong Chan Quan Di No. 0650533, the land use rights of a parcel of land with a site area of approximately 83,721 sq.m. have been granted to Shenan Anhui for terms expiring on 25 July 2089 for residential use and 25 July 2059 for commercial use.

As advised by the Group, the above Real Estate Title Certificate (for land) has been cancelled and divided into two certificates. The land use rights of the land parcel with a site area of approximately 36,271.20 sq.m. have been transferred and excluded from the property, and the Real Estate Title Certificate (for land) for the remaining parcel with a site area of approximately 47,449.80 sq.m. has been seized by the government. The Group cannot provide the original or copy of the new certificate.

4. Pursuant to 47 Construction Work Planning Permits in favour of Shenan Anhui, Project Liu'an Evergrande Jade Garden with a total planned GFA of approximately 702,263 sq.m. (including the property) has been approved for construction.
5. Pursuant to 13 Construction Work Commencement Permits in favour of Shenan Anhui, permissions by the relevant local authority were given to commence the construction of portions of the property with a total planned GFA of approximately 402,759 sq.m.
6. Pursuant to 28 Pre-sale Permits, Shenan Anhui is entitled to sell portions of the property (representing a total GFA of approximately 294,928.33 sq.m.) to purchasers.
7. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	294,928.29	
	Retail	1,733.00	
	Kindergarten	4,547.00	
	Ancillary	7,356.00	
	Basement (inclusive of car parking spaces)	<u>152,184.00</u>	<u>3,239</u>
	Total:	<u>460,748.29</u>	<u>3,239</u>

8. As advised by Shenan Anhui, various residential units with a total GFA of approximately 284,200.07 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,757,599,416. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,500 to RMB7,000 per sq.m. for residential units, RMB9,000 to RMB10,000 per sq.m. for ground floor retail units and RMB50,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and

- b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,000 to RMB2,500 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the property as if completed as at the valuation date was estimated to be RMB1,887,600,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium for the land parcels of the property mentioned in notes 1 to 3 and obtained the Real Estate Title Certificates (for land);
 - b. the Group cannot provide the original or copy of the Real Estate Title Certificate (for land) for the land parcel with a site area of approximately 47,449.80 sq.m. mentioned in note 3, which has been seized by the government;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 and 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. based on the information provided by the Group, the Construction Work Commencement Permits of portions of construction works under Real Estate Title Certificate — Wan (2019) Liu An Shi Shi Bu Dong Chan Quan Di No. 0556987 have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - e. the land use rights under the Real Estate Title Certificates of Wan (2019) Liu An Shi Shi Bu Dong Chan Quan Di Nos. 0556986 and 0556987 and the buildings erected thereon are subject to mortgages and have been seized, the land use rights of the land parcel with a site area of approximately 47,449.80 sq.m. have been seized; and
 - f. the Group has not set mortgage or warrant on the property except for the circumstances above.
12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as the property have been seized. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB1,419,500,000 assuming all relevant title certificate has been obtained and it could be freely transferred.
13. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
14. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
4.	Project Ningchu Evergrande International Health City located at the eastern side of Chuzhou Road Shizi Town Quanjiao County Chuzhou City Anhui Province The PRC (寧滌恒大國際健康城)	<p>Project Ningchu Evergrande International Health City is located at Quanjiao County of Chuzhou City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies a parcel of land with a site area of approximately 150,957 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in December 2023.</p> <p>The property has a planned GFA of approximately 380,486.58 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,255,400,000, of which approximately RMB630,900,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 14 May 2090 for residential use and 14 May 2060 for commercial use.</p>	As at the valuation date, the property was under construction.	No commercial value (See note 11)

Notes:

- Pursuant to 3 State-owned Land Use Rights Grant Contracts dated 15 May 2020, the land use rights of 3 parcels of land with a total site area of approximately 150,957 sq.m. were contracted to be granted to Quanjiao Hengning Real Estate Co., Ltd. (全椒恒寧置業有限公司, “Quanjiao Hengning”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB153,980,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to a Real Estate Title Certificate (for land) — Wan (2021) Quan Jiao Xian Bu Dong Chan Quan Di No. 0000066, the land use rights of a parcel of land with a site area of approximately 150,957 sq.m. have been granted to Quanjiao Hengning for terms expiring on 14 May 2090 for residential use and 14 May 2060 for commercial use.

3. Pursuant to a Construction Work Planning Permit — Jian Zi Di 2021004 in favour of Quanjiao Hengning, Project Ningchu Evergrande International Health City with a planned GFA of approximately 380,486.58 sq.m. has been approved for construction.
4. Pursuant to 8 Construction Work Commencement Permits in favour of Quanjiao Hengning, permissions by the relevant local authority were given to commence the construction of Project Ningchu Evergrande International Health City with a planned GFA of approximately 379,313.84 sq.m.
5. Pursuant to 10 Pre-sale Permits, Quanjiao Hengning is entitled to sell portions of Project Ningchu Evergrande International Health City (representing a total GFA of approximately 270,343.10 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	270,343.10	
	Retail	825.00	
	Kindergarten	2,923.15	
	Ancillary	5,941.14	
	Basement (inclusive of car parking spaces)	100,454.19	2,989
Total:		380,486.58	2,989

7. As advised by Quanjiao Hengning, the residential units with a total GFA of approximately 270,343.10 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,234,032,416. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB10,000 to RMB13,000 per sq.m. for ground floor retail units and RMB40,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,300 to RMB1,800 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB1,278,600,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium for the land parcel of the property mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates (for land);

- b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. the property has been seized; and
 - d. the Group has not set mortgage or warrant on the property except for the circumstances above.
11. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as it has been seized. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB528,200,000 assuming all relevant title certificate has been obtained and it could be freely transferred.
12. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Yes |
| e. Pre-sale Permit | Portion |
13. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
5.	Project Jinzhai Evergrande Health Valley located at Xiandai Industrial Park Jinzhai County Liu'an City Anhui Province The PRC (金寨恒大養生谷)	<p>Project Jinzhai Evergrande Health Valley is located at Jinzhai County of Liu'an City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 3 parcels of land with a total site area of approximately 190,379.31 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in June 2023.</p> <p>The property has a planned GFA of approximately 384,491.51 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,762,700,000, of which approximately RMB1,762,300,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 4 June 2089 or 8 August 2089 for residential use and 4 June 2059 or 8 August 2059 for commercial use.</p>	As at the valuation date, the property was under construction.	392,700,000

Notes:

- Pursuant to 6 State-owned Land Use Rights Grant Contracts dated 4 June 2019 and 8 August 2019, the land use rights of 6 parcels of land with a total site area of approximately 289,961.90 sq.m. (including the land parcels of the property) were contracted to be granted to Jinzhai Hengpeng Property Co., Ltd. (金寨恒鹏置業有限公司, "Jinzhai Hengpeng", a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB348,000,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to 3 Real Estate Title Certificates (for land) — Wan (2020) Jin Zhai Xian Bu Dong Chan Quan Di Nos. 0009195, 0009315 and 0009352, the land use rights of 3 parcels of land with a total site area of approximately 289,961.90 sq.m. have been granted to Jinzhai Hengpeng for terms expiring on 4 June 2089 or 8 August 2089 for residential use and 4 June 2059 or 8 August 2059 for commercial use.

As advised by the Group, portions of the land parcels with a total site area of approximately 99,582.59 sq.m. was repurchased by local government. Therefore we have excluded such portions of land parcels in our valuation.

3. Pursuant to 7 Construction Work Planning Permits in favour of Jinzhai Hengpeng, Project Jinzhai Evergrande Health Valley with a total planned GFA of approximately 397,559.56 sq.m. has been approved for construction.
4. Pursuant to 10 Construction Work Commencement Permits in favour of Jinzhai Hengpeng, permissions by the relevant local authority were given to commence the construction of portions of Project Jinzhai Evergrande Health Valley with a planned GFA of approximately 246,678.04 sq.m.
5. Pursuant to 13 Pre-sale Permits, Jinzhai Hengpeng is entitled to sell portions of Project Jinzhai Evergrande Health Valley (representing a total GFA of approximately 245,425.88 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	242,980.07	
	Retail	2,445.81	
	Kindergarten	4,156.04	
	Ancillary	51,696.53	
	Basement (inclusive of car parking spaces)	83,213.06	5,824
	Total:	384,491.51	5,824

7. As advised by the Group, various residential and retail units and car parking spaces with a total GFA of approximately 193,630.88 sq.m. of Project Jinzhai Evergrande Health Valley have been sold to various third parties at a total consideration of RMB1,083,096,138. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the project in our valuation.
8. As advised by the Group, various residential and retail units and car parking spaces with a total GFA of approximately 77,002.33 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB278,534,213. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
9. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,500 to RMB6,000 per sq.m. for residential units, RMB13,000 to RMB16,000 per sq.m. for ground floor retail units and RMB30,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and

- b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB500 to RMB600 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the property as if completed (excluding the portions as mentioned in note 7) as at the valuation date was estimated to be RMB420,300,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium for the land parcels of the property mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates (for land). However, the Group has to apply for new state-owned land use rights certificates as portions of the land parcels have been returned;
- b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
- c. the Group and Jinzhai Huijin Investment Co., Ltd. ("Huijin") have signed a "Development and Construction Agreement for project financing, alternative construction and alternative holding" (《項目融資代建代持開發建設協議》), which stipulates that as the financing party, substitute construction party, and substitute holder of the project, Huijin will provide follow-up construction funds to the Group and participate in the follow-up construction and management of the project until the completion and delivery of the project. The initial ownership registration will be under the name of Huijin. The Group enjoys the investment income of the project and bears the investment risks according to the law; and
- d. the Group has not set mortgage or warrant on the property.
12. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | Portion |
13. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
6.	Project Chongqing Beibei Evergrande Health Valley No. 11-1-1502 Wenxia Road Chengjiang Town Beibei District Chongqing The PRC (重慶北碚恒大養生谷)	<p data-bbox="523 449 959 666">Project Chongqing Beibei Evergrande Health Valley is located at Chengjiang Town in the north of Chongqing. The locality has a good natural landscape with hot spring resources, while the public transportation network and amenities are under further improvement.</p> <p data-bbox="523 704 959 1049">The project occupies 6 parcels of land with a total site area of approximately 474,051 sq.m., which is being developed into a residential and commercial complex. The construction works on 4 parcels of land of the project were commenced in 2019 and were suspended in 2020 (the “CIP portion”), and the remaining 2 parcels of land with a total site area of approximately 402,156 sq.m. were bare land for future development (the “Land portion”).</p> <p data-bbox="523 1087 959 1304">The property comprises the CIP portion of the project with a planned GFA of approximately 159,851.84 sq.m., details of which are set out in note 8, and the Land portion of the project with a plot ratio accountable GFA of approximately 319,092 sq.m.</p> <p data-bbox="523 1342 959 1559">As advised by the Group, the total construction cost of the CIP portion (excluding land cost and financial cost) of the property is estimated to be approximately RMB544,500,000, of which approximately RMB160,800,000 had been incurred up to the valuation date.</p> <p data-bbox="523 1598 959 1719">The land use rights of the property have been granted for terms expiring on 16 January 2069 for residential use and on 16 January 2059 for commercial use.</p>	As at the valuation date, the construction works of the CIP portion of the property were suspended, and the Land portion was bare land for future development.	No commercial value (See note 12)

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract dated 10 January 2019, the land use rights of a parcel of land of the property with a site area of approximately 71,895 sq.m. were contracted to be granted to Chongqing Henglong Health Industry Co., Ltd. (重慶市恒隆健康產業有限公司, “Chongqing Henglong”, a wholly-owned subsidiary of the Company) for terms of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB132,000,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 1 July 2019, the land use rights of 2 parcels of land of the property with a total site area of approximately 402,156 sq.m. were contracted to be granted to Chongqing Henglong for terms of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB844,150,000. As advised by the Group, approximately RMB151,130,000 of the land consideration has been paid up to the valuation date.
3. Pursuant to 4 Real Estate Title Certificates (for land) — Yu (2019) Bei Bei Qu Bu Dong Chan Di Nos. 000101788, 000101936, 000102057 and 000102284, the land use rights of 4 parcels of land (the same land mentioned in note 1) with a total site area of approximately 71,895 sq.m. have been granted to Chongqing Henglong for terms expiring on 16 January 2069 for residential use and on 16 January 2059 for commercial use.
4. For the land use rights of the 2 parcels of land mentioned in note 2 (the Land portion), the Group has not obtained title certificates.
5. Pursuant to 4 Construction Work Planning Permits in favour of Chongqing Henglong, the CIP portion of the property with a total planned GFA of approximately 159,851.84 sq.m. has been approved for construction.
6. Pursuant to a Construction Work Commencement Permit in favour of Chongqing Henglong, permission by the relevant local authority was given to commence the construction of portion of the CIP portion of the property with a planned GFA of approximately 81,222.44 sq.m.
7. As advised by the Group, relevant construction permits for the remaining portion of the CIP portion of the property with a planned GFA of approximately 78,629.40 sq.m. have not been obtained.
8. According to the information provided by the Group, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	41,888.46	
	Apartment	50,580.75	
	Ancillary	2,758.46	
	Basement (inclusive of car parking spaces)	64,624.17	1,348
	Total:	159,851.84	1,348

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB7,000 to RMB10,000 per sq.m. for residential units, RMB6,000 to RMB7,000 per sq.m. for apartment units and RMB15,000 to RMB20,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,000 to RMB2,200 per sq.m for residential use. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB633,100,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 and 3 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has not fully paid the land consideration of the land parcels mentioned in notes 2 and 4;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 3, 5 and 6, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. based on the information provided by the Group, the Construction Work Commencement Permits of construction works of portion of the property mentioned in note 7 have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - e. the land use rights mentioned in notes 1 and 3 and the construction works erected thereon are subject to mortgages and have been seized; and
 - f. the Group has not set mortgage or warrant on the property except for the circumstances above.
12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as the CIP portion has been seized and the Land portion has not obtained proper title certificate. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB1,068,800,000 assuming all the land consideration has been fully paid, all relevant title certificate has been obtained and the property could be freely transferred or disposed of by the Group without any restriction.
13. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Portion |
| c. Construction Work Planning Permit | Portion |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | N/A |

14. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	No commercial value
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
7.	Project Chongqing Shuangfu Evergrande Health City Located at the western side of Nanbei Avenue Shuangfu Sub-district Jiangjin District Chongqing The PRC (重慶雙福恒大健康城)	<p>Project Chongqing Shuangfu Evergrande Health City is located at Shuangfu Sub-district in the southwest of Chongqing. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 18 parcels of land with a total site area of approximately 710,715 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 1,313,541.89 sq.m., details of which are set out in note 8.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB5,383,200,000, of which approximately RMB4,213,500,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 3 September 2089 for residential use and on 3 September 2059 for commercial use.</p>	As at the valuation date, the property was under construction.	No commercial value <i>(See note 14)</i>

Notes:

- Pursuant to 4 State-owned Land Use Rights Grant Contracts dated 29 August 2019, the land use rights of the property with a total site area of approximately 710,715 sq.m. were contracted to be granted to Chongqing Hengjin Health Industry Co., Ltd. (重慶市恒津健康產業有限公司, “Chongqing Hengjin”, a wholly-owned subsidiary of the Company) and Chongqing Hengying Health Industry Co., Ltd. (重慶市恒盈健康產業有限公司, “Chongqing Hengying”, a wholly-owned subsidiary of the Company) respectively for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB1,355,715,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to 17 Real Estate Title Certificates (for land), the land use rights of 17 parcels of land with a total site area of approximately 705,434 sq.m. have been granted to Chongqing Hengjin and Chongqing Hengying for terms expiring on 3 September 2089 for residential use and on 3 September 2059 for commercial use.
- As advised by the Group, the Group has not obtained title certificate for the land use rights of a parcel of land with a site area of approximately 5,281 sq.m.

4. Pursuant to 15 Construction Work Planning Permits in favour of Chongqing Hengjin and Chongqing Hengying, Project Chongqing Shuangfu Evergrande Health City (except for a portion with a planned GFA of approximately 130,038.20 sq.m.) with a total planned GFA of approximately 1,183,503.69 sq.m. has been approved for construction.
5. Pursuant to 13 Construction Work Commencement Permits in favour of Chongqing Hengjin and Chongqing Hengying, permissions by the relevant local authority were given to commence the construction of portion of Project Chongqing Shuangfu Evergrande Health City with a total planned GFA of approximately 1,146,490.97 sq.m.
6. As advised by the Group, relevant construction work planning permits of the portion with a planned GFA of approximately 130,038.20 sq.m. and the construction permits of the portion with a planned GFA of approximately 488,325.75 sq.m. have not been obtained.
7. Pursuant to 32 Pre-sale Permits, Chongqing Hengjin and Chongqing Hengying are entitled to sell portions of Project Chongqing Shuangfu Evergrande Health City (representing a total GFA of approximately 888,904.83 sq.m.) to purchasers.
8. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	800,789.17	
	Retail	86,715.69	
	Ancillary	52,370.20	
	Basement (inclusive of car parking spaces)	373,666.83	12,324
	Total:	1,313,541.89	12,324

9. As advised by the Group, various residential units with a total GFA of approximately 481,454.70 sq.m. of the property have been sold to various third parties at a total consideration of RMB3,654,718,775. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
10. As advised by the Group, various residential units with a total GFA of approximately 47,821.84 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB388,851,273. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
11. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB7,000 to RMB10,000 per sq.m. for residential units, RMB10,000 to RMB12,000 per sq.m. for retail units and RMB15,000 to RMB20,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and

- b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,310 to RMB1,400 per sq.m for residential use. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
12. The market value of the property as if completed (excluding the portions as mentioned in note 9) as at the valuation date was estimated to be RMB4,244,200,000 (exclusive of value-added tax).
13. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates (for land), except for a parcel of land mentioned in note 3;
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2, 4 and 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. based on the information provided by the Group, the Construction Work Planning Permits and Construction Work Commencement Permits of construction works of portion of the property mentioned in note 6 have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - d. in accordance with the information and description provided by the Group, Chongqing Hengtou Enterprise Management Consulting Co., Ltd., Chongqing Hengpeng Enterprise Management Consulting Co., Ltd., Chongqing Hengjin and Chongqing Hengying have entrusted Chongqing Shuangfu Construction and Development Co., Ltd. to provide management services for the development and construction of the project. All parties and government designated representatives have jointly established a management decision-making group to exercise major issues in the daily management and operation of the project;
 - e. the land use rights of 9 parcels of land of the property and the construction works erected thereon are subject to mortgages and have been seized, and the land use rights of 3 parcels of land of the property and the construction works erected thereon have been seized; and
 - f. the Group has not set mortgage or warrant on the property except for the circumstances above.
14. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as most land parcels and the construction works erected thereon of the property have been seized. However, for reference purpose, we are of the opinion that the market value of the property (excluding the portions as mentioned in note 9) as at the valuation date would be RMB2,910,000,000 assuming all the land consideration has been fully paid, all relevant title certificate has been obtained and the property could be freely transferred or disposed of by the Group without any restriction.
15. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Portion |
| c. Construction Work Planning Permit | Portion |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | Portion |
16. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
8.	Project Wuzhou Evergrande Health City located at the junction of Enyi Road and Huangchongding Road Canghai New Area Longxu District Wuzhou City Guangxi Zhuang Autonomous Region The PRC (梧州恒大健康城)	<p>Project Wuzhou Evergrande Health City is located at Longxu District of Wuzhou City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 175,501.72 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in December 2023.</p> <p>The property has a planned GFA of approximately 291,177.81 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,327,300,000, of which approximately RMB1,274,900,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 25 November 2088 for residential use and 25 November 2058 for commercial use.</p>	As at the valuation date, the property was under construction.	301,400,000

Notes:

- Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 26 November 2018, the land use rights of 2 parcels of land with a total site area of approximately 175,501.72 sq.m. were contracted to be granted to Wuzhou Hengmei Health Industry Co., Ltd. (梧州恒美健康產業有限公司, “Wuzhou Hengmei”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB233,820,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to 2 Real Estate Title Certificates (for land) — Gui (2019) Wu Zhou Shi Bu Dong Chan Quan Di Nos. 0040797 and 0052683, the land use rights of 2 parcels of land with a total site area of approximately 175,501.72 sq.m. have been granted to Wuzhou Hengmei for terms expiring on 25 November 2088 for residential use and 25 November 2058 for commercial use.

3. Pursuant to 11 Construction Work Planning Permits in favour of Wuzhou Hengmei, Project Wuzhou Evergrande Health City with a total planned GFA of approximately 293,867.09 sq.m. has been approved for construction.
4. Pursuant to 11 Construction Work Commencement Permits in favour of Wuzhou Hengmei, permissions by the relevant local authority were given to commence the construction of Project Wuzhou Evergrande Health City with a planned GFA of approximately 291,177.81 sq.m.
5. Pursuant to 15 Pre-sale Permits, Wuzhou Hengmei is entitled to sell portions of Project Wuzhou Evergrande Health City (representing a total GFA of approximately 274,462.38 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	188,660.34	
	Retail	4,574.29	
	Kindergarten	6,317.97	
	Ancillary	9,952.91	
	Basement (inclusive of car parking spaces)	81,672.30	1,751
	Total:	291,177.81	1,751

7. As advised by the Group, various residential and retail units and car parking spaces with a total GFA of approximately 111,203.01 sq.m. of Project Wuzhou Evergrande Health City have been sold to various third parties at a total consideration of RMB603,043,403. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the project in our valuation.
8. As advised by the Group, various residential and retail units and car parking spaces with a total GFA of approximately 98,964.90 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB277,637,863. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
9. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,000 to RMB5,000 per sq.m. for residential units, RMB8,000 to RMB10,000 per sq.m. for ground floor retail units and RMB30,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,000 to RMB2,000 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.

10. The market value of the property as if completed (excluding the portions as mentioned in note 7) as at the valuation date was estimated to be RMB319,800,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium for the land parcels of the property mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished; and
 - c. the property is subject to mortgages and 13 car parking spaces of the property have been seized.
12. A summary of major certificates/approvals is shown as follows:

a. State-owned Land Use Rights Grant Contract	Yes
b. Real Estate Title Certificate (for land)	Yes
c. Construction Work Planning Permit	Yes
d. Construction Work Commencement Permit	Yes
e. Pre-sale Permit	Portion
13. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
9.	Project Nanning Airport Evergrande Health Valley located at the southern side of Konggang Road Xinning Town Fusui County Chongzuo City Guangxi Zhuang Autonomous Region The PRC (南寧空港恒大養生谷)	<p>Project Nanning Airport Evergrande Health Valley is located at Fusui County of Chongzuo City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>Project Nanning Airport Evergrande Health Valley can be divided into two parts:</p> <p>Residential part: It occupies 4 parcels of land with a total site area of approximately 172,270.95 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in July 2023.</p> <p>Commercial part: It occupies 3 parcels of land with a total site area of approximately 191,962.48 sq.m., which is being developed into a commercial complex including apartment, “Sidayuan” and retail. It was under construction as at the valuation date and scheduled to be completed in July 2023.</p> <p>The property has a total planned GFA of approximately 685,441.42 sq.m., details of which are set out in note 8.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB2,354,400,000, of which approximately RMB959,900,000 had been incurred up to the valuation date.</p> <p>The land use rights of the residential part of the property have been granted for terms expiring on 24 November 2090 for residential use and 24 November 2060 for commercial use.</p>	As at the valuation date, the property was under construction.	No commercial value (See note 13)

Notes:

1. Pursuant to 4 State-owned Land Use Rights Grant Contracts dated 29 May 2020, the land use rights of 4 parcels of land with a total site area of approximately 172,270.95 sq.m. were contracted to be granted to Guangxi Fusui Hengli Health Industry Development Co., Ltd. (廣西扶綏恒利健康產業發展有限公司, “Guangxi Hengli”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB126,630,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 3 State-owned Land Use Rights Grant Contracts dated 29 May 2020, the land use rights of 3 parcels of land with a total site area of approximately 191,962.48 sq.m. were contracted to be granted to Guangxi Fusui Hengning Health Industry Development Co., Ltd. (廣西扶綏恒寧健康產業發展有限公司, “Guangxi Hengning”, a wholly-owned subsidiary of the Company) for terms of 40 years for entertainment and other commercial uses commencing from the land delivery date. The total land consideration was RMB71,990,000. As advised by the Group, the land consideration has not been fully paid.
3. Pursuant to 4 Real Estate Title Certificates (for land) — Gui (2020) Fu Sui Xian Bu Dong Chan Quan Di Nos. 0019068 and 0019072 to 0019074, the land use rights of 4 parcels of land with a total site area of approximately 172,270.95 sq.m. have been granted to Guangxi Hengli for terms expiring on 24 November 2090 for residential use and 24 November 2060 for commercial use.
4. Pursuant to 56 Construction Work Planning Permits in favour of Guangxi Hengli, the residential part of Project Nanning Airport Evergrande Health Valley with a total planned GFA of approximately 443,998.10 sq.m. has been approved for construction.
5. Pursuant to 16 Construction Work Planning Permits in favour of Guangxi Hengning, portions of the commercial part of Project Nanning Airport Evergrande Health Valley with a total planned GFA of approximately 24,675.56 sq.m. has been approved for construction.
6. Pursuant to 2 Construction Work Commencement Permits — Nos. 451421202011250701 and 451421202011250801 in favour of Guangxi Hengli, permissions by the relevant local authority were given to commence the construction of the residential part of Project Nanning Airport Evergrande Health Valley with a total planned GFA of approximately 443,981.58 sq.m.
7. Pursuant to 4 Pre-sale Permits — Fu Fang Yu Zi Di Nos. 2020113 to 2020115 and 2020121, Guangxi Hengli is entitled to sell portions of the residential part of Project Nanning Airport Evergrande Health Valley (representing a total GFA of approximately 332,957.38 sq.m.) to purchasers.

8. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II (Residential part)	Residential	336,931.11	
	Retail	2,549.55	
	Kindergarten	4,064.38	
	Ancillary	996.86	
	Basement (inclusive of car parking spaces)	<u>99,456.20</u>	<u>2,048</u>
	Sub-total:	<u>443,998.10</u>	<u>2,048</u>
Group II (Commercial part)	Apartment	163,655.94	
	Commercial (Sidayuan)	20,804.01	
	Retail	3,225.11	
	Ancillary	4,277.42	
	Basement (inclusive of car parking spaces)	<u>49,480.84</u>	<u>995</u>
	Sub-total:	<u>241,443.32</u>	<u>995</u>
	Grand total:	<u>685,441.42</u>	<u>3,043</u>

9. As advised by Guangxi Hengli, various residential and retail units with a total GFA of approximately 326,725.64 sq.m. of the residential part of the property have been pre-sold to various third parties at a total consideration of RMB1,413,601,595. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
10. Our valuation has been made on the following basis and analysis:
- we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,500 to RMB5,500 per sq.m. for residential units, RMB7,000 to RMB10,000 per sq.m. for ground floor retail units and RMB15,000 to RMB30,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB450 to RMB600 per sq.m. for residential use and RMB310 to RMB420 per sq.m. for commercial use. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
11. The market value of the residential part of the property as if completed as at the valuation date was estimated to be RMB1,421,600,000 (exclusive of value-added tax).
12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- the Group has fully paid the land premium for the land parcels of the residential part of the property mentioned in notes 1 and 3 and obtained the Real Estate Title Certificates (for land);

- b. the Group has not obtained the state-owned land use rights certificates for the land parcels of the commercial part of the property mentioned in note 2 because the land premium has not been fully paid;
- c. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 to 6, and such permissions, approvals and certificates have not been revoked, modified or abolished;
- d. based on the information provided by the Group, the Construction Work Commencement Permits for construction works of the commercial part of the property have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties; and
- e. the residential part of the property is subject to mortgages and has been seized.
13. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as relevant land use rights certificates and construction permits for the commercial part had not been obtained and the residential part has been mortgaged and seized. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB869,600,000 assuming all relevant title certificate has been obtained and it could be freely transferred.
14. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Portion |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
15. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
10.	Project Guiyang Evergrande Imperial Dragon Peak No. 40 Baihua Avenue Yunyan District Guiyang City Gguizhou Province The PRC (貴陽恒大御龍天峰)	<p>Project Guiyang Evergrande Imperial Dragon Peak is located at the southwest of Guiyang downtown area. The locality is a shabby living area with some supporting facilities.</p> <p>The project occupies 2 parcels of land (Land A and Land B) with a total site area of approximately 71,002 sq.m., which is being developed into a residential and commercial complex. Land A and Phase I of Land B of the project were under construction (the “CIP portion”) as at the valuation date and are scheduled to be completed in 2024, and the remaining Phase II of Land B is vacant for further development (the “Land portion”).</p> <p>The property comprises the CIP portion under construction and the Land portion, details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost of the property (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,613,000,000, of which approximately RMB590,200,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 5 August 2090 for residential use and 5 August 2060 for commercial service use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was vacant for future development.	1,897,800,000

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 27 November 2019, the land use rights of a parcel of land with a site area of approximately 71,002.0 sq.m. were contracted to be granted to Guizhou Yonghao Enterprise Management Co., Ltd. (貴州永浩企業管理有限公司, “Guizhou Yonghao”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use. The land consideration was RMB974,644,454. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to 2 Real Estate Title Certificates (for land) — Qian (2020) Gui Yang Shi Bu Dong Chan Quan Di Nos. 0076251 and 0079697, the land use rights of 2 parcels of land with a total site area of approximately 71,002.0 sq.m. have been granted to Guizhou Yonghao for terms expiring on 5 August 2090 for residential use and 5 August 2060 for commercial service use.
3. Pursuant to 2 Construction Work Planning Permits — Jian Zi Di Nos. 520000201811993 and 520000201811977 in favour of Guizhou Yonghao, the property with a total planned GFA of approximately 481,548.77 sq.m. has been approved for construction.
4. Pursuant to 7 Construction Work Commencement Permits in favour of Guizhou Yonghao, permissions by the relevant local authority were given to commence the construction of Land A and Phase I of Land B of the property with a total planned GFA of approximately 337,534.67 sq.m.
5. Pursuant to 7 Pre-sale Permits, Guizhou Yonghao is entitled to sell portions of Project Guiyang Evergrande Imperial Dragon Peak (representing a total GFA of approximately 240,638.24 sq.m.) to purchasers. In addition, one of the Pre-sale Permits (2020) Zhu Shang Fang Yu Zi Di No. 198) was expired on 21 January 2023 and advised by the Group, they have applied for extension.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	151,870.18	
	Apartment (commercial)	56,132.64	
	Retail	3,364.28	
	Commercial (other)	993.86	
	Ancillary	455.03	
	Basement (inclusive of car parking spaces)	<u>124,718.68</u>	<u>3,555</u>
	Sub-total:	<u>337,534.67</u>	<u>3,555</u>
Group III	Residential	<u>114,014.10</u>	
	Sub-total:	<u>114,014.10</u>	<u>Nil</u>
	Grand total:	<u><u>451,548.77</u></u>	<u><u>3,555</u></u>

7. As advised by the Group, various residential, apartment and retail units with a total GFA of approximately 221,804.19 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB2,132,092,188. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB9,000 to RMB10,000 per sq.m. for residential units, RMB7,000 to RMB7,800 per sq.m. for apartment units, RMB10,000 to RMB11,000 per sq.m. for ground floor retail units and RMB50,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and

- b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB3,200 to RMB3,500 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB3,365,000,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates (for land);
- b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished; and
- c. the Group has not set mortgage or warrant on the property.
11. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | N/A |
12. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	1,543,800,000
Group III — held for future development by the Group and joint ventures	<u>354,000,000</u>
Total:	<u><u>1,897,800,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
11.	Project Cangzhou Evergrande Health Valley located at Northern side of Weiwu Road Nanpaihe Town Huangye City Cangzhou City Hebei Province The PRC (滄州恒大養生谷)	<p>Project Cangzhou Evergrande Health Valley is located at the suburban district of Huangye City. The locality is a rural area with public transportation network and amenities under further improvement.</p> <p>The project occupies 10 parcels of land with a total site area of approximately 477,341 sq.m., which is being developed into a residential and commercial complex. Portion of the project were under construction (the “CIP portion”) as at the valuation date and are scheduled to be completed in 2025, and the remaining portion is vacant for further development (the “Land portion”).</p> <p>The property comprises the CIP portion under construction and the Land portion, details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost of the CIP portion of the property (excluding land cost and financial cost) is estimated to be approximately RMB2,736,500,000, of which approximately RMB571,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 3 April 2089 for residential use and 3 April 2059 for commercial service use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was vacant for future development.	276,900,000 <i>(See note 10)</i>

Notes:

- Pursuant to 7 State-owned Land Use Rights Grant Contracts dated 4 April 2019, the land use rights of 7 parcels of land with a total site area of approximately 344,593 sq.m. were contracted to be granted to Huanghua Hengyue Real Estate Development Co., Ltd. (黃驊市恒越房地產開發有限公司, “Huanghua Hengyue”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use. The land consideration was RMB145,900,000. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to 3 State-owned Land Use Rights Grant Contracts dated 4 April 2019, the land use rights of 3 parcels of land with a total site area of approximately 132,388 sq.m. were contracted to be granted to Huanghua Hengli Real Estate Development Co., Ltd. (黃驛市恒立房地產開發有限公司, "Huanghua Hengli", a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use. The land consideration was RMB60,100,000. As advised by the Group, the land consideration has been fully paid.
3. Pursuant to 10 Real Estate Title Certificates (for land), the land use rights of 10 parcels of land with a total site area of approximately 477,341 sq.m. have been granted to Huangye Hengyue and Huangye Hengli respectively for terms expiring on 3 April 2089 for residential use and 3 April 2059 for commercial service use.
4. Pursuant to 7 Construction Work Planning Permits in favour of Huangye Hengyue and Huangye Hengli, the CIP portion of the project with a total planned GFA of approximately 365,087.02 sq.m. has been approved for construction.
5. Pursuant to 6 Construction Work Commencement Permits in favour of Huangye Hengyue and Huangye Hengli, permissions by the relevant local authority were given to commence the construction of portion of the CIP portion of the project with a total planned GFA of approximately 329,491.62 sq.m.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	213,966.44	
	Retail	17,504.55	
	Kindergarden	2,560.70	
	Ancillary	2,421.14	
	Basement (inclusive of car parking spaces)	<u>93,038.79</u>	<u>1,541</u>
	Total:	<u>329,491.62</u>	<u>1,541</u>

7. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB3,500 to RMB4,500 per sq.m. for residential units, RMB7,500 to RMB8,500 per sq.m. for ground floor retail units and RMB10,000 to RMB20,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB250 to RMB350 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
8. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB826,100,000 (exclusive of value-added tax).

9. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 to 3 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 and 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. based on the information provided by the Group, the Construction Work Commencement Permits of portions of construction works under Real Estate Title Certificate — Ji (2019) Huang Hua Shi Bu Dong Chan Quan Di No. 0002746 has not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - d. the land use rights under the Real Estate Title Certificates — Ji (2019) Huang Hua Shi Bu Dong Chan Quan Di Nos. 0002708, 0002707 and the buildings erected thereon have been seized; and
 - e. Huanghua Hengyue and Huanghua Hengli has not set mortgage or warrant on the property except for the circumstances above.
10. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to portion of land parcels have been seized. However, for reference purpose, we are of the opinion that the market value of them that as at the valuation date would be RMB14,800,000 assuming all relevant title certificate has been obtained and it could be freely transferred.
11. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Portion |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | N/A |
12. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	189,000,000
Group III — held for future development by the Group and joint ventures	87,900,000
Total:	276,900,000

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
12.	Project Tangshan Evergrande Health Valley located at Western side of Qingshang Road Caofeidian District Tangshan City Hebei Province The PRC (唐山恒大養生谷)	<p>Project Tangshan Evergrande Health Valley is located at the suburban district of Tangshan City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The project occupies 8 parcels of land with a total site area of approximately 319,283.40 sq.m., which is being developed into a residential and commercial complex. Portion of the project was under construction (the “CIP portion”) as at the valuation date and is scheduled to be completed in 2024, and the remaining portion is vacant for further development (the “Land portion”).</p> <p>The property comprises the CIP portion under construction and the Land portion, details of which are set out in note 7.</p> <p>As advised by the Group, the total construction cost of the CIP portion of the property (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,798,500,000, of which approximately RMB1,008,200,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 30 July 2090 for residential use and 28 July 2060 for commercial service use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was vacant for future development.	75,400,000 (See note 13)

Notes:

- Pursuant to 5 State-owned Land Use Rights Grant Contracts dated 24 September 2019, the land use rights of 5 parcels of land with a total site area of approximately 209,036.20 sq.m. were contracted to be granted to Tangshan Hengwei Real Estate Development Co., Ltd. (唐山恒偉房地產開發有限公司, “Tangshan Hengwei”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use. The land consideration was RMB324,220,482. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to 3 State-owned Land Use Rights Grant Contracts dated 24 September 2019, the land use rights of 3 parcels of land with a total site area of approximately 110,247.18 sq.m. were contracted to be granted to Tangshan Hengpeng Real Estate Development Co., Ltd. (唐山恒鵬健康產業有限公司, “Tangshan Hengpeng”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use. The land consideration was RMB117,956,495. As advised by the Group, the land consideration has been fully paid.
3. Pursuant to 8 Real Estate Title Certificates (for land), the land use rights of 8 parcels of land with a total site area of approximately 319,283.40 sq.m. have been granted to Tangshan Hengwei and Tangshan Hengpeng respectively for terms expiring on 30 July 2090 for residential use and 28 July 2060 for commercial service use.
4. Pursuant to 11 Construction Work Planning Permits in favour of Tangshan Hengwei and Tangshan Hengpeng, the CIP portion of the project with a total planned GFA of approximately 495,433.31 sq.m. has been approved for construction.
5. Pursuant to 11 Construction Work Commencement Permits in favour of Tangshan Hengwei and Tangshan Hengpeng, permissions by the relevant local authority were given to commence the construction of portion of the CIP portion of the project with a total planned GFA of approximately 495,433.31 sq.m.
6. Pursuant to 13 Pre-sale Permits, Tangshan Hengwei and Tangshan Hengpeng is entitled to sell portions of Project Tangshan Evergrande Health Valley (representing a total GFA of approximately 322,367.45 sq.m.) to purchasers.
7. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	256,239.81	
	Retail	9,186.10	
	Sidayuan	20,995.14	
	Apartment	39,574.31	
	Sports center	5,355.00	
	Ancillary	14,019.66	
	Basement (inclusive of car parking spaces)	<u>150,063.29</u>	<u>3,018</u>
Total:		<u>495,433.31</u>	<u>3,018</u>

8. As advised by the Group, various residential units with a total GFA of approximately 157,433.32 sq.m. of the property have been sold to various third parties at a total consideration of RMB938,053,314. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
9. As advised by the Group, various residential and retail units and car parking spaces with a total GFA of approximately 78,824.27 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB328,154,525. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

10. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB6,500 to RMB7,500 per sq.m. for residential units, RMB9,500 to RMB10,500 per sq.m. for ground floor retail units, RMB5,500 to RMB6,500 per sq.m. for Sidayuan, RMB5,500 to RMB6,500 per sq.m. for apartment, RMB5,500 to RMB6,500 per sq.m. for Sports center and RMB25,000 to RMB35,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB950 to RMB1,050 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
11. The market value of the CIP portion of the property as if completed (excluding the portions as mentioned in note 8) as at the valuation date was estimated to be RMB1,046,200,000 (exclusive of value-added tax).
12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land considerations of the land parcels mentioned in note 1 to 3 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 and 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. the land use rights under the Real Estate Title Certificates — Ji (2020) Cao Fei Dian Qu Bu Dong Chan Quan Di Nos. 0007060, 0007063, 0007065 and the buildings erected thereon have been seized; and
 - d. Tangshan Hengwei and Tangshan Hengpeng has not set mortgage or warrant on the property except for the circumstances above.
13. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the CIP portion of the property has been seized. However, for reference purpose, we are of the opinion that the market value of the property (excluding the portions as mentioned in note 8) as at the valuation date would be RMB598,000,000 assuming all the land consideration has been fully paid, all relevant title certificate has been obtained and the property could be freely transferred by the Group.
14. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |

15. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	No commercial value
Group III — held for future development by the Group and joint ventures	<u>75,400,000</u>
Total:	<u><u>75,400,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
13.	Project Zhengzhou Evergrande Yue Mansion located at the southern side of Consulate Nansi Road and the eastern side of Consulate Nansan Street Zhengzhou Airport Economy Zone Zhengzhou City Henan Province The PRC (鄭州恒大悅府)	<p>Project Zhengzhou Evergrande Yue Mansion is located at Zhengzhou Airport Economy Zone. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies a parcel of land with a site area of approximately 38,727.6 sq.m., which is being developed into a residential project. It was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 128,815.6 sq.m., details of which are set out in note 4.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB381,000,000 of which approximately RMB119,600,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for a term expiring on 4 January 2091 for residential use.</p>	As at the valuation date, the construction work of the property had been stopped until further instruction.	260,600,000 <i>(See note 8)</i>

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 9 July 2020, the land use rights of a parcel of land with a site area of approximately 38,727.6 sq.m. were contracted to be granted to Shenhao Life (Henan) Co., Ltd. (深浩生活服務(河南)有限公司, "Henan Shenhao", a 49.01%-owned subsidiary of the Company) for a term of 70 years for residential use. The land consideration was RMB209,660,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to a Real Estate Title Certificate (for land) — Yu (2021) Zheng Gang Bu Dong Chan Quan Di No. 0038894, the land use rights of a parcel of land with a site area of approximately 38,727.6 sq.m. have been granted to Henan Shenhao for a term expiring on 4 January 2091 for residential use.
- As advised by the Group, Henan Shenhao has not obtained the construction permits for the property.

4. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	92,339.09	
	Retail	2,392.56	
	Ancillary	2,046.05	
	Basement (inclusive of car parking spaces)	<u>32,037.90</u>	<u>898</u>
	Total:	<u>128,815.60</u>	<u>898</u>

5. Our valuation has been made on the following basis and analysis:
- we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB8,300 to RMB8,700 per sq.m. for residential units, RMB15,000 to RMB18,000 per sq.m. for ground floor retail units and RMB50,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,500 to RMB2,800 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
6. The market value of the property as if completed as at the valuation date was estimated to be RMB774,100,000 (exclusive of value-added tax).
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- the Group has fully paid the land premium of the land parcel mentioned in notes 1 and 2 and obtained the Real Estate Title Certificate (for land);
 - based on the information provided by the Group, the Construction Work Planning Permits and Construction Work Commencement Permits of construction works of the property have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties; and
 - the Group has not set mortgage or warrant on the property.
8. In the valuation of this property, we have attributed no commercial value to the construction work of the property as relevant construction work permits had not been obtained. However, for reference purpose, we are of the opinion that the replacement cost of the construction work of the property as at the valuation date would be RMB170,000,000.

9. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | No |
| d. | Construction Work Commencement Permit | No |
| e. | Pre-sale Permit | N/A |
10. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
14.	Project Zhengzhou Evergrande Future Light located at the junction of Jinzhou Road and Poyanghu Road Zhengzhou Airport Economy Zone Zhengzhou City Henan Province The PRC (鄭州恒大未來之光)	<p>Project Zhengzhou Evergrande Future Light is located at Zhengzhou Airport Economy Zone. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 9 parcels of land with a total site area of approximately 365,056.33 sq.m., which is being developed into a residential and commercial complex. It was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 1,065,133.8 sq.m., details of which are set out in note 8.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB3,295,900,000, of which approximately RMB1,802,600,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 13 January 2090 and 7 August 2089 for residential use.</p>	As at the valuation date, the property was under construction.	3,781,900,000

Notes:

- Pursuant to 3 State-owned Land Use Rights Grant Contracts dated 9 May 2019, the land use rights of 3 parcels of land with a total site area of approximately 114,862.02 sq.m. were contracted to be granted to Zhengzhou Chaohong Life Service Co., Ltd. (鄭州超宏生活服務有限公司, “Zhengzhou Chaohong”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use. The land consideration was RMB610,300,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to a State-owned Land Use Rights Grant Contract and 9 May 2019, the land use rights of a parcel of land with a site area of approximately 60,798.49 sq.m. were contracted to be granted to Zhengzhou Chaoying Life Service Co., Ltd. (鄭州超盈生活服務有限公司, “Zhengzhou Chaoying”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB 327,240,000. As advised by the Group, the land consideration has been fully paid.

3. Pursuant to 5 State-owned Land Use Rights Grant Contracts dated 18 July 2019, the land use rights of 5 parcels of land with a total site area of approximately 189,395.82 sq.m. were contracted to be granted to Jinchi Life Service (Henan) Co., Ltd. (金馳生活服務(河南)有限公司, “Henan Jinchi”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB1,001,380,000. As advised by the Group, the land consideration has been fully paid.
4. Pursuant to 9 Real Estate Title Certificates (for land), the land use rights of 9 parcels of land with a total site area of approximately 365,056.33 sq.m. have been granted to Zhengzhou Chaohong, ZhengZhou Chaoying and Henan Jinchi for terms expiring on 13 January 2090 and 7 August 2089 for residential use.
5. Pursuant to 9 Construction Work Planning Permits in favour of Zhengzhou Chaohong, ZhengZhou Chaoying and Henan Jinchi, Project Zhengzhou Evergrande Future Light with a total planned GFA of approximately 1,065,133.80 sq.m. has been approved for construction.
6. Pursuant to 9 Construction Work Commencement Permits in favour of Zhengzhou Chaohong, ZhengZhou Chaoying and Henan Jinchi, permissions by the relevant local authority were given to commence the construction of Project Zhengzhou Evergrande Future Light with a planned GFA of approximately 1,065,133.80 sq.m.
7. Pursuant to 27 Pre-sale Permits, Zhengzhou Chaohong, ZhengZhou Chaoying and Henan Jinchi are entitled to sell portions of Project Zhengzhou Evergrande Future Light (representing a total GFA of approximately 659,249.50 sq.m.) to purchasers.
8. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	729,464.23	
	Retail	5,954.04	
	Kindergarten	6,970.95	
	Ancillary	77,997.51	
	Basement (inclusive of car parking spaces)	<u>244,747.07</u>	<u>7,525</u>
	Total:	<u>1,065,133.80</u>	<u>7,525</u>

9. As advised by the Group, various residential/retail units and car parking spaces with a total GFA of approximately 601,534.74 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB4,538,722,515. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
10. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB7,600 to RMB8,300 per sq.m. for residential units, RMB15,000 to RMB18,000 per sq.m. for ground floor retail units and RMB50,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and

- b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,500 to RMB2,800 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
11. The market value of the property as if completed as at the valuation date was estimated to be RMB5,816,000,000 (exclusive of value-added tax).
12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 to 4 and obtained the Real Estate Title Certificates (for land);
- b. the Group has obtained the permissions, approvals and certificates mentioned in notes 5 and 6, and such permissions, approvals and certificates have not been revoked, modified or abolished;
- c. in accordance with provided information and description, Henan Linkong Industrial Park Development Co., Ltd. (河南臨空產業園發展有限公司) is entrusted to be fully responsible for the development and operation of the project; and
- d. the Group has not set mortgage or warrant on the property, except that the Real Estate Title Certificates have advance notice mortgage registration.
13. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
14. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
15.	Project Zhengzhou Evergrande Health Valley located at the junction of Xingze Avenue and Yuelaixi Road Xingyang City Henan Province The PRC (鄭州恒大養生谷)	<p>Project Zhengzhou Evergrande Health Valley is located at core area of Xingyang Liveable Area. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The project occupies 9 parcels of land with a total site area of approximately 328,668.16 sq.m., which is being developed into a residential and commercial complex. A portion of the project was under construction as at the valuation date and is scheduled to be completed in October 2023, a commercial portion (Sidayuan) was stopped its construction as at the valuation date and the remaining portion was completed and handed over to purchasers.</p> <p>The property comprises the portion under construction and Sidayuan with a total planned GFA of approximately 774,829.06 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the project is estimated to be approximately RMB3,309,400,000, of which approximately RMB3,001,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 28 September 2087 for residential use and 28 September 2057 for business finance use.</p>	As at the valuation date, the property was under construction, except that the construction work of the Sidayuan portion was stopped until further instruction.	920,100,000 (See note 12)

Notes:

- Pursuant to 8 Real Estate Title Certificates (for land), the land use rights of 8 parcels of land with a total site area of approximately 313,061.49 sq.m. have been granted to Zhengzhou Hengzetong Health Property Co., Ltd. (鄭州恒澤通健康置業有限公司, “Zhengzhou Hengzetong”, a wholly-owned subsidiary of the Company) for terms expiring on 28 September 2087 for residential use and 28 September 2057 for business finance use.
- Pursuant to a Real Estate Title Certificate (for land) — Yu (2017) Xing Yang Shi Bu Dong Chan Quan Di No. 0015417, the land use rights of a parcel of land with a site area of approximately 66,475.74 sq.m. have been granted to Zhengzhou Hengzetong for a term expiring on 28 September 2057 for business finance use. As advised by the Group, the Real Estate Title Certificate was withdrawn by local government and a portion of the land parcel with a site area of approximately 50,869.07 sq.m. was repurchased by local government. The remaining portion of the land parcel was constructed as the Sidayuan portion.
- Pursuant to 9 Construction Work Planning Permits in favour of Zhengzhou Hengzetong, Project Zhengzhou Evergrande Health Valley with a total planned GFA of approximately 842,146.65 sq.m. (including the property) has been approved for construction.
- Pursuant to 8 Construction Work Commencement Permits in favour of Zhengzhou Hengzetong, permissions by the relevant local authority were given to commence the construction of Project Zhengzhou Evergrande Health Valley with a total planned GFA of approximately 841,945.12 sq.m (including the property).
- Pursuant to 12 Pre-sale Permits, Zhengzhou Hengzetong is entitled to sell portions of Project Zhengzhou Evergrande Health Valley (representing a total GFA of approximately 488,596.18 sq.m.) to purchasers.
- According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	421,480.12	
	Retail	16,694.86	
	Commercial (Apartment)	32,605.00	
	Commercial (Sidayuan)	59,966.34	
	Kindergarten	5,166.19	
	Ancillary	192,839.72	
	Basement (inclusive of car parking spaces)	<u>46,076.83</u>	<u>5,071</u>
	Total:	<u>774,829.06</u>	<u>5,071</u>

- As advised by the Group, various residential units with a total GFA of approximately 369,760.72 sq.m. of the property have been sold to various third parties at a total consideration of RMB2,788,271,173. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
- As advised by the Group, various residential and retail units with a total GFA of approximately 60,072.16 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB323,864,315. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB6,000 to RMB6,700 per sq.m. for high-rise residential units, RMB8,900 to RMB9,200 per sq.m. for multi-storey residential units, RMB5,000 to RMB6,000 per sq.m. for retail units and RMB50,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,500 to RMB1,700 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the property as if completed (excluding the portions as mentioned in note 7) as at the valuation date was estimated to be RMB1,462,800,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates (for land);
 - b. The Real Estate Title Certificate mentioned in note 2 was withdrawn and the local government repurchased a portion of the land with a site area of approximately 50,869.07 sq.m; the Group has not obtained relevant title certificate for the remaining portion of the land; in addition, the remaining portion of the land and constructions erected thereon are subject to a mortgage;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. In accordance with provided information and description, Xingyang City Investment and Development Co., Ltd. (滎陽城市發展投資集團有限公司) is entrusted to be fully responsible for the development and operation of the project;
 - e. the land use rights under a Real Estate Title Certificate — Yu (2017) Xing Yang Shi Bu Dong Chan Quan Di No. 0007280 and the constructed commercial buildings erected thereon are subject to mortgages and have been seized;
 - f. the land use rights under Real Estate Title Certificate — Yu (2017) Xing Yang Shi Bu Dong Chan Quan Di Nos. 0013019, 0014074, 0014075, 0014077 and 0014678 and the buildings erected thereon are subject to mortgages;
 - g. for the parts of the property which have been mortgaged, the Group has the rights to transfer or otherwise dispose of the parts with mortgagee's approval during the mortgage periods; and
 - h. the Group has not set mortgage or warrant on the property except for the circumstances above.

12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to part of the CIP portion under the Real Estate Title Certificates -Yu (2017) Xing Yang Shi Bu Dong Chan Quan Di Nos. 0015417 (Sidayuan Portion) and 0007280, as the first one has been withdrawn with no new title certificate issued and the second one has been seized. However, for reference purpose, we are of the opinion that the market value of the two parts of the CIP portion (excluding the portions as mentioned in note 7) as at the valuation date would be RMB172,200,000 and RMB75,500,000 assuming that the two parts could be freely transferred or disposed of without any restriction.
13. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
14. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
16.	Project Yuntai Mountain Evergrande Health Valley located at the eastern side of Baijiayan Parking Space Yuntai Mountain Area Jiaozuo City Henan Province The PRC (雲台山恒大養生谷)	<p>Project Yuntai Mountain Evergrande Health Valley is located at the foot of Yuntai Mountain. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The project occupies 10 parcels of land with a total site area of approximately 597,567.07 sq.m., which is being developed into a residential and commercial complex. 6 parcels of land of the project were under construction (the “CIP portion”) as at the valuation date and are scheduled to be completed in 2024, and the remaining 4 parcels of land with a total site area of approximately 141,836.98 sq.m. were vacant for further development (the “Land portion”).</p> <p>The property comprises the CIP portion under construction, details of which are set out in note 6, and the Land portion with a plot ratio accountable GFA of approximately 162,962 sq.m.</p> <p>As advised by the Group, the total construction cost of the CIP portion of the property (excluding land cost and financial cost) is estimated to be approximately RMB2,814,800,000, of which approximately RMB1,644,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 12 December 2082 for residential use and 12 December 2052 for commercial use.</p>	As at the valuation date, the construction work of the CIP portion of the property had been stopped until further instruction and the Land portion is vacant for future development.	20,800,000 <i>(See note 10)</i>

Notes:

- Pursuant to 8 State-owned Land Use Rights Certificates, the land use rights of 8 parcel of land with a total site area of approximately 580,214.35 sq.m. have been granted to Tianjie Yuntai (Xiuwu) Investment Co., Ltd. (天階雲台(修武)投資有限公司, “Tianjie Yuntai”, a 70%-owned subsidiary of the Company) for terms expiring on 12 December 2082 for residential use and 12 December 2052 for commercial use.

2. Pursuant to 2 State-owned Land Use Rights Certificates — Xiu Guo Yong (2013) Di Nos. 20 and 21, the land use rights of 2 parcels of land with a total site area of approximately 17,352.72 sq.m. have been granted to Tianjie Yuntai for a term expiring on 12 December 2082 for residential use.
3. Pursuant to 118 Construction Work Planning Permits in favour of Tianjie Yuntai, portions of Project Yuntai Mountain Evergrande Health Valley with a total planned GFA of approximately 423,225 sq.m. (including a portion of the CIP portion of the property) has been approved for construction.
4. Pursuant to 13 Construction Work Commencement Permits in favour of Tianjie Yuntai, permissions by the relevant local authority were given to commence the construction of the portions of Project Yuntai Mountain Evergrande Health Valley with a total planned GFA of approximately 423,225 sq.m (including a portion of the CIP portion of the property).
5. As advised by the Group, relevant construction permits of the remaining portion the CIP portion of the property with a GFA of 62,508.27 sq.m. have not been obtained.
6. According to the information provided by the Group, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	293,810.71	
	Retail	11,766.78	
	Commercial (Sidayuan)	68,690.95	
	Kindergarten	3,784.86	
	Basement (inclusive of car parking spaces)	<u>107,679.97</u>	<u>3,038</u>
	Total:	<u>485,733.27</u>	<u>3,038</u>

7. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,300 to RMB6,500 per sq.m. for high-rise residential units, RMB7,000 to RMB11,000 per sq.m. for low-density residential units, RMB4,000 to RMB7,000 per sq.m. for retail/commercial units and RMB30,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB670 to RMB720 per sq.m for residential use and RMB260 to RMB320 per sq.m. for commercial use. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
8. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB2,578,800,000 (exclusive of value-added tax).

9. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 and 2, and obtained the State-owned Land Use Rights Certificates;
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. based on the information provided by the Group, the Construction Work Planning Permits and Construction Work Commencement Permits of construction works mentioned in note 5 have not been obtained and there is a legal risk of being ordered to stop the construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - d. the land use rights under the State-owned Land Use Rights Certificates mentioned in note 1 and the constructed buildings erected thereon have been seized; and
 - e. the Group has not set mortgage or warrant on the property except for the circumstances above.
10. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the CIP portion and a portion of the Land portion (mentioned in note 1) as they have been seized. However, for reference purpose, we are of the opinion that the market value of the CIP portion and this portion of Land portion of the property as at the valuation date would be RMB1,260,900,000 and RMB94,100,000 respectively assuming that the CIP portion and this portion of Land portion could be freely transferred or disposed of without any restriction.
11. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. State-owned Land Use Rights Certificate | Yes |
| c. Construction Work Planning Permit | Portion |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | N/A |
12. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	No commercial value
Group III — held for future development by the Group and joint ventures	<u>20,800,000</u>
Total:	<u><u>20,800,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
17.	Project Suihua Longjiang Evergrande Health Valley located at Dongfa Village Wuzhan Town Zhaodong City Suihua City Heilongjiang Province The PRC (綏化龍江恒大養生谷)	<p data-bbox="523 449 954 629">Project Suihua Longjiang Evergrande Health Valley is located at the suburban district of Zhaodong City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p data-bbox="523 672 954 1044">The project occupies 10 parcels of land with a total site area of approximately 740,264 sq.m., which is being developed into a residential and commercial complex. 5 parcels of land of the project were under construction (the “CIP portion”) as at the valuation date and scheduled to be completed in 2024, and the remaining 5 parcels of land with a total site area of approximately 213,319 sq.m. were bare land for future development (the “Land portion”).</p> <p data-bbox="523 1087 954 1268">The property comprises the CIP portion with a total planned GFA of approximately 903,067.64 sq.m., details of which are set out in note 11, and the Land portion with a total plot ratio accountable GFA of approximately 411,842.4 sq.m.</p> <p data-bbox="523 1310 954 1523">As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB3,556,200,000, of which approximately RMB1,288,900,000 had been incurred up to the valuation date.</p> <p data-bbox="523 1566 954 1685">The land use rights of the property have been granted for terms expiring on 4 April 2090 and 21 July 2090 for residential use and 31 March 2060 for commercial use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was bare land for future development.	1,735,500,000 (See note 17)

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract dated 2 April 2020, the land use rights of a parcel of land with a site area of approximately 316,803 sq.m. were contracted to be granted to Zhaodong Hengpeng Health Industry Co., Ltd. (肇東市恒鵬健康產業有限公司, “Zhaodong Hengpeng Health”, a wholly-owned subsidiary of the Company) for a term of 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB239,186,300. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 4 State-owned Land Use Rights Grant Contracts dated 8 April 2020, the land use rights of 4 parcels of land of the project with a total site area of approximately 210,142 sq.m. were contracted to be granted to Zhaodong Hengpeng Real Estate Development Co., Ltd. (肇東市恒鵬房地產開發有限公司, “Zhaodong Hengpeng Real Estate”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use commencing from the land delivery date. The total land consideration was RMB158,657,200. As advised by the Group, the land consideration has been fully paid.
3. Pursuant to 4 State-owned Land Use Rights Grant Contracts dated 22 July 2020, the land use rights of 4 parcels of land of the project with a total site area of approximately 203,666 sq.m. were contracted to be granted to Zhaodong Hengwei Real Estate Development Co., Ltd. (肇東市恒偉房地產開發有限公司, “Zhaodong Hengwei”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use commencing from the land delivery date. The total land consideration was RMB153,767,800. As advised by the Group, the land consideration has been fully paid.
4. Pursuant to a State-owned Land Use Rights Grant Contract dated 24 November 2020, the land use rights of a parcel of land of the project with a site area of approximately 9,653 sq.m. were contracted to be granted to Zhaodong Hengpeng Health for a term of 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB7,288,000. As advised by the Group, the land consideration has not been paid.
5. Pursuant to 9 Real Estate Title Certificates (for land), the land use rights of 9 parcels of land (mentioned in notes 1 to 3) with a total site area of approximately 730,611 sq.m. have been granted to Zhaodong Hengpeng Real Estate, Zhaodong Hengpeng Health and Zhaodong Hengwei respectively for terms expiring on 4 April 2090 and 21 July 2090 for residential use and 31 March 2060 for commercial use.
6. For the land parcel mentioned in note 4, the Group has not obtained title certificate.
7. Pursuant to 5 Construction Work Planning Permits in favour of Zhaodong Hengpeng Real Estate and Zhaodong Hengpeng Health, the CIP portion of the property, which located on the land parcels mentioned in notes 1 and 3, with a total planned GFA of approximately 903,067.64 sq.m. has been approved for construction.
8. Pursuant to 8 Construction Work Commencement Permits in favour of Zhaodong Hengpeng Real Estate and Zhaodong Hengpeng Health, permissions by the relevant local authority were given to commence the construction of portion of the CIP portion of the property with a total planned GFA of approximately 510,956.79 sq.m.
9. As advised by the Group, relevant construction permits for the remaining portion of the CIP portion of the property with a planned GFA of approximately 392,110.85 sq.m. have not been obtained.
10. Pursuant to 8 Pre-sale Permits, Zhaodong Hengpeng Real Estate and Zhaodong Hengpeng Health are entitled to sell portions of Project Suihua Longjiang Evergrande Health Valley (representing a total GFA of approximately 213,214.86 sq.m.) to purchasers.

11. According to the information provided by the Group, the planned GFA of the CIP portion is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	344,111.51	
	Retail	25,524.16	
	Commercial (Sidayuan)	21,444.24	
	Apartment	276,501.83	
	Ancillary	16,435.30	
	Basement (inclusive of car parking spaces)	<u>219,050.60</u>	<u>5,904</u>
	Total:	<u>903,067.64</u>	<u>5,904</u>

12. As advised by the Group, various residential and retail units with a total GFA of approximately 87,986.77 sq.m. of the property have been sold to various third parties at a total consideration of RMB453,585,085. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
13. As advised by the Group, various residential and retail units with a total GFA of approximately 60,865.42 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB191,833,928. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
14. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB7,000 to RMB7,200 per sq.m. for residential units, RMB5,500 to RMB6,000 per sq.m. for apartment units, RMB4,700 to RMB6,000 per sq.m. for retail units and RMB50,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB397 to RMB444 per sq.m for residential and RMB918 to RMB1,200 per sq.m. for commercial. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
15. The market value of the CIP portion of the property as if completed (excluding the portions as mentioned in note 12) as at the valuation date was estimated to be RMB3,428,400,000 (exclusive of value-added tax).
16. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 to 3 and 5 and obtained the Real Estate Title Certificates (for land);

- b. the Group has not fully paid the land consideration of the land parcel mentioned in note 4 and has not obtained the Real Estate Title Certificate (for land);
- c. the Group has obtained the permissions, approvals and certificates mentioned in notes 5, 7 and 8, and such permissions, approvals and certificates have not been revoked, modified or abolished;
- d. in accordance with the information and description provided by the Group, Zhaodong Hengpeng Real Estate, Zhaodong Hengpeng Health, haodong Hengwei shall cooperate in the disposal of the project assets and off-project assets in accordance with the opinions of Zhaodong Construction and Installation Engineering Management Service Co., Ltd. and use the disposal proceeds to supplement the funding gap for the construction of the “guaranteed delivery building”. To transfer, lease, mortgage, or entrust of the project shall with the written consent of Zhaodong Construction and Installation Engineering Management Service Co., Ltd.; and
- e. the land use rights of the land parcels of the project and the constructions erected thereon are subject to mortgages.
17. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the land parcel mentioned in notes 4 and 6 as the title certificate had not been obtained. However, for reference purpose, we are of the opinion that the market value of the land on clear and vacant site status as at the valuation date would be RMB13,000,000 assuming all the land consideration has been paid, all relevant title certificate has been obtained and the land could be freely transferred as a clear and vacant site.
18. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Portion |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
19. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	1,559,400,000
Group III — held for future development by the Group and joint ventures	176,100,000
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>1,735,500,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
18.	Project Wuhan Evergrande Health City No.1 Yuanyang Avenue Road Economic and Technological Area Hong'an County Hubei Province The PRC (武漢恒大健康城)	<p>Project Wuhan Evergrande Health City is located at Economical and Technology Area Hong'an County, Hubei Province. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 3 parcels of land with a total site area of approximately 320,121.27 sq.m., which is being developed into a residential and commercial complex. a parcel of land of the project are under construction (the "CIP portion") as at the valuation date and scheduled to be completed in 2024, and the remaining a parcel of land with a site area of approximately 181,043.27 sq.m. were vacant for further development (the "Land portion").</p> <p>The property comprises the CIP portion under construction, details of which are set out in note 8 and the Land portion has a plot ratio accountable GFA of approximately 181,043.27 sq.m.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB1,216,000,000 of which approximately RMB358,200,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 10 June 2090 for residential use and 10 June 2060 for commercial use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was vacant for future development.	No commercial value <i>(See note 13)</i>

Notes:

1. Pursuant to 4 State-owned Land Use Rights Grant Contracts dated 23 June 2020, the land use rights of 2 parcels of land with a total site area of approximately 139,078.92 sq.m. were contracted to be granted to Hongan Hengbo Health Industry Co., Ltd. (紅安恒博健康產業有限公司, “Hongan Hengbo Health”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB83,460,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 23 June 2020, the land use rights of a parcel of land with a site area of approximately 181,043.27sq.m. were contracted to be granted to Hongan Ruiwen Health Industry Co., Ltd. (紅安瑞文健康產業有限公司, “Hongan Ruiwen Health”, a wholly-owned subsidiary of the Company) for a term of 40 years for commercial use commencing from the land delivery date. The land consideration was RMB67,900,000. As advised by the Group, the land consideration has not been paid up.
3. Pursuant to 2 Real Estate Title Certificates (for land) — E (2021) Hong An Xian Bu Dong Chan Quan Di Nos. 0000249 and 0000251, the land use rights of 2 parcels of land with a total site area of approximately 139,078 sq.m. (the same land mentioned in note 1) have been granted to Hongan Hengbo Health for terms expiring on 10 June 2090 for residential use and 10 June 2060 for commercial use.
4. As advised by the Group, the title certificate for the land parcel with a site area of approximately 181,043.27sq.m. of the property had not been obtained.
5. Pursuant to 2 Construction Work Planning Permits — Jian Zi Di Hong Gui Nos. 202100002 and 202100003 in favour of Hongan Hengbo Health, Project Wuhan Evergrande Health City with a planned GFA of approximately 441,434.87 sq.m. has been approved for construction.
6. Pursuant to 2 Construction Work Commencement Permits — Nos. 421122202101040401 and 421122202101040501 in favour of Hongan Hengbo Health, permissions by the relevant local authority were given to commence the construction of Project Wuhan Evergrande Health City with a planned GFA of approximately 441,434.87 sq.m.
7. Pursuant to 2 Pre-sale Permits — E Hong Fang Zi (2021) Nos. 1 and 3, Hongan Hengbo Health is entitled to sell portions of Project Wuhan Evergrande Health City (representing a total GFA of approximately 329,221.59 sq.m. to purchasers.
8. According to the information provided by the Group, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	324,672.11	
	Retail	3,567.72	
	Office	996.86	
	Kindergarten	4,400.00	
	Ancillary	19,633.18	
	Basement (inclusive of car parking spaces)	<u>88,165.00</u>	<u>2,980</u>
	Total:	<u>441,434.87</u>	<u>2,980</u>

9. As advised by the Group, various residential with a total GFA of approximately 164,685.60 sq.m. of the CIP portion have been pre-sold to various third parties at a total consideration of RMB661,329,243. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
10. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,000 to RMB6,500 per sq.m. for residential units, RMB5,000 to RMB10,000 per sq.m. for ground floor retail units, RMB4,000 to RMB6,500 per sq.m. for office units, and RMB40,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB200 to RMB360 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
11. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB1,475,100,000 (exclusive of value-added tax).
12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land considerations of the land parcels mentioned in notes 1 and 3 obtained the Real Estate Title Certificates (for land);
 - b. the State-owned Land Use Rights Grant Contracts of land lot Nos. 2020051G, 2020025G has been signed, the Group has not paid up the land consideration and the title certificate of the land mentioned in note 2 has not been obtained;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 5 to 6, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. the land use rights under the Real Estate Title Certificate No. 0000251 and the buildings erected thereon have been seized; and
 - e. the Group has not set mortgage or warrant on the property except for the circumstances above.
13. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as the title certificate had not been obtained (mentioned in note 2) and the CIP portion have been seized. However, for reference purpose, we are of the opinion that the market value of the property on clear and vacant site status as at the valuation date would be RMB636,200,000 assuming all relevant title certificate has been obtained and the property could be freely transferred as a clear and vacant site.

14. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Grant Contract	Yes
b.	Real Estate Title Certificate (for land)	Portion
c.	Construction Work Planning Permit	Portion
d.	Construction Work Commencement Permit	Portion
e.	Pre-sale Permit	Portion

15. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	No commercial value
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
19.	Project Zishan Lake Evergrande Health Valley located at the Zishanhu New Town Xian'an District Xianning City Hubei Province The PRC (梓山湖恒大養生谷)	<p>Project Zishan Lake Evergrande Health Valley is located at Zishanhu NewTown Xian'an District Xianning City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 3 parcels of land with a total site area of approximately 356,365.61 sq.m., which is being developed into a residential and commercial complex. It was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 309,034.77 sq.m., details of which are set out in note 10.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) is estimated to be approximately RMB1,471,600,000, of which approximately RMB902,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 29 July 2089 for residential use and 5 November 2059 for commercial use.</p>	As at the valuation date, the property was under construction.	No commercial value (See note 16)

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 28 November 2019, the land use rights of a parcel of land with a site area of approximately 183,584.53 sq.m. were contracted to be granted to Xianning Hengchen Property Co., Ltd. (咸寧恒辰置業有限公司, "Xianning Hengchen", a 60%-owned subsidiary of the Company) for a term of 40 years for commercial use commencing from the land delivery date. The land consideration was RMB399,300,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 29 July 2019, the land use rights of 2 parcels of land with a total site area of approximately 172,781.08 sq.m. were contracted to be granted to Xianning Hengyang Property Co., Ltd. (咸寧恒陽置業有限公司, "Xianning Hengyang", a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB399,300,000. As advised by the Group, the land consideration has been fully paid.

3. Pursuant to a Real Estate Title Certificate (for land) — E (2019) Xian An Qu Bu Dong Chan Quan Di No.0038890, the land use rights of a parcel of land with a site area of approximately 183,584.53 sq.m. have been granted to Xianning Hengchen for terms expiring on 5 November 2059 for commercial use.
4. Pursuant to 2 Real Estate Title Certificates (for land) — E (2019) Xian An Qu Bu Dong Chan Quan Di Nos. 0021255 and 0038851, the land use rights of 2 parcels of land with a total site area of approximately 172,781.08 sq.m. have been granted to Xianning Hengyang for terms expiring on 29 July 2089 for residential use.
5. Pursuant to a Construction Work Planning Permit — E Gui Gong Cheng L-421202201900151 in favour of Xianning Hengchen, Project Zishan Lake Evergrande Health Valley with a planned GFA of approximately 20,132.73 sq.m. has been approved for construction.
6. Pursuant to 4 Construction Work Planning Permits — E Gui Gong Cheng L-4212012020081, 421202201900106, 4212012020075 and 4212012021122 in favour of Xianning Hengyang, Project Zishan Lake Evergrande Health Valley with a total planned GFA of approximately 289,779.91 sq.m. has been approved for construction.
7. Pursuant to 3 Construction Work Commencement Permits in favour of Xianning Hengchen, permissions by the relevant local authority were given to commence the construction of Project Zishan Lake Evergrande Health Valley with a planned GFA of approximately 20,132.72 sq.m.
8. Pursuant to 4 Construction Work Commencement Permits in favour of Xianning Hengyang, permissions by the relevant local authority were given to commence the construction of Project Zishan Lake Evergrande Health Valley with a planned GFA of approximately 288,902.05 sq.m.
9. Pursuant to 7 Pre-sale Permits, Xianning Hengchen and Xianning Hengyang are entitled to sell portions of Project Zishan Lake Evergrande Health Valley (representing a total GFA of approximately 212,317.57 sq.m.) to purchasers.
10. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	192,217.40	
	Retail	6,471.00	
	Office	8,787.37	
	Commercial (Sidayuan)	20,628.81	
	Basement (inclusive of car parking spaces)	<u>80,930.19</u>	<u>5,699</u>
	Total:	<u>309,034.77</u>	<u>5,699</u>

11. As advised by the Group, various residential units with a total GFA of approximately 96,261.20 sq.m. of the property have been sold to various third parties at a total consideration of RMB455,620,265.00. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.

12. As advised by the Group, various residential with a total GFA of approximately 149,252.51 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB565,470,548. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
13. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB3,000 to RMB5,500 per sq.m. for residential units, RMB4,000 to RMB8,000 per sq.m. for ground floor retail units, RMB4,000 to RMB9,000 per sq.m. for office units, and RMB30,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB800 to RMB2,300 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
14. The market value of the property as if completed (excluding the portions as mentioned in note 11) as at the valuation date was estimated to be RMB939,500,000 (exclusive of value-added tax).
15. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land considerations of the land parcels mentioned in notes 1 to 4 obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 5 to 8, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. the land use rights under the Real Estate Title Certificate No. 0021255 and the buildings erected thereon are subject to mortgages and have been seized; the land use rights under the Real Estate Title Certificate No. 0038851 and the buildings erected thereon have been seized; the Group has the rights to transfer or otherwise dispose of the property with mortgagee's approval during the mortgage period; and
 - d. the Group has not set mortgage or warrant on the property except for the circumstances above.
16. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as portions of land parcel and the buildings erected thereon have been seized. However, for reference purpose, we are of the opinion that the market value of the property (excluding the portions as mentioned in note 11) as at the valuation date would be RMB1,396,000,000 assuming all relevant title certificate has been obtained and the property could be freely transferred as a clear and vacant site.

17. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Yes |
18. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
20.	Project Xiangtan Evergrande Health Valley located at the junction of Hongyi Road and Zhaoshan North Road Yuetang District Xiangtan City Hunan Province The PRC (湘潭恒大養生谷)	<p>Project Xiangtan Evergrande Health Valley is located at the suburban district of Xiangtan City. The locality has a good natural landscape with hot spring resources, while the public transportation network and amenities are under further improvement.</p> <p>The project occupies 5 parcels of land with a total site area of approximately 352,275.64 sq.m., which is being developed into a residential and commercial complex with a hospital. A portion of the project was completed in 2020 (the “Completed portion”), and the remaining portion was under construction as at the valuation date and is scheduled to be completed in December 2023 (the “CIP portion”). The Completed portion comprises various commercial buildings (Sidayuan), residential and retail units and carparking spaces, a portion of which was sold and handed over to purchasers.</p> <p>The property comprises the Sidayuan and the unsold residential units and retail units of the Completed portion with a total GFA of approximately 23,137.11 sq.m., and the CIP portion of the project with a planned GFA of approximately 445,871.14 sq.m., details of which are set out in note 9.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the project is estimated to be approximately RMB3,123,700,000, of which approximately RMB2,067,200,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 18 May 2088 and 19 May 2088 for residential use, 17 May 2058, 18 May 2058 and 19 May 2058 for commercial use and 17 May 2068 for medical and health charity uses.</p>	As at the valuation date, the CIP portion of the property was under construction, the Sidayuan and unsold residential units, retail units and carparking spaces of the Completed portion were vacant.	1,160,100,000

Notes:

1. Pursuant to 5 State-owned Land Use Rights Grant Contracts dated 28 May 2018, the land use rights of 5 parcels of land of the project with a total site area of approximately 352,269.29 sq.m. were contracted to be granted to Hunan Hengsheng Health Industry Co., Ltd. (湖南恒盛健康產業有限公司, “Hunan Hengsheng Health”, a wholly-owned subsidiary of the Company) and Xiangtan Hengmei Hospital Management Co., Ltd. (湘潭恒美醫院管理有限公司, “Xiangtan Hengmei Hospital”, a wholly-owned subsidiary of the Company) respectively for terms of 40 years for commercial use, 50 years for medical and health charity uses and 70 years for residential use commencing from the land delivery date. The total land consideration was RMB699,290,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 3 Real Estate Title Certificates (for land) — Xiang (2018) Xiang Tan Shi Bu Dong Chan Quan Di Nos. 0046508 and 0046511 and Xiang (2019) Xiang Tan Shi Bu Dong Chan Quan Di No. 0022984, the land use rights of 3 parcels of land with a total site area of approximately 192,259.14 sq.m. have been granted to Hunan Hengsheng Health and Xiangtan Hengmei Hospital for terms expiring on 18 May 2088 for residential use, 18 May 2058 for commercial use and 17 May 2068 for medical and health charity uses.
3. Pursuant to the copies of 2 Real Estate Title Certificates (for land) — Xiang (2018) Xiang Tan Shi Bu Dong Chan Quan Di No. 0046513 and Xiang (2019) Xiang Tan Shi Bu Dong Chan Quan Di No. 0042233, the land use rights of 2 parcels of land with a total site area of approximately 160,016.50 sq.m. have been granted to Hunan Hengsheng Health for terms expiring on 19 May 2088 for residential use, 17 May 2058 and 19 May 2058 for commercial use. As advised by the Group, these 2 Real Estate Title Certificates (for land) have been handed over to the relevant local authority for registration of real estate rights transfer and have been cancelled.
4. Pursuant to 22 Real Estate Title Certificates (for building), the buildings of Sidayuan of the property with a total GFA of approximately 16,865.28 sq.m are owned by Hunan Hengsheng Health.
5. Pursuant to 8 Construction Work Planning Permits in favour of Hunan Hengsheng Health and Xiangtan Hengmei Hospital, the project with a total planned GFA of approximately 661,301.33 sq.m. (including the property) has been approved for construction.
6. Pursuant to 7 Construction Work Commencement Permits in favour of Hunan Hengsheng Health and Xiangtan Hengmei Hospital, permissions by the relevant local authority were given to commence the construction of the project with a total planned GFA of approximately 543,168.11 sq.m (including the property).
7. Pursuant to 7 Pre-sale Permits, Hunan Hengsheng Health is entitled to sell portions of the Project Xiangtan Evergrande Health Valley (representing a total GFA of approximately 314,957.20 sq.m.) to purchasers.
8. Pursuant to 2 Construction Work Completion and Inspection Certificates in favour of Hunan Hengsheng Health, portions of the construction of the project with a total GFA of approximately 52,606.23 sq.m. (including the property) have been completed and passed the inspection acceptance.

9. According to the information provided by the Group, the GFA/planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group I	Residential	3,742.79	
	Retail	2,579.04	
	Commercial (Sidayuan)	<u>16,815.28</u>	
	<i>Sub-total</i>	<u>23,137.11</u>	<u>N/A</u>
Group II	Residential	109,753.37	
	Retail	13,313.12	
	Apartment	82,666.35	
	Ancillary	7,167.14	
	Kindergarten	3,734.84	
	Hospital	70,715.23	
	Basement (inclusive of car parking spaces)	<u>158,521.09</u>	<u>4,498</u>
	<i>Sub-total</i>	<u>445,871.14</u>	<u>4,498</u>
Grand Total:		<u>469,008.25</u>	<u>4,498</u>

10. As advised by the Group, various residential units with a total GFA of approximately 15,231.76 sq.m. of the property have been sold to various third parties at a total consideration of RMB1,255,980,993. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
11. As advised by the Group, various residential and retail units with a total GFA of approximately 10,708.93 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB47,912,890. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
12. Our valuation has been made on the following basis and analysis:
- we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB6,000 to RMB7,000 per sq.m. for residential units, RMB13,500 to RMB14,000 per sq.m. for villas, RMB4,000 to RMB5,000 per sq.m. for apartment units, RMB12,500 to RMB14,000 per sq.m. for retail units and RMB50,000 to RMB78,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,500 to RMB1,740 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.

13. The market value of the CIP portion of the property as if completed (excluding the portions as mentioned in note 10) as at the valuation date was estimated to be RMB1,847,000,000 (exclusive of value-added tax).
14. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1, 2 and 3 and obtained the Real Estate Title Certificates (for land);
 - b. 2 Real Estate Title Certificates (for land) mentioned in note 3 have been handed over to the relevant government authorities for registration of real estate rights transfer and have been cancelled;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 2 to 6 and 8, and such permissions, approvals and certificates have not been revoked, modified or abolished, except for the circumstances above;
 - d. based on the information provided by the Group, the Construction Work Commencement Permits of portion of the construction works under Real Estate Title Certificates — Xiang (2018) Xiang Tan Shi Bu Dong Chan Quan Di Nos. 0046508 and 0046511 have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - e. the land use rights under the Real Estate Title Certificate Xiang (2018) Xiang Tan Shi Bu Dong Chan Quan Di No. 0046511 and construction works erected thereon and the 22 buildings mentioned in note 4 are subject to mortgages, the Group has the rights to transfer or otherwise dispose of this portion of the property with mortgagee's approval during the mortgage period; and
 - f. the Group has not set mortgage or warrant on the property except for the circumstances above.
15. A summary of major certificates/approvals is shown as follows:
- | | |
|--|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | Portion |
| f. Construction Work Completion and Inspection Certificate | Portion |
| g. Real Estate Title Certificate (for Building) | Portion |
16. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group I — held for sale by the Group and joint ventures	231,800,000
Group II — held under development by the Group and joint ventures	928,300,000
Total:	1,160,100,000

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
21.	Project Yueyang Evergrande Hua Mansion located at the junction of Tonghai North Road and Lengshuipu Road Yueyanglou District Yueyang City Hunan Province The PRC (岳陽恒大華府)	<p>Project Yueyang Evergrande Hua Mansion is located at north of the core area of Yueyang City. The locality of the project has a good nature landscape and is well served by public transportation and supporting facilities.</p> <p>The property occupies a parcel of land with a site area of approximately 78,771 sq.m., which is being developed into a residential and commercial complex. It was under construction as at the valuation date and scheduled to be completed in December 2023.</p> <p>The property has a planned GFA of approximately 319,623.58 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB995,300,000, of which approximately RMB514,300,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 7 April 2090 for residential use and 7 April 2060 for commercial use.</p>	As at the valuation date, the property was under construction.	938,400,000

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 21 March 2020, the land use rights of 4 parcels of land with a total site area of approximately 166,511 sq.m. were contracted to be granted to Yueyang Yunyang Life Service Co., Ltd. (岳陽雲揚生活服務有限公司, "Yueyang Yunyang", a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB1,169,600,000. As advised by the Group, the land consideration of RMB55,340,000 of a parcel of land with a site area of approximately 78,771 sq.m, on which the property located, has been fully paid. The land use rights of the remaining 3 parcels of land have been recovered by the government.
- Pursuant to a Real Estate Title Certificate (for land) — Xiang (2020) Yue Yang Shi Bu Dong Chan Quan Di No. 0019620, the land use rights of a parcel of land with a site area of approximately 78,771 sq.m. have been granted to Yueyang Yunyang for terms expiring on 7 April 2090 for residential use and 7 April 2060 for commercial use.

3. Pursuant to a Construction Work Planning Permit in favour of Yueyang Yunyang, the property with a planned GFA of approximately 319,623.58 sq.m. has been approved for construction.
4. Pursuant to 2 Construction Work Commencement Permits in favour of Yueyang Yunyang, permissions by the relevant local authority were given to commence the construction of the property with a total planned GFA of approximately 319,623.58 sq.m.
5. Pursuant to 17 Pre-sale Permits, Yueyang Yunyang is entitled to sell Project Yueyang Evergrande Hua Mansion (representing a total GFA of approximately 224,103.93 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	222,379.98	
	Retail	5,882.44	
	Kindergarten	4,680.36	
	Ancillary	4,075.75	
	Basement (inclusive of car parking spaces)	82,605.05	2,221
Total:		319,623.58	2,221

7. As advised by the Group, various residential and retail units with a total GFA of approximately 216,258.4 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,443,342,031. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,200 to RMB7,600 per sq.m. for residential units, RMB10,000 to RMB10,500 per sq.m. for retail units and RMB50,000 to RMB55,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,100 to RMB2,500 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB1,545,500,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcel mentioned in note 2 and obtained the Real Estate Title Certificate (for land);

- b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2 to 4, and such permissions, approvals and certificates have not been revoked, modified or abolished; and
 - c. the Group has not set mortgage or warrant on the property.
11. A summary of major certificates/approvals is shown as follows:
- | | |
|---|-----|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Yes |
| e. Pre-sale Permit | Yes |
12. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
22.	Project Yueyang Evergrande Health Valley located at the junction of Zhongke Road and Yueyang Avenue Yueyanglou District Yueyang City Hunan Province The PRC (岳陽恒大養生谷)	<p>Project Yueyang Evergrande Health Valley is located at west to the core area of Yueyang City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 4 parcels of land with a total site area of approximately 358,298.9 sq.m., which is being developed into a residential and commercial complex. It was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 1,002,815.74 sq.m., details of which are set out in note 11.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the project is estimated to be approximately RMB3,331,400,000, of which approximately RMB1,526,600,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 27 May 2090 and 30 November 2090 for residential use, and 27 May 2060 and 30 November 2060 for commercial use.</p>	As at the valuation date, the property was under construction.	809,200,000 (See note 17)

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 13 November 2019, the land use rights of a parcel of land with a site area of approximately 198,559 sq.m. were contracted to be granted to Yueyang Hengjun Property Co., Ltd. (岳陽恒駿置業有限公司, "Yueyang Hengjun", a wholly-owned subsidiary of the Company) for terms of 40 years for commercial use and 70 years for residential use commencing from the land delivery date. The total land consideration was RMB69,700,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to a State-owned Land Use Rights Grant Contract dated 13 November 2019, the land use rights of a parcel of land with a site area of approximately 48,549.90 sq.m. were contracted to be granted to Yueyang Hengjun for a term of 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB133,000,000, of which approximately RMB66,500 has been paid, as advised by the Group.

3. Pursuant to a State-owned Land Use Rights Grant Contract dated 13 November 2019, the land use rights of a parcel of land with a site area of approximately 78,082.2 sq.m. were contracted to be granted to Yueyang Hengyue Property Co., Ltd. (岳陽恒越置業有限公司, “Yueyang Hengyue”, a wholly-owned subsidiary of the Company) for terms of 40 years for commercial use and 70 years for residential use commencing from the land delivery date. The total land consideration was RMB231,000,000. As advised by the Group, the land consideration has been fully paid.
4. Pursuant to a State-owned Land Use Rights Grant Contract dated 13 November 2019, the land use rights of a parcel of land with a site area of approximately 33,107.80 sq.m. were contracted to be granted to Yueyang Hengyue for a term of 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB121,000,000. As advised by the Group, the land consideration has been fully paid.
5. Pursuant to 2 Real Estate Title Certificates (for land) — Xiang (2020) Yue Yang Shi Bu Dong Chan Quan Di Nos. 0009975 and 0027990, the land use rights of 2 parcels of land (the land parcels mentioned in notes 1 and 3) with a total site area of approximately 276,641.20 sq.m. have been granted to Yueyang Hengjun and Yueyang Hengyue respectively for terms expiring on 27 May 2090 and 30 November 2090 for residential use, and 27 May 2060 and 30 November 2060 for commercial use.
6. For the remaining 2 parcels of land mentioned in notes 2 and 4 with a total site area of approximately 81,657.7 sq.m., the Group has not obtained relevant title certificates.
7. Pursuant to 7 Construction Work Planning Permits in favour of Yueyang Hengjun and Yueyang Hengyue, the construction work erected on the land parcels mentioned in notes 1 and 3 of the property with a total planned GFA of approximately 821,782.41 sq.m. has been approved for construction.
8. Pursuant to 9 Construction Work Commencement Permits in favour of Yueyang Hengjun and Yueyang Hengyue, permissions by the relevant local authority were given to commence the construction of the construction work erected on the land parcels mentioned in notes 1 and 3 of the property with a total planned GFA of approximately 821,782.41 sq.m.
9. For the remaining portion erected on the land parcels mentioned in notes 2 and 4 of the property with a total planned GFA of approximately 181,033.33 sq.m., the Group has not obtained relevant construction work planning permits.
10. Pursuant to 43 Pre-sale Permits, Yueyang Hengjun and Yueyang Hengyue are entitled to sell portions of Project Yueyang Evergrande Health Valley (representing a total GFA of approximately 460,772.23 sq.m.) to purchasers.
11. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	569,826.92	
	Retail	27,256.11	
	Sidayuan	32,143.57	
	Apartment	98,236.41	
	Ancillary	23,998.58	
	Basement (inclusive of car parking spaces)	<u>251,354.15</u>	<u>7,029</u>
	Total:	<u>1,002,815.74</u>	<u>7,029</u>

12. As advised by the Group, various residential units with a total GFA of approximately 306,103.49 sq.m. of the property have been sold to various third parties at a total consideration of RMB1,947,267,373. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
13. As advised by the Group, various residential units with a total GFA of approximately 50,130.14 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB289,736,472. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
14. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,200 to RMB7,000 per sq.m. for residential units, RMB10,000 to RMB10,500 per sq.m. for retail units and RMB50,000 to RMB55,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,500 to RMB1,620 per sq.m for residential and RMB2,960 to RMB3,030 for commercial. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
15. The market value of the CIP portion of the property as if completed (excluding the portions as mentioned in note 12) as at the valuation date was estimated to be RMB2,930,300,000 (exclusive of value-added tax).
16. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcels mentioned in notes 1, 3 and 5 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has not obtained the Real Estate Title Certificates (for land) for the 2 land parcels mentioned in notes 2 and 4;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 5, 7 and 8, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. construction work has been commenced on the land parcels mentioned in notes 2 and 4 and they have not been obtained relevant construction permits. Therefore, there is a legal risk of being ordered to stop construction, make corrections or demolish within a definite time, confiscate properties or illicit income, and impose fines and other administrative penalties;
 - e. portion of the construction works erected on the land parcel under the Real Estate Title Certificate Xiang (2020) Yue Yang Shi Bu Dong Chan Quan Di No. 0009975 and the relevant land use rights are subject to mortgages, the Group has the rights to transfer or otherwise dispose of this portion of the property with mortgagee's approval during the mortgage period; and
 - f. the Group has not set mortgage or warrant on the property except for the circumstances above.

17. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the 2 parcels of land mentioned in notes 2 and 4, which have not obtained proper title certificates, and the constructions erected thereon. However, for reference purpose, we are of the opinion that the market value of the 2 parcels of land with the constructions erected there on as at the valuation date would be RMB538,000,000 assuming all the land consideration has been fully paid, relevant title certificate and construction permits have been obtained and it could be freely transferred.
18. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Portion |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
19. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
23.	Project Xiangyin Evergrande Imperial Lake Manor located at the junction of Zhonglian Avenue and Yangshahu Avenue Xiangyin County Yueyang City Hunan Province The PRC (湘陰恒大御湖莊園)	<p>Project Xiangyin Evergrande Imperial Lake Manor is located in the Yangshahu Area of Xiangyin County, in the middle of Changsha City and Yueyang City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 117,730.49 sq.m., which is being developed into a residential and commercial complex. It was under construction as at the valuation date and scheduled to be completed in October 2023.</p> <p>The property has a planned GFA of approximately 312,607.31 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB905,700,000, of which approximately RMB472,900,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 30 April 2090 for residential use and 30 April 2060 for commercial use.</p>	As at the valuation date, the property was under construction.	728,500,000

Notes:

- Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 21 March 2020, the land use rights of 2 parcels of land of the project with a total site area of approximately 117,730.51 sq.m. were contracted to be granted to Hunan Haobo Life Service Co., Ltd. (湖南浩博生活服務有限公司, "Hunan Haobo", a wholly-owned subsidiary of the Company) for terms of 70 years for residential use commencing from the land delivery date. The total land consideration was RMB284,570,000. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to 2 Real Estate Title Certificates (for land) — Xiang (2020) Xiang Yin Xian Bu Dong Chan Quan Di Nos. 0001456 and 0001457, the land use rights of 2 parcels of land (mentioned in note 1) with a total site area of approximately 117,730.49 sq.m. have been granted to Hunan Haobo for terms expiring on 30 April 2090 for residential use and 30 April 2060 for commercial use.
3. Pursuant to 15 Construction Work Planning Permits in favour of Hunan Haobo, the property with a total planned GFA of approximately 312,571.31 sq.m. has been approved for construction.
4. Pursuant to 2 Construction Work Commencement Permits in favour of Hunan Haobo, permissions by the relevant local authority were given to commence the construction of the property with a total planned GFA of approximately 312,607.31 sq.m.
5. Pursuant to 18 Pre-sale Permits, Hunan Haobo is entitled to sell portions of Project Xiangyin Evergrande Imperial Lake Manor (representing a total GFA of approximately 254,531.95 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	243,690.06	
	Retail	14,302.21	
	Ancillary	2,447.06	
	Basement (inclusive of car parking spaces)	52,167.98	1,786
Total:		312,607.31	1,786

7. As advised by the Group, various residential and retail units with a total GFA of approximately 169,772.82 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB836,573,832. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,900 to RMB5,400 per sq.m. for residential units, RMB9,000 to RMB12,000 per sq.m. for retail units and RMB50,000 to RMB55,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,020 to RMB1,150 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB1,261,300,000 (exclusive of value-added tax).

10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcels of the property and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2 to 4, and such permissions, approvals and certificates have not been revoked, modified or abolished; and
 - c. the Group has not set mortgage or warrant on the property.
11. A summary of major certificates/approvals is shown as follows:

a. State-owned Land Use Rights Grant Contract	Yes
b. Real Estate Title Certificate (for land)	Yes
c. Construction Work Planning Permit	Yes
d. Construction Work Commencement Permit	Yes
e. Pre-sale Permit	Yes
12. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
24.	Project Nanjing Evergrande Health Valley located at the southern side of Jinniu Lake Liuhe District Nanjing City Jiangsu Province The PRC (南京恒大養生谷)	<p>Project Nanjing Evergrande Health Valley is located near Jinniu Lake in the north of Nanjing City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The project occupies 36 parcels of land with a total site area of approximately 564,939.14 sq.m., which is being developed into a residential, commercial and retirement center complex. A portion of the project was completed in 2022 (the “Completed portion”); a portion of the project was under construction (the “CIP portion”) as at the valuation date and are scheduled to be completed in October 2023; and the remaining portion of the project was vacant for future development (the “Land portion”).</p> <p>The property comprises the unsold residential and retail units of the Completed portion, the CIP portion and the Land portion of the project. Details of the planned GFA of the property are set out in note 8.</p> <p>As advised by the Group and the joint venture, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB3,161,900,000, of which approximately RMB1,986,800,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 23 July 2088 for residential use, 23 July 2068 for healthcare use and 23 July 2058 for commercial use.</p>	As at the valuation date, the unsold units of the Completed portion were vacant for sale, the CIP portion was under construction, and the Land portion was bare land.	No commercial value <i>(See note 14)</i>

Notes:

1. Pursuant to 3 State-owned Land Use Rights Grant Contracts, the land use rights of 3 parcels of land with a total site area of approximately 883,625.36 sq.m. (including the land parcels of the property) were contracted to be granted to Nanjing Hengkang Property Co., Ltd. (南京恒康置業有限公司, “Nanjing Hengkang”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB2,960,000,000. As advised by the Group and the joint venture, the land consideration has been fully paid.
2. Pursuant to 33 Real Estate Title Certificates (for land), the land use rights of 33 parcels of land with a total site area of approximately 530,797.89 sq.m. have been granted to Nanjing Hengkang for terms expiring on 23 July 2088 for residential use, 23 July 2068 for healthcare use and 23 July 2058 for commercial use.
3. Pursuant to 3 Real Estate Title Certificates (for land) — Su (2018) Ning Liu Bu Dong Chan Quan Di Nos. 0006673, 0006473 and 0006472, the land use rights of 3 parcels of land with a total site area of approximately 34,141.25 sq.m. have been granted to Hengning Health Industry Nanjing Co., Ltd. (恒寧健康產業南京有限公司, “Nanjing Hengning”, a 52.93%-owned joint venture of the Company) for terms expiring on 23 July 2088 for residential use and 23 July 2058 for commercial use.
4. Pursuant to 12 Construction Work Planning Permits in favour of Nanjing Hengkang and a Construction Work Planning Permit in favour of Nanjing Hengning, Project Nanjing Evergrande Health Valley with a total planned GFA of approximately 990,732.50 sq.m. (including the property) has been approved for construction.
5. Pursuant to 20 Construction Work Commencement Permits in favour of Nanjing Hengkang and a Construction Work Commencement Permits in favour of Nanjing Hengning, permissions by the relevant local authority were given to commence the construction of the Completed portion and the CIP portion of the project with a total planned GFA of approximately 961,579.39 sq.m. (including the property).
6. Pursuant to 9 Pre-sale Permits, Nanjing Hengkang is entitled to sell portions of the Completed portion of Project Nanjing Evergrande Health Valley (representing a total GFA of approximately 357,863.18 sq.m.) to purchasers.
7. Pursuant to 44 Construction Work Completion and Inspection Certificates in favour of Nanjing Hengkang, the construction of the Completed portion of the project with a total GFA of approximately 206,835.84 sq.m. has been completed and passed the inspection acceptance.

8. According to the information provided by the Group and the joint venture, the GFA/planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group I	Residential	588.61	
	Commercial	<u>9,183.20</u>	
	Sub-total:	<u>9,771.81</u>	<u>Nil</u>
Group II	Residential	306,409.92	
	Commercial	18,849.67	
	Apartment for the elderly	38,007.20	
	Ancillary	63,232.45	
	Basement (inclusive of car parking spaces)	<u>328,058.05</u>	<u>6,160</u>
	Sub-total:	<u>754,557.29</u>	<u>6,160</u>
Group III	Residential	<u>29,153.11</u>	
	Sub-total:	<u>29,153.11</u>	<u>Nil</u>
	Grand total:	<u><u>793,482.21</u></u>	<u><u>6,160</u></u>

9. As advised by Nanjing Hengkang, various residential and commercial units with a total GFA of approximately 170,818.92 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,690,600,000. Pre-sold portion of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
10. Our valuation has been made on the following basis and analysis:
- we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB9,000 to RMB11,000 per sq.m. for residential and apartment units, RMB16,000 to RMB18,000 per sq.m. for ground floor retail units and RMB70,000 to RMB80,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,100 to RMB2,500 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
11. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB4,730,000,000 (exclusive of value-added tax).

12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group and the joint venture have fully paid the land premium of the land parcels mentioned in note 1 and obtained the Real Estate Title Certificates (for land);
 - b. based on the information provided by the Group and the joint venture, the Construction Work Planning Permits and Construction Work Commencement Permits of construction works under Real Estate Title Certificates — Su (2018) Ning Liu Bu Dong Chan Quan Di No. 0033623 and Su (2018) Ning Liu Bu Dong Chan Quan Di No. 0033621 have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - c. the Group and the joint venture have obtained the permissions, approvals and certificates mentioned in notes 2 to 5 except for the construction works under Real Estate Title Certificates — Su (2018) Ning Liu Bu Dong Chan Quan Di No. 0033623 and Su (2018) Ning Liu Bu Dong Chan Quan Di No. 0033621 mentioned above, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. portions of the Real Estate Title Certificates mentioned in note 2 and note 3 have been seized;
 - e. the land use rights under Real Estate Title Certificates — Su (2018) Ning Liu Bu Dong Chan Quan Di Nos. 0033517, 0033514, 0033633, 0033520, 0033651, 0033640, 0033637, 0033626 and 0033635 and the buildings erected thereon are subject to mortgage;
 - f. for the parts of the property which have been mortgaged, the Group has the rights to transfer or otherwise dispose of the parts with mortgagee's approval during the mortgage periods; and
 - g. the Group and the joint venture have not set other mortgage or warrant on the property except for the circumstances above.
13. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as portions of it have been seized. However, for reference purpose, we are of the opinion that the market values of the unsold units of the Completed portion, the CIP portion and the Land portion of the property as at the valuation date would be RMB165,000,000, RMB3,000,000,000 and RMB68,500,000 assuming that the property could be freely transferred or disposed of by the Group and the joint venture without any restriction.
14. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table/Report | Portion |
| g. | Building Ownership Certificate/Real Estate Title Certificate (Building) | N/A |

15. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group I — held for sale by the Group and joint ventures	No commercial value
Group II — held under development by the Group and joint ventures	No commercial value
Group III — held for future development by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
25.	Project Yangzhou Evergrande Cloud Garden located at the eastern side of Shawan South Road Guangling District Yangzhou City Jiangsu Province The PRC (揚州恒大雲錦華庭)	<p data-bbox="523 449 916 661">Project Yangzhou Evergrande Cloud Garden is located at the eastern side of Shawan South Road, which is near the Yangzhou East Railway Station. The locality of the project is well served by public transportation and supporting facilities.</p> <p data-bbox="523 704 959 885">The property occupies a parcel of land with a site area of approximately 53,062 sq.m., which is being developed into a residential project. It was under construction as at the valuation date and scheduled to be completed in September 2023.</p> <p data-bbox="523 927 916 1012">The property has a planned GFA of approximately 135,635 sq.m., details of which are set out in note 6.</p> <p data-bbox="523 1055 959 1236">As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB568,600,000, of which approximately RMB306,500,000 had been incurred up to the valuation date.</p> <p data-bbox="523 1278 916 1366">The land use rights of the property have been granted for a term expiring on 14 September 2090 for residential use.</p>	As at the valuation date, the property was under construction.	No commercial value (See note 11)

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract dated 15 May 2020, the land use rights of a parcel of land with a site area of approximately 53,062 sq.m. were contracted to be granted to Yangzhou Chaosong Property Co., Ltd. (揚州超松置業有限公司, “Yangzhou Chaosong”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB394,780,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to a Real Estate Title Certificate (for land) — Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di No. 0117874, the land use rights of a parcel of land with a site area of approximately 53,062 sq.m. have been granted to Yangzhou Zhenglong Property Co., Ltd. (揚州正龍置業有限公司, “Yangzhou Zhenglong”, a wholly-owned subsidiary of the Company) for a term expiring on 14 September 2090 for residential use.
3. Pursuant to 18 Construction Work Planning Permits in favour of Yangzhou Zhenglong, the property with a total planned GFA of approximately 136,544.75 sq.m. has been approved for construction.

4. Pursuant to a Construction Work Commencement Permit — No. 321002202009270101 in favour of Yangzhou Zhenglong, permission by the relevant local authority was given to commence the construction of the property with a planned GFA of approximately 135,635 sq.m.
5. Pursuant to a Pre-sale Permit — Yang Fang Xiao Zheng Di No.20200208, Yangzhou Zhenglong is entitled to sell portions of Project Yangzhou Evergrande Cloud Garden (representing a total GFA of approximately 93,224.29 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	97,377.45	
	Complex Building	1,287.82	
	Basement (inclusive of car parking spaces)	<u>36,969.73</u>	<u>661</u>
	Total:	<u>135,635.00</u>	<u>661</u>

7. As advised by Yangzhou Zhenglong, various residential units with a total GFA of approximately 91,926.92 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,149,400,000. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB11,000 to RMB13,000 per sq.m. for residential units and complex building and RMB70,000 to RMB80,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,200 to RMB2,500 per sq.m for residential. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB1,138,300,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcel mentioned in note 1 and obtained the Real Estate Title Certificate (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2 to 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;

- c. in accordance with provided information and description, the main seals, certificates, keys and payment instruments of Yangzhou Zhenglong have been supervised;
 - d. the land parcel under Real Estate Title Certificate (for land) mentioned in note 2 has been seized and subject to mortgages;
 - e. for the parts of the property which have been mortgaged, the Group has the rights to transfer or otherwise dispose of the parts with mortgagee's approval during the mortgage periods; and
 - f. the Group has not set mortgage or warrant on the property except for the circumstances above.
11. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as it has been seized. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB749,000,000 assuming that the property could be freely transferred or disposed of by the Group without any restriction.
12. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Yes |
| e. Pre-sale Permit | Portion |
13. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
26.	Project Yangzhou Evergrande Guanglan Mansion located at the eastern side of Jinghang South Road Guangling District Yangzhou City Jiangsu Province The PRC (揚州恒大觀瀾府)	<p>Yangzhou Evergrande Guanglan Mansion is located at the eastern side of Jinghang South Road. The locality of the project is well served by public transportation and supporting facilities.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 86,909 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in August 2023.</p> <p>The property has a planned GFA of approximately 202,063.09 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB843,200,000, of which approximately RMB655,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 1 January 2090 for residential use and 1 January 2060 for commercial use.</p>	As at the valuation date, the property was under construction.	No commercial value <i>(See note 11)</i>

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 12 November 2019, the land use rights of a parcel of land with a site area of approximately 86,909 sq.m. were contracted to be granted to Yangzhou Yunsheng Life Service Co., Ltd. (揚州雲晟生活服務有限公司, “Yangzhou Yunsheng”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB653,560,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to 2 Real Estate Title Certificates (for land) — Su (2020) Yang Zhou Shi Bu Dong Chan Quan Di Nos. 0001202 to 0001203, the land use rights of 2 parcels of land with a total site area of approximately 86,909 sq.m. have been granted to Yangzhou Chaosong Property Co., Ltd. (揚州超松置業有限公司, “Yangzhou Chaosong”, a wholly-owned subsidiary of the Company) for terms expiring on 1 January 2090 for residential use and 1 January 2060 for commercial use.

3. Pursuant to 25 Construction Work Planning Permits in favour of Yangzhou Chaosong, the property with a total planned GFA of approximately 202,832.88 sq.m. has been approved for construction.
4. Pursuant to 2 Construction Work Commencement Permits — Nos. 321002202003310101 and 321002202006280101 in favour of Yangzhou Chaosong, permissions by the relevant local authority were given to commence the construction of the property with a planned GFA of approximately 202,063.09 sq.m.
5. Pursuant to 5 Pre-sale Permits, Yangzhou Chaosong is entitled to sell portions of Project Yangzhou Evergrande Guanglan Mansion (representing a total GFA of approximately 122,095.35 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	133,873.84	
	Retail	7,276.76	
	Ancillary	300.00	
	Basement (inclusive of car parking spaces)	60,612.49	1,173
	Total:	202,063.09	1,173

7. As advised by Yangzhou Chaosong, various residential and retail units with a total GFA of approximately 122,095.35 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,616,300,000. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB11,000 to RMB12,500 per sq.m. for residential units, RMB16,000 to RMB17,500 per sq.m. for ground floor retail units and RMB50,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,200 to RMB2,500 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB1,771,400,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcel mentioned in note 1 and obtained the Real Estate Title Certificates (for land);

- b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2 to 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. the land parcels under the Real Estate Title Certificates (for land) mentioned in note 2 have been seized and subject to mortgages;
 - d. for the parts of the property which have been mortgaged, the Group has the rights to transfer or otherwise dispose of the parts with mortgagee's approval during the mortgage periods; and
 - e. the Group has not set mortgage or warrant on the property except for the circumstances above.
11. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as it has been seized. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB1,461,000,000 assuming that the property could be freely transferred or disposed of by the Group without any restriction.
12. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Yes |
| e. Pre-sale Permit | Portion |
13. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
27.	Project Yangzhong Evergrande Health Valley located at the northern side of Binjiang Avenue Yangzhong City Jiangsu Province The PRC (揚中恒大養生谷)	<p data-bbox="523 449 959 661">Project Yangzhong Evergrande Health Valley is located at the southern side of the Olympic Center and northern side of Binjiang Avenue of Yangzhong City. The locality of the project is well served by public transportation and supporting facilities.</p> <p data-bbox="523 704 959 1044">The project occupies 10 parcels of land with a total site area of approximately 213,922.60 sq.m., which is being developed into a residential and retail complex in two phases. Portion of the project was completed during 2020 to 2021 (the “Completed portion”), the remaining portion of the project is currently under construction (the “CIP portion”) and scheduled to be completed in October 2023.</p> <p data-bbox="523 1087 959 1204">The property comprises the unsold units of the Completed portion and the CIP portion of the project. Details of the planned GFA of the property are set out in note 7.</p> <p data-bbox="523 1247 959 1459">As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion of the property is estimated to be approximately RMB1,027,200,000, of which approximately RMB907,500,000 had been incurred up to the valuation date.</p> <p data-bbox="523 1502 959 1653">The land use rights of the property have been granted for terms expiring on 5 July 2088 for residential use, 5 July 2068 for medical charity use and 5 July 2058 for commercial use.</p>	As at the valuation date, the unsold units of the Completed portion were vacant for sale, and the CIP portion was under construction.	513,300,000

Notes:

- Pursuant to 5 State-owned Land Use Rights Grant Contracts dated 5 January 2018, the land use rights of 5 parcels of land with a total site area of approximately 213,922.18 sq.m. were contracted to be granted to Yangzhong Hengrui Property Co., Ltd. (揚中市恒瑞置業有限公司, “Yangzhong Hengrui”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use, 50 years for medical charity use and 40 years for commercial use commencing from the land delivery date. The total land consideration was RMB839,800,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to 10 Real Estate Title Certificates (for land), the land use rights of 10 parcels of land with a total site area of approximately 213,922.60 sq.m. have been granted to Yangzhong Hengrui for terms expiring on 5 July 2088 for residential use, 5 July 2068 for medical charity use and 5 July 2058 for commercial use.
- Pursuant to 47 Construction Work Planning Permits in favour of Yangzhong Hengrui, Project Yangzhong Evergrande Health Valley (including the property) with a total planned GFA of approximately 471,612.1 sq.m. has been approved for construction.
- Pursuant to 8 Construction Work Commencement Permits in favour of Yangzhong Hengrui, permissions by the relevant local authority were given to commence the construction of the project (including the property) with a total planned GFA of approximately 463,734.85 sq.m.
- Pursuant to 23 Pre-sale Permits, Yangzhong Hengrui is entitled to sell portions of Project Yangzhong Evergrande Health Valley (representing a total GFA of approximately 302,287.11 sq.m.) to purchasers.
- Pursuant to 22 Construction Work Completion and Inspection Certificates in favour of Yangzhong Hengrui, the construction of the Completed portion of the project with a total GFA of approximately 286,229.10 sq.m. has been completed and passed the inspection acceptance.
- According to the information provided by the Group, the GFA/planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group I	Residential	640.43	
	Retail	40.03	
	Sub-total:	680.46	Nil
Group II	Residential	35,200.11	
	Retail	12,035.31	
	Complex building	17,287.46	
	Ancillary	4,831.00	
	Basement (inclusive of car parking spaces)	108,151.87	3,298
	Sub-total:	177,505.75	3,298
	Grand total:	178,186.21	3,298

- As advised by Yangzhong Hengrui, various residential, retail and car parking units with a total GFA of approximately 45,260.68 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB307,100,000. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,500 to RMB7,000 per sq.m. for residential units, RMB14,000 to RMB15,000 per sq.m. for ground floor retail units and RMB50,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,700 to RMB2,000 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB630,000,000.
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in note 1 and obtained the Real Estate Title Certificates (for land), of which 9 Real Estate Title Certificates (for land) except Su (2018) Yang Zhong Shi Bu Dong Chan Quan Di No.0010996 have been submitted for registration of transfer of rights and cancelled as portions of the property have been sold and legally and virtually transferred;
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2 to 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. the land use rights of a parcel of land under Real Estate Title Certificates (for land) Su (2018) Yang Zhong Shi Bu Dong Chan Quan Di No.0010996 was subject to mortgage;
 - d. for the parts of the property which have been mortgaged, the Group has the rights to transfer or otherwise dispose of the parts with mortgagee's approval during the mortgage periods; and
 - e. the Group has not set other mortgage or warrant on the property except for the circumstances above.
12. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table/Report | Portion |
| g. | Building Ownership Certificate/Real Estate Title Certificate (Building) | N/A |

13. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group I — held for sale by the Group and joint ventures	4,300,000
Group II — held under development by the Group and joint ventures	<u>509,000,000</u>
Total:	<u><u>513,300,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
28.	Project Nantong Evergrande Cloud Garden located at the southern side of Haiya Road Sutong Science and Technology Industrial Park Chongchuan District Nantong City Jiangsu Province The PRC (南通恒大雲錦華庭)	<p>Project Nantong Evergrande Cloud Garden is located at the Sutong Science and Technology Industrial Park in Chongchuan District. The locality of the project is well served by public transportation and supporting facilities.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 293,448.79 sq.m., which is being developed into a residential development. A parcel of land of the property was under construction (the “CIP portion”) as at the valuation date and scheduled to be completed in September 2023, and the remaining parcel of land with a site area of approximately 122,395.08 sq.m. was a bare land (the “Land portion”) as at the valuation date.</p> <p>Details of the CIP portion of the property are set out in note 7, and the Land portion has a plot ratio accountable GFA of approximately 183,592.62 sq.m.</p> <p>As advised by the Group, the total construction cost of the CIP portion (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,229,500,000, of which approximately RMB843,400,000 had been incurred up to the valuation date.</p> <p>The land use rights of the CIP portion of the property have been granted for a term expiring on 15 July 2090 for residential use; and the land use rights of the Land portion of the property have been granted for a term of 70 years for residential use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion of the property was bare land.	No commercial value (See note 12)

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract dated 17 June 2020, the land use rights of a parcel of land with a site area of approximately 171,053.71 sq.m. were contracted to be granted to Shenyong Life Service (Jiangsu) Co., Ltd. (深永生活服務(江蘇)有限公司, “Shenyong Life”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB1,229,900,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to a State-owned Land Use Rights Grant Contract dated 13 October 2020, the land use rights of a parcel of land with a site area of approximately 122,395.08 sq.m. were contracted to be granted to Yupeng Life Service (Jiangsu) Co., Ltd. (宇鵬生活服務(江蘇)有限公司, “Yupeng Life”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB864,100,000. As advised by the Group, approximately RMB144,600,000 of the land consideration has been paid up to the valuation date.
3. Pursuant to a Real Estate Title Certificate (for land) — Su (2020) Nan Tong Kai Fa Qu Bu Dong Chan Quan Di No. 0017990, the land use rights of a parcel of land with a site area of approximately 171,053.71 sq.m. have been granted to Shenyong Life for a term expiring on 15 July 2090 for residential use.
4. Pursuant to 5 Construction Work Planning Permits in favour of Shenyong Life, the CIP portion of the property with a total planned GFA of approximately 410,206.09 sq.m. has been approved for construction.
5. Pursuant to 4 Construction Work Commencement Permits — Nos. 320691202009290101, 320691202009280301, 320695202107120101 and 320695202106180101 in favour of Shenyong Life, permissions by the relevant local authority were given to commence the construction of the CIP portion of the property with a planned GFA of approximately 410,206.09 sq.m.
6. Pursuant to 6 Pre-sale Permits, Shenyong Life is entitled to sell portions of the CIP portion of Project Nantong Evergrande Cloud Garden (representing a total GFA of approximately 219,234.84 sq.m.) to purchasers.
7. According to the information provided by the Group, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	270,238.75	
	Ancillary	3,030.62	
	Basement (inclusive of car parking spaces)	136,936.72	3,290
	Total:	410,206.09	3,290

8. As advised by Shenyong Life, various residential units with a total GFA of approximately 162,251.72 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,955,300,000. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.

9. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB10,000 to RMB11,500 per sq.m. for residential units and RMB60,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB4,500 to RMB5,000 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB3,135,500,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcel mentioned in note 1 and obtained the Real Estate Title Certificate (for land);
 - b. the State-owned Land Use Rights Grant Contract dated 13 October 2020 mentioned in note 2 has been signed, the Group has paid up the deposit, the balance payment of the contract has not been paid and the Real Estate Title Certificate (for land) has not been obtained;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 to 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. in accordance with provided information and description, Beijing Kangxin Junan Asset Management Co., Ltd. (北京康信君安資產管理有限公司) is entrusted to be fully responsible for the development and operation of the project and supervise the main seals, certificates, keys and payment instruments of Shenyong Life;
 - e. the land parcel under the Real Estate Title Certificate (for land) mentioned in note 3 and the construction works erected thereon are subject to mortgages and have been seized;
 - f. for the parts of the property which have been mortgaged, the Group has the rights to transfer or otherwise dispose of the parts with mortgagee's approval during the mortgage periods; and
 - g. the Group has not set mortgage or warrant on the property except for the circumstances above.
12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the CIP portion as it has been seized and the Land portion of the property as relevant title certificates had not been obtained. However, for reference purpose, we are of the opinion that the market values of the CIP portion and the Land portion of the property as at the valuation date would be RMB2,436,000,000 and RMB890,000,000 respectively assuming that the CIP portion could be freely transferred or disposed of without any restriction, and the land consideration of the Land portion has been fully paid and the relevant title certificates have been obtained.

13. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Grant Contract	Yes
b.	Real Estate Title Certificate (for land)	Portion
c.	Construction Work Planning Permit	Portion
d.	Construction Work Commencement Permit	Portion
e.	Pre-sale Permit	Portion

14. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	No commercial value
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
29.	Project Nantong Evergrande Linxi County located at the eastern side of Jiangcheng Road Sutong Science and Technology Industrial Park Chongchuan District Nantong City Jiangsu Province The PRC (南通恒大大林溪郡)	<p>Project Nantong Evergrande Linxi County is located at the Sutong Science and Technology Industrial Park in Chongchuan District. The locality of the project is well served by public transportation and supporting facilities.</p> <p>The project occupies 2 parcels of land with a total site area of approximately 123,060.47 sq.m., which is being developed into a residential and retail complex in two phases. Phase I of the project was completed (the “Completed portion”) in 2022, Phase II is currently under construction (the “CIP portion”) and scheduled to be completed in September 2023.</p> <p>The property comprises the non-transferred units of the Completed portion and the CIP portion of the project. Details of the planned GFA of the project are set out in note 7.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion of the property is estimated to be approximately RMB878,800,000, of which approximately RMB809,100,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 30 July 2089 for residential use.</p>	As at the valuation date, the unsold units of the Completed portion were vacant for sale, the CIP portion was under construction.	No commercial value <i>(See note 12)</i>

Notes:

- Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 11 July 2019, the land use rights of 2 parcels of land with a total site area of approximately 123,060.47 sq.m. were contracted to be granted to Jinhao Life Service (Jiangsu) Co., Ltd. (金浩生活服務(江蘇)有限公司, “Jinhao Life”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use commencing from the land delivery date. The total land consideration was RMB704,800,000. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to 2 Real Estate Title Certificates (for land) — Su (2019) Nan Tong Kai Fa Qu Du Dong Chan Quan Di Nos. 0023478 and 0023484, the land use rights of 2 parcels of land with a total site area of approximately 123,060.47 sq.m. have been granted to Jinhao Life for terms expiring on 30 July 2089 for residential use.
3. Pursuant to 4 Construction Work Planning Permits — Jian Zi Di Nos. 320605201910031, 320605201910032, 320605202010003 and 320605202010004 in favour of Jinhao Life, Project Nantong Evergrande Linxi County (including the property) with a total planned GFA of approximately 291,500.83 sq.m. has been approved for construction.
4. Pursuant to 3 Construction Work Commencement Permits — Nos. 320612201910220101, 320612201910250101 and 320612202004010101 in favour of Jinhao Life, permissions by the relevant local authority were given to commence the construction of the project (including the property) with a total planned GFA of approximately 291,500.83 sq.m.
5. Pursuant to 10 Pre-sale Permits, Jinhao Life is entitled to sell portions of Project Nantong Evergrande Linxi County (representing a total GFA of approximately 205,979.73 sq.m.) to purchasers.
6. Pursuant to a Construction Work Completion and Inspection Certificate in favour of Jinhao Life, the construction of the Completed portion of the property with a total GFA of approximately 92,344.62 sq.m. has been completed and passed the inspection acceptance.
7. According to the information provided by the Group, the GFA/planned GFA of the project is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group I	Residential	67,709.96	
	Underground car parking spaces	<u>24,634.66</u>	<u>602</u>
	Sub-total:	<u>92,344.62</u>	<u>602</u>
Group II	Residential	122,070.72	
	Ancillary	7,281.24	
	Basement (inclusive of car parking spaces)	<u>61,938.07</u>	<u>1,710</u>
	Sub-total:	<u>191,290.03</u>	<u>1,710</u>
Grand total:		<u><u>283,634.65</u></u>	<u><u>2,312</u></u>

8. As advised by Jinhao Life, various residential units with a total GFA of approximately 66,262.91 sq.m. of the Completed portion of the project have been sold to various third parties at a total consideration of RMB749,300,000 and legally transferred. Meanwhile, various residential units with a total GFA of approximately 1,964.78 sq.m. of the Completed portion and 120,969.66 sq.m. of the CIP portion of the project have been pre-sold to various third parties at a total consideration of RMB1,365,200,000. Such portions of the project have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the project.

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB11,000 to RMB12,000 per sq.m. for residential units and RMB65,000 to RMB75,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB4,500 to RMB5,000 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB1,335,700,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in note 1 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2 to 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. the land parcels under the Real Estate Title Certificates (for land) mentioned in note 2 and the construction works erected thereon have been seized;
 - d. for the parts of the property which have been mortgaged, the Group has the rights to transfer or otherwise dispose of the parts with mortgagee's approval during the mortgage periods; and
 - e. the Group has not set mortgage or warrant on the property except for the circumstances above.
12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as it has been seized. However, for reference purpose, we are of the opinion that the market value of the Completed portion and the CIP portion of the property as at the valuation date would be RMB42,000,000 and RMB1,240,000,000 assuming that the property could be freely transferred or disposed of by the Group without any restriction.
13. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table/Report | Portion |
| g. | Building Ownership Certificate/Real Estate Title Certificate (Building) | N/A |

14. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group I — held for sale by the Group and joint ventures	No commercial value
Group II — held under development by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
30.	Project Nantong Evergrande Jade Garden located at the eastern side of Sutong Road Sutong Science and Technology Industrial Park Chongchuan District Nantong City Jiangsu Province The PRC (南通恒大翡翠华庭)	<p>Project Nantong Evergrande Jade Garden is located at the Sutong Science and Technology Industrial Park in Chongchuan District. The locality of the project is well served by public transportation and supporting facilities.</p> <p>The property occupies a parcel of land with a site area of approximately 88,440.56 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in December 2023.</p> <p>The property has a planned GFA of approximately 190,045.12 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB720,500,000, of which approximately RMB195,800,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 15 July 2090 for residential use.</p>	As at the valuation date, the property was under construction.	No commercial value <i>(See note 11)</i>

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 17 June 2020, the land use rights of a parcel of land with a site area of approximately 88,440.56 sq.m. were contracted to be granted to Haotao Life Service (Jiangsu) Co., Ltd. (浩濤生活服務(江蘇)有限公司, “Haotao Life”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use commencing from the land delivery date. The land consideration was RMB590,800,000. As advised by the Group, the land consideration has been fully paid.
- Pursuant to a Real Estate Title Certificate (for land) — Su (2021) Su Xi Tong Bu Dong Chan Quan Di No. 0000691, the land use rights of a parcel of land with a site area of approximately 88,440.56 sq.m. have been granted to Haotao Life for terms expiring on 15 July 2090 for residential use.
- Pursuant to 3 Construction Work Planning Permits — Nos. 320600202100116 to 320600202100118 in favour of Haotao Life, the property with a total planned GFA of approximately 190,045.12 sq.m. has been approved for construction.

4. Pursuant to a Construction Work Commencement Permit — No. 320695202104280101 in favour of Haotao Life, permission by the relevant local authority was given to commence the construction of the property with a planned GFA of approximately 190,045.12 sq.m.
5. Pursuant to a Pre-sale Permits — Tong Su Xi Tong Fang Yu Shou Zheng (2021) No. 008, Haotao Life is entitled to sell portions of Project Nantong Evergrande Jade Garden (representing a total GFA of approximately 50,743.89 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	113,958.69	
	Retail	6,737.34	
	Ancillary	2,854.79	
	Basement (inclusive of car parking spaces)	66,494.30	1,449
Total:		190,045.12	1,449

7. As advised by Haotao Life, various residential and retail units with a total GFA of approximately 49,412.59 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB562,600,000. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB11,000 to RMB12,000 per sq.m. for residential units, RMB18,000 to RMB20,000 per sq.m. for ground floor retail units and RMB65,000 to RMB75,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB4,500 to RMB5,000 per sq.m for residential. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB1,530,000,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcel mentioned in note 1 and obtained the Real Estate Title Certificate (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2 to 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;

- c. the Real Estate Title Certificate (for land) mentioned in note 2 and the construction works erected thereon have been seized;
- d. for the parts of the property which have been mortgaged, the Group has the rights to transfer or otherwise dispose of the parts with mortgagee's approval during the mortgage periods; and
- e. the Group has not set mortgage or warrant on the property except for the circumstances above.
11. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as it has been seized. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB791,000,000 assuming that the property could be freely transferred or disposed of without any restriction by the Group.
12. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
13. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
31.	Project Jiangyin Evergrande Health Valley located at the southern side of Fangqian Road Jiangyin City Jiangsu Province The PRC (江陰恒大養生谷)	<p>Project Jiangyin Evergrande Health Valley is located at Shengang New Town in the west of Jiangyin City. The locality of the project is well served by public transportation and supporting facilities.</p> <p>The property occupies a parcel of land with a site area of approximately 54,977 sq.m., which is being developed into a residential and retail complex. The construction works of the property were suspended as at the valuation date.</p> <p>The property has a planned GFA of approximately 109,475.57 sq.m., details of which are set out in note 4.</p> <p>As advised by the Group and the joint venture, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB292,100,000, of which approximately RMB58,200,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 30 July 2090 for residential use and 30 July 2060 for commercial use.</p>	As at the valuation date, the construction works of the property were suspended.	No commercial value (See note 8)

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 12 August 2020, the land use rights of a parcel of land with a site area of approximately 54,977 sq.m. were contracted to be granted to Jiangyin Hengpeng Property Co., Ltd. (江陰市恒鵬置業有限公司, “Jiangyin Hengpeng”, a 50%-owned joint venture of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB329,900,000. As advised by the Group and the joint venture, the land consideration has been fully paid.
- Pursuant to a Real Estate Title Certificate (for land) — Su (2021) Jiang Yin Shi Bu Dong Chan Quan Di No. 0016760, the land use rights of a parcel of land with a site area of approximately 54,977 sq.m. have been granted to Jiangyin Hengpeng for terms expiring on 30 July 2090 for residential use and 30 July 2060 for commercial use.

3. Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 320281202100134 in favour of Jiangyin Hengpeng, the property with a total planned GFA of approximately 109,475.57 sq.m. has been approved for construction.
4. According to the information provided by Jiangyin Hengpeng, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	78,001.06	
	Retail	7,188.66	
	Ancillary	665.87	
	Basement (inclusive of car parking spaces)	<u>23,619.98</u>	<u>609</u>
	Total:	<u>109,475.57</u>	<u>609</u>

5. Our valuation has been made on the following basis and analysis:
- we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB11,000 to RMB12,000 per sq.m. for residential units, RMB15,000 to RMB16,500 per sq.m. for ground floor retail units and RMB65,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB3,500 to RMB4,000 per sq.m for residential. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
6. The market value of the property as if completed as at the valuation date was estimated to be RMB1,058,600,000 (exclusive of value-added tax).
7. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- Jiangyin Hengpeng has fully paid the land premium of the land parcel mentioned in note 1 and obtained the Real Estate Title Certificate (for land);
 - the Construction Work Commencement Permits of construction works under Real Estate Title Certificate (for land) — Su (2021) Jiang Yin Shi Bu Dong Chan Quan Di No. 0016760 has not been obtained and there is a legal risk of being ordered to stop construction, make corrections or demolish within a time limit, confiscate properties or illicit income, and impose fines and other administrative penalties; and
 - Jiangyin Hengpeng has not set mortgage or warrant on the property except for the circumstances above.

8. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as relevant construction permits had not been obtained. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB580,000,000 assuming that the property could be freely transferred or disposed of without any restriction and the relevant construction certificates have been obtained.
9. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|-----|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | N/A |
| e. | Pre-sale Permit | N/A |
10. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
32.	Project Shangrao Evergrande Health Valley No. 9 Shangrao Avenue Xinzhou District Shangrao City Jiangxi Province The PRC (上饒恒大養生谷)	<p>Project Shangrao Evergrande Health Valley is located at the southern part of Shangrao City and in the core area of Shangrao International Heathy Tourism Pilot Zone. The locality is a developing residential and health care tourism area with public transportation network and supporting facilities under further improvement.</p> <p>The project occupies 4 parcels of land (Land #1–4) with a total site area of approximately 412,939 sq.m., which is being developed into a residential and commercial complex. Land #1 was under construction (the “CIP portion”) as at the valuation date and is scheduled to be completed in 2024, and some construction works have started in the remaining land portions which have not obtained relevant title certificates (the “Land portion”).</p> <p>The property comprises the CIP portion under construction, details of which are set out in note 7, and the Land portion with a plot ratio accountable GFA of approximately 413,100.6 sq.m.</p> <p>As advised by the Group, the total construction cost of the CIP portion of the property (excluding land cost and financial cost) is estimated to be approximately RMB1,092,000,000, of which approximately RMB710,400,000 had been incurred up to the valuation date.</p> <p>The land use rights of Land #1 have been granted for terms expiring on 3 December 2090 for residential use and 3 December 2060 for retail, wholesale, catering and accommodation uses.</p>	As at the valuation date, the CIP portion of the property was under construction and some construction works of the Land portion were started.	1,075,500,000 (See note 12)

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract — 36202004010003 dated 22 July 2022, the land use rights of a parcel of land with a site area of approximately 130,167 sq.m. were contracted to be granted to Shangrao Hengjun Health Industry Co., Ltd. (上饒恒駿健康產業有限公司, “Shangrao Hengjun”, a 50%-owned joint venture of the Company) for terms of 70 years for residential use and 40 years for retail, wholesale, catering and accommodation uses. The land consideration was RMB173,000,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 3 State-owned Land Use Rights Grant Contracts — 36202004010004, 36202004010005 and 36202004010006 dated 22 July 2022, the land use rights of 3 parcels of land with a total site area of approximately 282,772 sq.m. were contracted to be granted to Shangrao Hengjun for terms of 70 years for residential use, 40 years for retail, wholesale, catering and accommodation, entertainment and other commercial uses, and 50 years for health care use. The land consideration was RMB297,100,000. As advised by the Group, the land consideration has not been paid. As advised by the Group, some construction works were started on the land parcels under the State-owned Land Use Rights Grant Contracts — 36202004010004 and 36202004010005.
3. Pursuant to a Real Estate Title Certificate (for land) — Gan (2020) Shang Rao Shi Bu Dong Chan Quan Di No. 0064028, the land use rights of a parcel of land with a total site area of approximately 71,002 sq.m. have been granted to Shangrao Hengjun for terms expiring on 3 December 2090 for residential use and 3 December 2060 for retail, wholesale, catering and accommodation uses.
4. Pursuant to 33 Construction Work Planning Permits in favour of Shangrao Hengjun, Land #1 with a total planned GFA of approximately 280,246.66 sq.m. has been approved for construction (the CIP portion).
5. Pursuant to a Construction Work Commencement Permit — 361102202012110201 in favour of Shangrao Hengjun, permission by the relevant local authority was given to commence the construction of Land #1 with a total planned GFA of approximately 280,246.66 sq.m (the CIP portion).
6. Pursuant to 9 Pre-sale Permits, Shangrao Hengjun is entitled to sell portions of Project Shangrao Evergrande Health Valley (representing a total GFA of approximately 185,698.09 sq.m.) to purchasers.
7. According to the information provided by Shangrao Hengjun, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	181,812.50	
	Retail	10,943.85	
	Kindergarten	2,940.22	
	Ancillary	1,556.20	
	Underground car parking spaces	82,993.89	1,330
	Total:	280,246.66	1,330

8. As advised by the Group, various residential units with a total GFA of approximately 144,181.95 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,037,751,000. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB6,500 to RMB8,000 per sq.m. for residential units, RMB7,000 to RMB8,500 per sq.m. for 2-storey retail units and RMB40,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB620 to RMB780 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP of the property as if completed as at the valuation date was estimated to be RMB1,360,000,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. Shangrao Hengjun has fully paid the land premium of the land parcel mentioned in notes 1 and 3 and obtained the Real Estate Title Certificates (for land);
 - b. Shangrao Hengjun has not fully paid the land premium of the land parcels mentioned in note 2;
 - c. Shangrao Hengjun has obtained the permissions, approvals and certificates mentioned in notes 4 and 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. construction works have been commenced on the land parcels mentioned in note 2 and they have not obtained relevant Construction Work Planning Permits and Construction Work Commencement Permits; therefore, there is a legal risk of being ordered to stop the construction, make corrections or demolish within a definite time, confiscate properties or illicit income, and impose fines and other administrative penalties; and
 - e. Shangrao Hengjun has not set mortgage or warrant on the property except for the circumstances above.
12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the Land portion of the property as relevant title certificates had not been obtained. However, for reference purpose, we are of the opinion that the market value of the Land portion of the property as at the valuation date would be RMB301,600,000 assuming that the land consideration has been fully paid and relevant title certificates have been obtained.
13. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |

14. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	1,075,500,000
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>1,075,500,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
33.	Project Shenyang Evergrande Junrui Mansion No. 91 Mozishan Road Hunnan District Shenyang City Liaoning Province The PRC (瀋陽恒大珺睿府)	<p>Project Shenyang Evergrande Junrui Mansion is located at No. 91 Mozishan Road, Hunnan District. The locality of the project is well served by public transportation and supporting facilities.</p> <p>The property occupies a parcel of land with a site area of approximately 80,176.43 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in 2025.</p> <p>The property has a planned GFA of approximately 197,713.42 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB708,800,000, of which approximately RMB298,200,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for a term expiring on 29 August 2089 for residential use.</p>	As at the valuation date, the property was under construction.	783,700,000

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 30 May 2019, the land use rights of a parcel of land with a site area of approximately 80,176.43 sq.m. were contracted to be granted to Junming Enterprise Management (Liaoning) Co., Ltd. (俊明企業管理(遼寧)有限公司, “Junming Enterprise Management”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB469,513,174. As advised by the Group, the land consideration has been fully paid.
- Pursuant to a Real Estate Title Certificate (for land) — Liao (2019) Shen Yang Shi Bu Dong Chan Quan Di No. 9000241, the land use rights of a parcel of land with a site area of approximately 80,176.43 sq.m. have been granted to Junming Enterprise Management for a term expiring on 29 August 2089 for residential use.
- Pursuant to 2 Construction Work Planning Permits — Jian Zi Di Nos. 210112201900105 and 210112202000003 in favour of Junming Enterprise Management, Project Shenyang Evergrande Junrui Mansion with a total planned GFA of approximately 197,713.42 sq.m. has been approved for construction.

4. Pursuant to 2 Construction Work Commencement Permits — Nos. 210112201911270101 and 21011220200409000901 in favour of Junming Enterprise Management, permissions by the relevant local authority were given to commence the construction of Project Shenyang Evergrande Junrui Mansion with a total planned GFA of approximately 197,713.42 sq.m.
5. Pursuant to 8 Pre-sale Permits, Junming Enterprise Management is entitled to sell portions of Project Shenyang Evergrande Junrui Mansion (representing a total GFA of approximately 122,534.89 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	92,198.97	
	Apartment	30,860.00	
	Retail	5,223.31	
	Ancillary	4,422.47	
	Basement (inclusive of car parking spaces)	65,008.67	1,035
Total:		197,713.42	1,035

7. As advised by Junming Enterprise Management, various residential units with a total GFA of approximately 121,515.74 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,283,811,976. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - c. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB11,000 to RMB12,000 per sq.m. for residential units, RMB13,000 to RMB14,000 per sq.m. for ground floor retail units, RMB4,000 to RMB5,000 per sq.m. for apartment units and RMB60,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - d. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB5,300 to RMB5,700 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB1,358,400,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcel mentioned in notes 1 and 2 and obtained the Real Estate Title Certificate (for land);

- b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. a commercial building (located at No. 91-23 Mozishan Road) of the property is subject to a mortgage;
 - d. for the portion of the property which has been mortgaged, the Group has the rights to transfer or otherwise dispose of it with mortgagee's approval during the mortgage period; and
 - e. the Group has not set mortgage or warrant on the property except for the circumstances above.
11. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
12. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
34.	Project Shenyang Evergrande Imperial Lake County No. 31 Quanyun Road Hunnan District Shenyang City Liaoning Province The PRC (瀋陽恒大御湖郡)	<p>Project Shenyang Evergrande Imperial Lake County is located at No. 31 Quanyun Road, Hunnan District. The locality of the project is well served by public transportation and supporting facilities.</p> <p>The property occupies a parcel of land with a site area of approximately 120,167.32 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 316,742.04 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,116,200,000, of which approximately RMB488,800,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for a term expiring on 25 April 2090 for residential use.</p>	As at the valuation date, the property was under construction.	1,283,600,000

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 6 August 2019, the land use rights of a parcel of land with a site area of approximately 120,167.32 sq.m. were contracted to be granted to Liaopeng Life Service (Liaoning) Co., Ltd. (遼鵬生活服務(遼寧)有限公司, "Liaopeng Life Service", a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB886,834,822. As advised by the Group, the land consideration has been fully paid.
- Pursuant to a Real Estate Title Certificate (for land) — Liao (2020) Shen Yang Shi Bu Dong Chan Quan Di No. 0155473, the land use rights of a parcel of land with a site area of approximately 120,167.32 sq.m. have been granted to Liaopeng Life Service for a term expiring on 25 April 2090 for residential use.
- Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 210112202000022 in favour of Liaopeng Life Service, Project Shenyang Evergrande Imperial Lake County with a planned GFA of approximately 316,742.04 sq.m. has been approved for construction.

4. Pursuant to 2 Construction Work Commencement Permits — Nos. 21011220200526000501 and 21011220200526000601 in favour of Liaopeng Life Service, permissions by the relevant local authority were given to commence the construction of Project Shenyang Evergrande Imperial Lake County with a total planned GFA of approximately 316,742.04 sq.m.
5. Pursuant to 6 Pre-sale Permits, Liaopeng Life Service is entitled to sell portions of Project Shenyang Evergrande Imperial Lake County (representing a total GFA of approximately 209,169.65 sq.m.) to purchasers.
6. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	198,589.29	
	Apartment	11,368.52	
	Retail	6,343.36	
	Ancillary	1,135.83	
	Basement (inclusive of car parking spaces)	99,305.04	2,336
	Total:	316,742.04	2,336

7. As advised by Liaopeng Life Service, various residential and retail units with a total GFA of approximately 197,672.62 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,962,127,762. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
8. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB9,000 to RMB10,000 per sq.m. for residential units, RMB14,000 to RMB16,000 per sq.m. for ground floor retail units, RMB7,500 to RMB8,000 per sq.m. for apartment units and RMB50,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB5,300 to RMB5,600 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the property as if completed as at the valuation date was estimated to be RMB2,219,900,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcel mentioned in notes 1 and 2 and obtained the Real Estate Title Certificate (for land);

- b. the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. 2 buildings (located at Nos. 31-7 and 31-19 Quanyun Road) of the property are subject to mortgage and a residential unit (Room No. 1-20-2, with a GFA of approximately 105.24 sq.m.) of the property has been seized;
 - d. for the portion of the property which has been mortgaged, the Group has the rights to transfer or otherwise dispose of it with mortgagee's approval during the mortgage period; and
 - e. the Group has not set mortgage or warrant on the property except for the circumstances above.
11. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Yes |
| e. Pre-sale Permit | Portion |
12. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
35.	Project Shenyang Evergrande Linxi County located at north-western side of junction of Hunhe 17th Street and Kaifa 22nd Road Tiexi District Shenyang City Liaoning Province The PRC (瀋陽恒大林溪郡)	<p>Project Shenyang Evergrande Linxi County is located at north-western side of junction of Hunhe 17th Street and Kaifa 22nd Road, Tiexi District. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 147,848 sq.m., which is being developed into a residential and retail complex. It was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 380,386.60 sq.m., details of which are set out in note 7.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB1,540,900,000, of which approximately RMB652,600,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 28 November 2089 and 16 April 2090 for residential use and 28 November 2059 and 16 April 2060 for commercial use.</p>	As at the valuation date, the property was under construction.	1,033,300,000

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 25 July 2019, the land use rights of a parcel of land with a site area of approximately 107,655.53 sq.m. were contracted to be granted to Shenyang Chaofeng Life Service Co., Ltd. (瀋陽超豐生活服務有限公司, “Shenyang Chaofeng”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB507,703,479. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to a State-owned Land Use Rights Grant Contract dated 25 July 2019, the land use rights of a parcel of land with a site area of approximately 40,192.47 sq.m. were contracted to be granted to Shenyang Chaohong Life Service Co., Ltd. (瀋陽超宏生活服務有限公司, “Shenyang Chaohong”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB204,981,597. As advised by the Group, the land consideration has been fully paid.
3. Pursuant to 2 Real Estate Title Certificates (for land) — Liao (2019) Shen Yang Shi Bu Dong Chan Quan Di No. 9106135 and Liao (2020) Shen Yang Shi Bu Dong Chan Quan Di No. 0146534, the land use rights of 2 parcels of land with a total site area of approximately 147,848 sq.m. have been granted to Shenyang Chaofeng and Shenyang Chaohong for terms expiring on 28 November 2089 and 16 April 2090 for residential use, 16 April 2060 and 28 November 2059 for commercial use.
4. Pursuant to 3 Construction Work Planning Permits — Jian Zi Di Nos. 210106201910067, 210106202010005 and 210106202010034 in favour of Shenyang Chaofeng and Shenyang Chaohong, Project Shenyang Evergrande Linxi County with a total planned GFA of approximately 380,386.60 sq.m. has been approved for construction.
5. Pursuant to 3 Construction Work Commencement Permits — Nos. 210115201912130501, 2101152020031702002 and 2101152020091702023 in favour of Shenyang Chaofeng and Shenyang Chaohong, permissions by the relevant local authority were given to commence the construction of Project Shenyang Evergrande Linxi County with a total planned GFA of approximately 380,386.60 sq.m.
6. Pursuant to 12 Pre-sale Permits, Shenyang Chaofeng and Shenyang Chaohong are entitled to sell portions of Project Shenyang Evergrande Linxi County (representing a total GFA of approximately 263,150.49 sq.m.) to purchasers.
7. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	262,794.64	
	Retail	11,135.27	
	Ancillary	6,261.28	
	Basement (inclusive of car parking spaces)	100,195.14	3,092
Total:		380,386.60	3,092

8. As advised by Shenyang Chaofeng and Shenyang Chaohong, various residential and retail units with a total GFA of approximately 259,227.62 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,876,321,342. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
9. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB7,000 to RMB8,000 per sq.m. for residential units, RMB9,000 to RMB11,000 per sq.m. for ground floor retail units and RMB75,000 to RMB85,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and

- b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB2,800 to RMB3,200 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the property as if completed as at the valuation date was estimated to be RMB2,102,200,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 to 3 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 and 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. the commercial buildings located at Nos. 52-23 and 52-29 and various units of the property are subject to mortgage;
 - d. for the portion of the property which has been mortgaged, the Group has the rights to transfer or otherwise dispose of it with mortgagee's approval during the mortgage period; and
 - e. the Group has not set mortgage or warrant on the property except for the circumstances above.
12. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
13. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
36.	Project Shentu Evergrande Health Valley located at Fenglin Road Lishi Town Wanghua District Fushun City Liaoning Province The PRC (沈撫恒大養生谷)	<p>Project Shentu Evergrande Health Valley is located at Fenglin Road, Lishi Town. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>Project Shentu Evergrande Health Valley occupies 5 parcels of land with a total site area of approximately 752,006 sq.m., which is being developed into a residential and retail complex in three phases.</p> <p>Portions of Phases I and II of the project were completed in 2021 and 2022 (the “Completed portion”), a portion of which was sold and handed over to purchasers.</p> <p>A commercial building of Phase I and the remaining portion of Phase II were under construction (the “CIP portion”) and scheduled to be completed in December 2023. The remaining portion of Phase I was bare land for future development (the “Land portion”). The construction works of Phase III of the project were suspended as at the valuation date.</p> <p>The property comprises the unsold portion of the Completed portion, the CIP portion, the Land portion and Phase III of the project. Details of the GFA/planned GFA of the property are set out in note 11.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB463,700,000, of which approximately RMB353,400,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 25 September 2088 for residential use and 25 September 2058 for commercial use.</p>	As at the valuation date, the unsold portion of the Completed portion was vacant for sale, the CIP portion was under construction, the construction works of Phase III were suspended, and the Land portion was bare land for future development.	938,100,000 (See notes 17 and 18)

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract dated 26 November 2018, the land use rights of a parcel of land with a site area of approximately 220,866 sq.m. were contracted to be granted to Hengpeng Health Industry Hebei Co., Ltd. (the predecessor of Hengpeng Health Industry Liaoning Co., Ltd. (恒鹏健康产业遼寧有限公司, “Liaoning Hengpeng” a wholly-owned subsidiary of the Company) for a term of 40 years for commercial use commencing from the land delivery date. The land consideration was RMB261,730,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 3 State-owned Land Use Rights Grant Contracts dated 26 November 2018, the land use rights of 3 parcels of land with a total site area of approximately 355,857 sq.m. were contracted to be granted to Liaoning Hengyang Health Property Co., Ltd. (遼寧恒陽健康置業有限公司, “Liaoning Hengyang”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use commencing from the land delivery date. The land consideration was RMB611,180,000. As advised by the Group, the land consideration has been fully paid.
3. Pursuant to a State-owned Land Use Rights Grant Contract dated 26 January 2021, the land use rights of a parcel of land with a site area of approximately 175,283 sq.m. were contracted to be granted to Liaoning Hengyang Health Property Co., Ltd. (遼寧恒佳健康產業有限公司, “Liaoning Hengjia”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB347,940,000. As advised by the Group, the land consideration has not been fully paid. As advised by the Group, Phase III of the project is erected on this land parcel, the construction works of which were suspended.
4. Pursuant to a Real Estate Title Certificate (for land) — Liao (2020) Fu Kai Bu Dong Chan Quan Di No. 0001378, the land use rights of a parcel of land with a site area of approximately 220,866 sq.m. have been granted to Liaoning Hengpeng for a term expiring on 25 September 2058 for commercial use.
5. Pursuant to 3 Real Estate Title Certificates (for land) — Liao (2019) Fu Kai Bu Dong Chan Quan Di Nos. 0006664, 0006665 and Liao (2020) Fu Kai Bu Dong Chan Quan Di No. 0005189, the land use rights of 3 parcels of land with a total site area of approximately 355,857 sq.m. have been granted to Liaoning Hengyang for terms expiring on 25 September 2088 for residential use.
6. Pursuant to 3 Construction Work Planning Permits — Jian Zi Di Nos. SF21150020180011A, SF21150020180011B and SF21150020180011C in favour of Liaoning Hengpeng, portions of Phase I of Project Shenfu Evergrande Health Valley with a total planned GFA of approximately 93,021.78 sq.m. has been approved for construction.
7. Pursuant to 7 Construction Work Planning Permits in favour of Liaoning Hengyang, Phase II of Project Shenfu Evergrande Health Valley with a total planned GFA of approximately 774,069.41 sq.m. has been approved for construction.
8. Pursuant to 4 Construction Work Commencement Permits — Nos. 210488201901031001, 210488201812200101, 210488201905230901 and 210488201906050801 in favour of Liaoning Hengpeng, permissions by the relevant local authority were given to commence the construction of portions of Phase I of Project Shenfu Evergrande Health Valley with a total planned GFA of approximately 50,960.94 sq.m.
9. Pursuant to 5 Construction Work Commencement Permits in favour of Liaoning Hengyang, permissions by the relevant local authority were given to commence the construction of Phase II of Project Shenfu Evergrande Health Valley with a total planned GFA of approximately 774,069.41 sq.m.
10. Pursuant to 112 Pre-sale Permits, Liaoning Hengyang is entitled to sell portions of Project Shenfu Evergrande Health Valley (representing a total GFA of approximately 535,085.40 sq.m.) to purchasers.

11. According to the information provided by the Group, the GFA/planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group I	Residential	3,422.08	
	Retail	8,850.83	
	Commercial (Sidayuan)	29,682.06	
	Kindergarten	3,701.64	
	Basement (inclusive of car parking spaces)	<u>43,341.18</u>	<u>3,204</u>
	<i>Sub-total:</i>	<u>88,997.79</u>	<u>3,204</u>
Group II	Residential	239,325.83	
	Retail	14,429.07	
	Basement (inclusive of car parking spaces)	<u>85,803.78</u>	<u>2,124</u>
	<i>Sub-total:</i>	<u>339,558.68</u>	<u>2,124</u>
Group III	Hotel	42,060.84	
	Office	<u>158,553.09</u>	
	<i>Sub-total:</i>	<u>200,613.93</u>	<u>Nil</u>
Group VI	Residential	257,795.87	
	Retail	11,136.15	
	Ancillary	12,927.81	
	Basement	<u>115,341.19</u>	
	<i>Sub-total:</i>	<u>397,201.02</u>	<u>Nil</u>
	Grand total:	<u>1,026,371.42</u>	<u>5,328</u>

12. As advised by the Group, various residential units and retail units with a total GFA of approximately 176,582.41 sq.m. of Phase II of the property have been sold to various third parties at a total consideration of RMB1,193,950,078. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
13. As advised by Liaoning Hengyang, various residential, retail units and car parking spaces with a total GFA of approximately 66,865.22 sq.m. of Phase II of the property have been pre-sold to various third parties at a total consideration of RMB275,315,290. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

14. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,000 to RMB5,500 per sq.m. for residential units, RMB12,000 to RMB14,000 per sq.m. for ground floor retail units, RMB6,000 to RMB7,500 per sq.m. for commercial units (sidayuan) and RMB35,000 to RMB40,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB450 to RMB550 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
15. The market value of the CIP portion of the property (excluding the portions as mentioned in note 12) as if completed as at the valuation date was estimated to be RMB426,200,000 (exclusive of value-added tax).
16. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in notes 1, 2, 4 and 5 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has not fully paid the land premium of the land parcel mentioned in note 3 and not obtained the Real Estate Title Certificates (for land), the Construction Work Commencement Permits of Phase III of the project have not been obtained and there is a legal risk of being ordered to stop construction, make corrections or demolish within a definite time, confiscate properties or illicit income, and impose fines and other administrative penalties;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 6 to 9, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. the land use rights under Real Estate Title Certificate (for land) — Liao (2020) Fu Kai Bu Dong Chan Quan Di No. 0001378 and the buildings erected thereon are subject to mortgage;
 - e. the land use rights under Real Estate Title Certificates (for land) — Liao (2019) Fu Kai Bu Dong Chan Quan Di Nos. 0006664, 0006665 and Liao (2020) Fu Kai Bu Dong Chan Quan Di No. 0005189 and the buildings erected thereon are subject to mortgage;
 - f. for the portions of the property which has been mortgaged, the Group has the rights to transfer or otherwise dispose of them with mortgagee's approval during the mortgage period;
 - g. 2 residential units (with a total GFA of approximately 212.89 sq.m.) of the Completed portion of the property have been seized;
 - h. 3 residential units (with a total GFA of approximately 336.86 sq.m.) of the CIP portion of the property have been seized; and
 - i. the Group has not set mortgage or warrant on the property except for the circumstances above.

17. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the 2 residential units of the Completed portion of the property as they have been seized. However, for reference purpose, we are of the opinion that the market value of this portion of the property as at the valuation date would be RMB900,000 assuming all relevant title certificate has been obtained and it could be freely transferred or disposed of without any restriction.
18. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the parcel of land mentioned in note 3 and the suspended construction works erected thereon as the relevant title certificate and construction permits had not been obtained. However, for reference purpose, we are of the opinion that the market value of the land on clear and vacant site status as at the valuation date would be RMB356,100,000 assuming all the land consideration has been paid, all relevant title certificate has been obtained and the land could be freely transferred as a clear and vacant site.
19. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|---|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Portion |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate/Table/Report | N/A |
| g. | Building Ownership Certificate/Real Estate Title Certificate (Building) | N/A |
20. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group I — held for sale by the Group and joint ventures	443,400,000
Group II — held under development by the Group and joint ventures	413,200,000
Group III — held for future development by the Group and joint ventures	81,500,000
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>938,100,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
37.	Project Hohhot Evergrande Health Valley located at the junction of Zhiyi Road and Jinsheng Road Linxin District Hohhot City Inner Mongolia Autonomous Region The PRC (呼和浩特恒大養生谷)	<p>Project Hohhot Evergrande Health Valley is located at Linxin District, Hohhot City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 14 parcels of land with a total site area of approximately 516,444.81 sq.m., which is being developed into a residential and commercial complex. As at the valuation date the property was under construction and scheduled to be completed in 2024.</p> <p>The property has a planned GFA of approximately 920,221.86 sq.m., details of which are set out in note 10.</p> <p>As advised by the Group, the total construction cost of the property (excluding land cost and financial cost) is estimated to be approximately RMB3,924,000,000, of which approximately RMB1,609,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 10 February 2089, 6 March 2089, 13 March 2089, and 28 January 2091 for residential use, 10 February 2059, 13 March 2059 and 28 January 2061 for commercial use, 22 September 2070 for public management and service uses.</p>	As at the valuation date, the property was under construction.	No commercial value (See note 16)

Notes:

- Pursuant to 5 State-owned Land Use Rights Grant Contracts dated 1 February 2019 and 17 September 2019, the land use rights of 5 parcels of land with a total site area of approximately 158,900.54 sq.m. were contracted to be granted to Hohhot Hengpeng Health Industry Co., Ltd. (呼和浩特恒鵬健康產業有限公司, "Hohhot Hengpeng Health", a 55%-owned subsidiary of the Company) for terms of 40 years for commercial use and 50 years for public management and service uses commencing from the land delivery date. The land consideration was RMB95,627,666. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to 9 State-owned Land Use Rights Grant Contracts dated between 26 January 2019 and 22 January 2021, the land use rights of 9 parcels of land with a total site area of approximately 304,288.9 sq.m. were contracted to be granted to Hohhot Hengwei Health Industry Co., Ltd. (呼和浩特恒偉健康產業有限公司, “Hohhot Hengwei Health”, a wholly-owned subsidiary of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB228,988,701. As advised by the Group, the land consideration has been fully paid.
3. Pursuant to a State-owned Land Use Rights Grant Contract dated 22 January 2021, the land use rights of a parcel of land with a site area of approximately 53,255.30 sq.m. were contracted to be granted to Hohhot Henghong Real Estate Development Co., Ltd. (呼和浩特恒宏房地產開發有限公司, “Hohhot Henghong Real Estate”, a 49%-owned joint venture of the Company) for a term of 70 years for residential use commencing from the land delivery date. The land consideration was RMB43,988,877. As advised by the Group and the joint venture, the land consideration has been fully paid.
4. Pursuant to 5 Real Estate Title Certificates (for land), the land use rights of 5 parcels of land (the same land parcels mentioned in note 1) with a total site area of approximately 158,900.54 sq.m. have been granted to Hohhot Hengpeng Health for terms expiring on 10 February 2059 for commercial use and 22 September 2070 for public management and service uses.
5. Pursuant to 8 Real Estate Title Certificates (for land), the land use rights of 8 parcels of land (the same land parcels mentioned in note 2) with a total site area of approximately 304,288.91 sq.m. have been granted to Hohhot Hengwei Health for terms expiring on 10 February 2089, 6 March 2089, 13 March 2089 and 28 January 2091 for residential use, and 10 February 2059, 13 March 2059 and 28 January 2061 for commercial use.
6. Pursuant to a Real Estate Title Certificate (for land) — Meng 2021 He Lin Ge Er Xian Bu Dong Chan Quan Zheng Di No. 0003569, the land use rights of a parcel of land (the same land parcel mentioned in note 3) with a site area of approximately 53,255.36 sq.m. have been granted to Hohhot Henghong Real Estate for terms expiring on 28 January 2091 for residential use and 28 January 2061 for commercial use.
7. Pursuant to 22 Construction Work Planning Permits in favour of Hohhot Hengpeng Health, Hohhot Hengwei Health and Hohhot Henghong Real Estate, Project Hohhot Evergrande Health Valley with a total planned GFA of approximately 920,221.86 sq.m. has been approved for construction.
8. Pursuant to 23 Construction Work Commencement Permits, in favour of Hohhot Hengpeng Health, Hohhot Hengwei Health and Hohhot Henghong Real Estate, permissions by the relevant local authority were given to commence the construction of Project Hohhot Evergrande Health Valley with a total planned GFA of approximately 886,924.00 sq.m.
9. Pursuant to 47 Pre-sale Permits, Hohhot Hengpeng Health, Hohhot Hengwei Health and Hohhot Henghong Real Estate are entitled to sell portions of Project Hohhot Evergrande Health Valley (representing a total GFA of approximately 519,444.90 sq.m.) to purchasers.

10. According to the information provided by the Group and the joint venture, the planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	443,996.63	
	Retail	105,469.59	
	Office	223,091.64	
	Hotel	14,496.59	
	Basement (inclusive of car parking spaces)	<u>133,167.41</u>	<u>5,753</u>
	Total:	<u>920,221.86</u>	<u>5,753</u>

11. As advised by the Group and the joint venture, various residential and retail units and 268 car parking spaces with a total GFA of approximately 326,637.11 sq.m. of the property have been sold to various third parties at a total consideration of RMB2,217,500,215. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
12. As advised by the Group and the joint venture, various residential and retail units and 501 car parking spaces with a total GFA of approximately 383,402.51 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB2,377,185,809. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
13. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB6,000 to RMB8,000 per sq.m. for residential units, RMB12,000 to RMB16,000 per sq.m. for ground floor retail units, RMB5,000 to RMB9,000 per sq.m. for office units, and RMB40,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB500 to RMB600 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
14. The market value of the CIP portion of the property as if completed (excluding the portions as mentioned in note 11) as at the valuation date was estimated to be RMB5,358,000,000 (exclusive of value-added tax).
15. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group and the joint venture have fully paid the land premium of land parcels of the property mentioned in notes 1 to 6 and obtained the Real Estate Title Certificates (for land);

- b. the Group and the joint venture have obtained the permissions, approvals and certificates mentioned in notes 7 to 8, and such permissions, approvals and certificates have not been revoked, modified or abolished;
- c. the land use rights under the Real Estate Title Certificates Nos. 0016145 to 0016147, 0016132, 0003744, 0003569, 0003570, 0003571 and the constructions erected thereon have been seized;
- d. the land use rights under the Real Estate Title Certificate No. 0016132 are subject to mortgage and the Group and the joint venture have the rights to transfer or otherwise dispose of this portion of the property with mortgagee's approval during the mortgage period;
- e. In accordance with provided information and description, Inner Mongolia Xinjia Real Estate Co., Ltd. (內蒙古新嘉置業有限責任公司, "Xinjia") as the entrusted party of this project, will carry out the follow-up construction, sales and other disposal of the Project in accordance with the entrusted content agreed in the agreement. The initial ownership registration will be under the name of Xinjia; and
- f. the Group and the joint venture have not set mortgage or warrant on the property except for the circumstances above.
16. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as portions of the property are subject to mortgages and have been seized. However, for reference purpose, we are of the opinion that the market value of the property (excluding the portions as mentioned in note 11) as at the valuation date would be RMB2,026,900,000 assuming all relevant title certificate has been obtained and the property could be freely transferred or disposed of without any restriction.
17. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Yes |
| e. | Pre-sale Permit | Portion |
18. For the purpose of this report, the property is classified into the group as "Group II — held under development by the Group and joint ventures" according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
38.	Project Zibo Evergrande Health Valley located at the southwestern side of junction of Taohuashan Road and Zhengyang Road Wenchanghu District Zibo City Shandong Province The PRC (淄博恒大養生谷)	<p>Project Zibo Evergrande Health Valley is located at core area of Wenchanghu Tourism Area. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The project occupies 3 parcels of land with a total site area of approximately 307,331 sq.m., which is being developed into a residential and commercial complex. Portion of the project was under construction as at the valuation date and scheduled to be completed in June 2023, and the remaining portion was bare land.</p> <p>The property comprises the portion under construction with a total planned GFA of approximately 407,368.64 sq.m. (the “CIP portion”) and the bare land (the “Land portion”), details of which are set out in note 10.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion of the property is estimated to be approximately RMB1,236,500,000, of which approximately RMB911,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 10 September 2089 for residential use and 10 September 2059 for commercial use.</p>	As at the valuation date, the CIP portion was under construction, and the Land portion was bare land for future development.	No commercial value <i>(See note 13)</i>

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 11 September 2019, the land use rights of a parcel of land with a site area of approximately 115,342 sq.m. were contracted to be granted to Zibo Hengyue Health Industry Co., Ltd. (淄博恒越健康產業有限公司, “Zibo Hengyue Health Industry”, a wholly-owned subsidiary of the Company) for a term of 40 years for commercial use commencing from the land delivery date. The land consideration was RMB172,410,000. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to 2 State-owned Land Use Rights Grants Contracts dated 11 September 2019, the land use rights of 2 parcels of land with a total site area of approximately 191,989 sq.m. were contracted to be granted to Zibo Hengyue Real Estate Development Co., Ltd. (淄博恒越房地產開發有限公司, “Zibo Hengyue Real Estate Development”, a wholly-owned subsidiary of the Company) for terms of 70 years for residential use commencing from the land delivery date. The land consideration was RMB576,500,000. As advised by the Group, the land consideration has been fully paid.
3. Pursuant to 3 Real Estate Title Certificates (for land) — Lu (2020) Zi Bo Wen Chang Hu Qu Bu Dong Chan Quan Di Nos. 0000063, 0000097 and 0000167, the land use rights of 3 parcels of land with a total site area of approximately 307,331 sq.m. have been granted to Zibo Hengyue Health Industry and Zibo Hengyue Real Estate Development for terms expiring on 10 September 2089 for residential use and 10 September 2059 for commercial use.
4. Pursuant to 35 Construction Work Planning Permits in favour of Zibo Hengyue Health Industry and Zibo Hengyue Real Estate Development, the CIP portion of Project Zibo Evergrande Health Valley with a total planned GFA of approximately 407,368.64 sq.m. has been approved for construction.
5. Pursuant to 75 Construction Work Commencement Permits in favour of Zibo Hengyue Health Industry and Zibo Hengyue Real Estate Development, permissions by the relevant local authority were given to commence the construction of the CIP portion of Project Zibo Evergrande Health Valley with a total planned GFA of approximately 401,972.73 sq.m.
6. Pursuant to 32 Pre-sale Permits, Zibo Hengyue Real Estate Development is entitled to sell portions of Project Zibo Evergrande Health Valley (representing a total GFA of approximately 252,530.35 sq.m.) to purchasers.
7. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	252,415.35	
	Retail	3,456.34	
	Commercial (Sidayuan)	24,092.40	
	Kindergarten	6,262.10	
	Ancillary	46,659.62	
	Storage room	40,911.87	
	Basement (inclusive of car parking spaces)	<u>33,570.96</u>	<u>2,630</u>
	<i>Sub-total:</i>	<u>407,368.64</u>	<u>2,630</u>
Group III	Residential	29,598.42	
	Commercial (Sidayuan)	<u>115,316.00</u>	
	<i>Sub-total:</i>	<u>144,914.42</u>	<u>Nil</u>
	Total:	<u>552,283.06</u>	<u>2,630</u>

8. As advised by the Group, various residential units with a total GFA of approximately 180,405.04 sq.m. of the property have been sold to various third parties at a total consideration of RMB1,046,042,269. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.

9. As advised by the Group, various residential units and car parking spaces with a total GFA of approximately 40,727.10 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB172,016,215. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.
10. Our valuation has been made on the following basis and analysis:
 - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,000 to RMB4,500 per sq.m. for residential units, RMB6,500 to RMB7,500 per sq.m for the ground floor retail units, RMB1,000 to RMB1,500 per sq.m. for storage room and RMB75,000 to RMB80,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,400 to RMB1,700 per sq.m for residential use and RMB1,300 to RMB1,600 for commercial use. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
11. The market value of the CIP portion of the property as if completed (excluding the portions as mentioned in note 8) as at the valuation date was estimated to be RMB738,900,000 (exclusive of value-added tax).
12. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has fully paid the land premium of the land parcels mentioned in notes 1 to 3 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 to 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. the land use rights under the Real Estate Title Certificate — Lu (2020) Zi Bo Wen Chang Hu Qu Bu Dong Chan Quan Di No. 0000063 and the construction erected thereon are subject to mortgages and have been seized;
 - d. 364 units of the CIP portion of the property have been seized; and
 - e. the Group has not set mortgage or warrant on the property except for the circumstances above.
13. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as portion of the property was seized. However, for reference purpose, we are of the opinion that the market value of the property (excluding the portions as mentioned in note 8) as at the valuation date would be RMB587,400,000 assuming it could be freely transferred or disposed of by the Group without any restriction.

14. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Grant Contract	Yes
b.	Real Estate Title Certificate (for land)	Yes
c.	Construction Work Planning Permit	Yes
d.	Construction Work Commencement Permit	Yes
e.	Pre-sale Permit	Portion

15. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	No commercial value
Group III — held for future development by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
39.	Project Xi'an Evergrande Health Valley located at southeastern side the junction of Ziwu Avenue and Shenhe 2nd Road Chang'an District Xi'an City Shaanxi Province The PRC (西安恒大養生谷)	<p>Project Xi'an Evergrande Health Valley is located at Shenhe 2nd Road, Chang'an District. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The project occupies 2 parcels of land with a total site area of approximately 159,426.13 sq.m., which is being developed into a residential and commercial complex. Portion of the project was completed in 2022 (the "Completed portion") and the remaining portion of the project was under construction (the "CIP portion") as at the valuation date and scheduled to be completed in 2025.</p> <p>The property comprises the unsold apartment and office units of the Completed portion and the CIP portion of the project with a total planned GFA of approximately 351,226.84 sq.m., details of which are set out in note 6.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion of the property is estimated to be approximately RMB1,507,400,000, of which approximately RMB861,800,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 9 January 2087 for residential use and 9 January 2057 for commercial use.</p>	As at the valuation date, the unsold units of the Completed portion were vacant for sale and the CIP portion of the property was under construction.	1,078,900,000

Notes:

- Pursuant to 2 Real Estate Title Certificates (for land) — Shan (2017) Chang An Qu Bu Dong Chan Quan Di Nos. 0000045 and 0000051, the land use rights of 2 parcels of land with a total site area of approximately 159,426.13 sq.m. have been granted to Xi'an Hengning Health Property Co., Ltd. (西安恒寧健康置業有限公司, "Xi'an Hengning", a wholly-owned subsidiary of the Company) for terms expiring on 9 January 2087 for residential use and 9 January 2057 for commercial use.

2. Pursuant to 2 Construction Work Planning Permits — Xi Gui Chang Jian Zi Di (2017) No. 016 and Xi Gui Chang Jian Zi Di (2018) No. 015 in favour of Xi'an Hengning, Project Xi'an Evergrande Health Valley with a total planned GFA of approximately 524,525.64 sq.m. (including the property) has been approved for construction.
3. Pursuant to 7 Construction Work Commencement Permits in favour of Xi'an Hengning, permissions by the relevant local authority were given to commence the construction of Project Xi'an Evergrande Health Valley with a total planned GFA of approximately 547,320.52 sq.m (including the property).
4. Pursuant to 9 Pre-sale Permits, Xi'an Hengning is entitled to sell portions of Project Xi'an Evergrande Health Valley (representing a total GFA of approximately 290,326.27 sq.m.) to purchasers.
5. Pursuant to 4 Construction Work Completion and Inspection Certificates in favour of Xi'an Hengning, the construction of portion of Project Xi'an Evergrande Health Valley with a total GFA of approximately 155,342.19 sq.m. (including the unsold units of the property) has been completed and passed the inspection acceptance.
6. According to the information provided by the Group, the GFA/planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group I	Apartment	683.08	
	Office	<u>2,726.40</u>	
	Sub-total:	<u>3,409.48</u>	<u>Nil</u>
Group II	Residential	26,577.16	
	Retail	10,779.56	
	Apartment	88,801.72	
	Nursing home	7,053.20	
	Hotel	27,554.72	
	Cinema	11,523.85	
	Ancillary	45,486.33	
	Basement (inclusive of car parking spaces)	<u>130,040.82</u>	<u>4,200</u>
	Sub-total:	<u>347,817.36</u>	<u>4,200</u>
	Total:	<u><u>351,226.84</u></u>	<u><u>4,200</u></u>

7. As advised by the Group, various apartment units with a total GFA of approximately 22,066.22 sq.m. of the property have been sold to various third parties at a total consideration of RMB176,862,933. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
8. As advised by the Group, various residential, apartment units and retail units with a total GFA of approximately 29,469.36 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB339,551,253. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB14,000 to RMB15,000 per sq.m. for residential units, RMB25,000 to RMB28,000 per sq.m. for ground floor retail units, RMB6,000 to RMB7,500 per sq.m. for office units, RMB7,000 to RMB8,000 per sq.m. for apartment units and RMB100,000 to RMB120,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,900 to RMB2,300 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP portion of the property as if completed (excluding the portions as mentioned in note 7) as at the valuation date was estimated to be RMB1,810,800,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels mentioned in note 1 and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 2, 3 and 5, and such permissions, approvals and certificates have not been revoked, modified or abolished; and
 - c. the Group has not set mortgage or warrant on the property.
12. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Yes |
| d. Construction Work Commencement Permit | Yes |
| e. Pre-sale Permit | Portion |
13. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group I — held for sale by the Group and joint ventures	23,000,000
Group II — held under development by the Group and joint ventures	1,055,900,000
Total:	1,078,900,000

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
40.	6 commercial buildings under construction of Sanyuan Evergrande Cultural Tourism and Health City located at the southern side of South Ring Road Sanyuan County Xianyang City Shaanxi Province The PRC (三原恒大文化旅遊康養城配套)	<p>The property comprises 6 commercial buildings under construction, which is located nearby the Project Sanyuan Evergrande Cultural Tourism and Health City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property has a planned GFA of approximately 10,483.63 sq.m., which was under construction as at the valuation date and scheduled to be completed in 2024.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the property is estimated to be approximately RMB67,100,000, of which approximately RMB37,900,000 had been incurred up to the valuation date.</p> <p>As advised by the Group, the land use rights of the land parcel, on which the property is erected, belongs to a related party of the Group.</p>	As at the valuation date, the property was under construction.	No commercial value (See note 5)

Notes:

1. As advised by the Group, the property is developed by Xianyang Hengzefeng Health Industry Co., Ltd. (咸陽恒澤豐健康實業有限公司, a wholly-owned subsidiary of the Company).
2. For the property, we have not been provided with any title certificate or construction work permit.
3. The replacement cost new of the property as if completed as at the valuation date was estimated to be RMB70,000,000.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. based on the information provided by Group, the Group has not signed State-owned Land Use Rights Grant Contract and has not obtained Real Estate Title Certificate (for land) for the property; and
 - b. based on the information provided by Group, the Group has not obtained the permissions for construction of the property and there is a legal risk of being ordered to demolish, impose fines and other administrative penalties.

5. In the valuation of this property, we have attributed no commercial value to the property as relevant title certificate and construction work permits had not been obtained. However, for reference purpose, we are of the opinion that the replacement cost of the construction work of the property as at the valuation date would be RMB37,900,000.
6. A summary of major certificates/approvals is shown as follows:
- | | |
|---|-----|
| a. State-owned Land Use Rights Grant Contract | No |
| b. Real Estate Title Certificate (for land) | No |
| c. Construction Work Planning Permit | No |
| d. Construction Work Commencement Permit | No |
| e. Pre-sale Permit | N/A |
7. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
41.	Project Urumqi Evergrande Health Valley located at the junction of Wenguang Road and No.10 Beichen Avenue Midong District Urumqi City Xinjiang Uygur Autonomous Region The PRC (烏魯木齊恒大養生谷)	<p>Project Urumqi Evergrande Health Valley is located at Midong District Urumqi City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The project occupies 5 parcels of land with a total site area of approximately 709,908.83 sq.m., which is being developed into a residential and commercial complex. 4 parcels of land of the project were under construction (the “CIP portion”) as at the valuation date and scheduled to be completed in October 2023, and the remaining parcel of land with a site area of approximately 324,903.21 sq.m. was vacant for future development (the “Land portion”).</p> <p>The property comprises the CIP portion with a planned GFA of approximately 864,230.76 sq.m., details of which are set out in note 11, and the Land portion with a plot ratio accountable GFA of approximately 324,903.21 sq.m.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB1,986,600,000, of which approximately RMB855,400,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 9 May 2070 and 9 May 2060 for residential use and 19 July 2060 for commercial use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was vacant for future development.	2,084,000,000 <i>(See note 16)</i>

Notes:

- Pursuant to 3 State-owned Land Use Rights Grant Contracts dated 21 September 2020, the land use rights of 4 parcels of land with a total site area of approximately 345,062.81 sq.m. were contracted to be granted to Urumqi Henglong Property Co., Ltd. (烏魯木齊恒隆置業有限公司, “Urumqi Henglong”, a wholly-owned

subsidiary of the Company) for a term of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB347,532,100,000. As advised by the Group, the land consideration has been fully paid.

2. Pursuant to a State-owned Land Use Rights Grant Contract dated 21 September 2020, the land use rights of a parcel of land with a site area of approximately 243,327.46 sq.m. were contracted to be granted to Urumqi Hengchang Health Industry Co., Ltd. (烏魯木齊恒昌健康產業發展有限公司, “Urumqi Hengchang”, a wholly-owned subsidiary of the Company) for a term of 50 years for residential use commencing from the land delivery date. The land consideration was RMB220,000,000. As advised by the Group, the land consideration of a portion of the land with a site area of approximately 39,944.98 sq.m. has been paid, the remaining portion has not been paid up.
3. Pursuant to a State-owned Land Use Rights Grant Contract dated 21 September 2020, the land use rights of a parcel of land with a site area of approximately 121,518.56 sq.m. were contracted to be granted to Urumqi Hengyue Property Co., Ltd. (烏魯木齊恒悅置業有限公司, “Urumqi Hengyue”, a wholly-owned subsidiary of the Company) for terms of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB220,000,000. As advised by the Group, the land consideration has not been paid up.
4. Pursuant to 3 Real Estate Title Certificates (for land) — Xin (2020) Wu Lu Mu Qi Bu Dong Chan Quan Di No. 0227563 and Xin (2022) Wu Lu Mu Qi Bu Dong Chan Quan Di Nos. 0349653 and 0349654, the land use rights of 3 parcels of land with a total site area of approximately 345,060.64 sq.m. have been granted to Urumqi Henglong for terms expiring on 9 May 2070 and 9 May 2060 for residential use and 19 July 2060 for commercial use.
5. Pursuant to a Real Estate Title Certificate (for land) — Xin (2022) Wu Lu Mu Qi Bu Dong Chan Quan Di No. 0349650, the land use rights of a parcel of land with a site area of approximately 39,944.98 sq.m. have been granted to Urumqi Hengchang for a term expiring on 19 July 2060 for commercial use.
6. As advised by the Group, the title certificate for the land parcel with a site area of approximately 324,903.21 sq.m. of the property had not been obtained.
7. Pursuant to 7 Construction Work Planning Permits in favour of Urumqi Henglong and Urumqi Hengchang, portions of Project Urumqi Evergrande Health Valley with a total planned GFA of approximately 864,230.76 sq.m. have been approved for construction.
8. Pursuant to 3 Construction Work Commencement Permits — Nos. 650106202009220101, 650106202009150101 and 650106202009090101 in favour of Urumqi Henglong, permissions by the relevant local authority were given to commence the construction of Project Urumqi Evergrande Health Valley with a planned GFA of approximately 445,866.32 sq.m.
9. As advised by the Group, Urumqi Hengchang has not obtained the construction permits for the property.
10. Pursuant to 36 Pre-sale Permits, Urumqi Henglong are entitled to sell portions of Project Urumqi Evergrande Health Valley (representing a total GFA of approximately 299,885.45 sq.m. to purchasers.

11. According to the information provided by the Group, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	570,854.53	
	Apartment	36,227.67	
	Retail	12,909.28	
	Office	2,711.87	
	Kindergarten	8,600.00	
	Ancillary	13,843.39	
	Underground car parking spaces	<u>219,084.02</u>	<u>5,860</u>
	Total:	<u>864,230.76</u>	<u>5,860</u>

12. As advised by the Group, various residential and retail units and 501 car parking spaces with a total GFA of approximately 298,339 sq.m. of the CIP portion have been pre-sold to various third parties at a total consideration of RMB1,849,653,000. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
13. Our valuation has been made on the following basis and analysis:
- we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,300 to RMB8,500 per sq.m. for residential units, RMB8,000 to RMB15,000 per sq.m. for ground floor retail units, RMB6,000 to RMB 8,000 per sq.m. for office units, RMB6,000 to RMB9,500 per sq.m. for apartment units, and RMB30,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB500 to RMB950 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
14. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB4,783,000,000 (exclusive of value-added tax).
15. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- the Group has fully paid the land premium of 3 parcels of land mentioned in notes 1, 2, 4 and 5 obtained the Real Estate Title Certificates (for land) except for a portion of the land parcel mentioned in note 2;
 - the Group has not fully paid the land premium of a portion of the land parcel mentioned in note 2 and the land parcel mentioned in note 3, and has not obtained relevant Real Estate Title Certificates (for land);

- c. the Group has obtained the permissions, approvals and certificates mentioned in notes 7 to 9, and such permissions, approvals and certificates have not been revoked, modified or abolished;
- d. based on the information provided by the Group, the Construction Work Planning Permits and Construction Work Commencement Permits of portion of the construction works of the CIP portion have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties; and
- e. the Group has not set mortgage or warrant on the property.
16. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial values to portion of the CIP portion and the Land portion of the property as relevant construction work permits or title certificate had not been obtained (mentioned in notes 6 and 9). However, for reference purpose, we are of the opinion that the market value of these portions of the property as at the valuation date would be RMB459,200,000 assuming all relevant title certificate has been obtained and them could be freely transferred or disposed of by the Group without any restriction.

17. A summary of major certificates/approvals is shown as follows:

a.	State-owned Land Use Rights Grant Contract	Yes
b.	Real Estate Title Certificate (for land)	Portion
c.	Construction Work Planning Permit	Portion
d.	Construction Work Commencement Permit	Portion
e.	Pre-sale Permit	Portion

18. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	2,084,000,000
Group VI — Contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>2,084,000,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
42.	Project Urumqi Cloud Garden located at the eastern side of Huanan Road Midong District Urumqi City Xinjiang Uygur Autonomous Region The PRC (烏魯木齊雲錦華庭)	<p>Project Urumqi Cloud Garden is located at Midong District Urumqi City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies a parcel of land with a site area of approximately 101,951.27 sq.m., which is being developed into a residential and commercial complex. The construction work of the property had been stopped as at the valuation date.</p> <p>The property has a planned GFA of approximately 275,396.27 sq.m., details of which are set out in note 5.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) is estimated to be approximately RMB762,900,000, of which approximately RMB256,000,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms of 50 years for residential use and 40 years for commercial use.</p>	As at the valuation date, the construction work of the property had been stopped until further instruction.	No commercial value <i>(See note 9)</i>

Notes:

- Pursuant to a State-owned Land Use Rights Grant Contract dated 3 February 2021, the land use rights of a parcel of land with a site area of approximately 101,951.27 sq.m. were contracted to be granted to Urumqi Xinhengshu Property Co., Ltd. (烏魯木齊新恒舒置業有限公司, "Urumqi Xinhengshu", a wholly-owned subsidiary of the Company) for terms of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB292,000,000. As advised by the Group, the land consideration has not been paid up.
- As advised by the Group, the title certificate for the land parcel of the property had not been obtained.
- Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 650108202101465 in favour of Urumqi Xinhengshu, Project Urumqi Cloud Garden with a planned GFA of approximately 275,396.27 sq.m. has been approved for construction.

4. Pursuant to a Construction Work Commencement Permit — No. 650109202107050101, in favour of Urumqi Xinhengshu, permission by the relevant local authority was given to commence the construction of portions of Project Urumqi Cloud Garden with a planned GFA of approximately 2,921.24 sq.m.
5. According to the information provided by the Group, the planned GFA of the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	186,488.40	
	Retail	12,681.10	
	Office	2,689.39	
	Ancillary	18,649.38	
	Car parking spaces	<u>54,888.00</u>	<u>1,390</u>
	Total:	<u>275,396.27</u>	<u>1,390</u>

6. Our valuation has been made on the following basis and analysis:
- we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,300 to RMB8,500 per sq.m. for residential units, RMB8,000 to RMB15,000 per sq.m. for ground floor retail units RMB8,000 to RMB9,500 per sq.m. for office units, and RMB30,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,400 to RMB1,900 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
7. The market value of the property as if completed as at the valuation date was estimated to be RMB1,696,000,000 (exclusive of value-added tax).
8. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- the State-owned Land Use Rights Grant Contract of the land parcel of the property has been signed, the Group has not paid up the land premium and the title certificate of the land has not been obtained;
 - the Group has obtained the permissions, approvals and certificates mentioned in notes 3 and 4 and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - based on the information provided by the Group, the Construction Work Commencement Permits of construction works of portion of the property have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties; and
 - the Group has not set mortgage or warrant on the property.

9. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as the title certificate of the land had not been obtained. However, for reference purpose, we are of the opinion that the market value of the property at the valuation date would be RMB285,500,000 assuming all land consideration has been paid up, all relevant title certificate and construction permits have been obtained and the property could be freely transferred or disposed of by the Group without any restriction.
10. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | Real Estate Title Certificate (for land) | No |
| c. | Construction Work Planning Permit | Yes |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | N/A |
11. For the purpose of this report, the property is classified into the group as “Group II — held under development by the Group and joint ventures” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
43.	Project Xinjiang Evergrande Imperial Peak located at the junction of Cangfanggou South Road and Quantaizi Road Shaybak District Urumqi City Xinjiang Uygur Autonomous Region The PRC (新疆恒大御峰)	<p>Project Xinjiang Evergrande Imperial Peak is located at Shaybak District Urumqi City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 97,605.91 sq.m., which is being developed into a residential and commercial complex. A parcel of land of the project was under construction (the “CIP portion”) as at the valuation date and scheduled to be completed in 2024, and the remaining parcel of land with a site area of approximately 50,564.57 sq.m. was vacant for future development (the “Land portion”).</p> <p>The property comprises the CIP portion with a planned GFA of approximately 260,967.06 sq.m., details of which are set out in note 7 and the Land portion with a plot ratio accountable GFA of approximately 50,564.57 sq.m.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB693,500,000, of which approximately RMB207,500,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 28 May 2070 for residential use and 28 May 2060 for commercial use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was vacant for future development.	No commercial value <i>(See note 13)</i>

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract dated 28 August 2020, the land use rights of a parcel of land with a site area of approximately 47,043 sq.m. were contracted to be granted to Urumqi Xinlong Property Co., Ltd. (烏魯木齊新龍置業有限公司, “Urumqi Xinlong”, a wholly-owned subsidiary of the Company) for a term of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB125,410,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to a Real Estate Title Certificate (for land) — Xin (2022) Wu Lu Mu Qi Bu Dong Chan Quan Di No. 0349594, the land use rights of a parcel of land with a site area of approximately 47,041.34 sq.m. (the same land mentioned in note 1) have been granted to Urumqi Xinlong for terms expiring on 28 May 2070 for residential use and 28 May 2060 for commercial use.
3. Pursuant to a State-owned Land Use Rights Grant Contract dated 28 August 2020, the land use rights of a parcel of land with a site area of approximately 50,564.57 sq.m. were contracted to be granted to Urumqi Xinlong for a term of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB135,000,000. As advised by the Group, the title certificate for the land parcel had not been obtained.
4. Pursuant to 3 Construction Work Planning Permits — Jian Zi Di Nos. 650103202001483-1 to 3 in favour of Urumqi Xinlong, the CIP portion of Project Xinjiang Evergrande Imperial Peak with a total planned GFA of approximately 260,967.06 sq.m. has been approved for construction.
5. Pursuant to 2 Construction Work Commencement Permits — Jian Zi Di Nos. 650103202009290101 and 650103202010160101 in favour of Urumqi Xinlong, permissions by the relevant local authority were given to commence the construction of the CIP portion of Project Xinjiang Evergrande Imperial Peak with a planned GFA of approximately 260,967.06 sq.m.
6. Pursuant to 10 Pre-sale Permits, Urumqi Henglong are entitled to sell portions of Project Xinjiang Evergrande Imperial Peak (representing a total GFA of approximately 81,387.04 sq.m.) to purchasers.
7. According to the information provided by the Group, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	184,712.32	
	Retail	3,380.41	
	Office	2,698.43	
	Kindergarten	2,502.28	
	Ancillary	2,293.78	
	Underground car parking spaces	65,379.84	1,835
	Total:	260,967.06	1,835

8. As advised by the Group, various residential and retail units and 9 car parking spaces with a total GFA of approximately 79,562.80 sq.m. of the CIP portion have been pre-sold to various third parties at a total consideration of RMB330,912,757. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,000 to RMB7,500 per sq.m. for residential units, RMB7,000 to RMB10,000 per sq.m. for ground floor retail units RMB4,000 to RMB6,500 per sq.m. for office units, and RMB30,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,300 to RMB1,950 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB779,000,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of a portion of the land parcel mentioned in notes 1 and 2 and obtained the relevant Real Estate Title Certificate (for land);
 - b. the Group has not paid up the land premium of the remaining portion of the land parcel mentioned in notes 1 and 3 and the relevant title certificate of the land has not been obtained;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 to 5, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - d. the land use rights under the Real Estate Title Certificate No. Xin (2022) Wu Lu Mu Qi Bu Dong Chan Quan Di No. 0349594 and the constructions erected thereon have been seized; and
 - e. the Group has not set mortgage or warrant on the property except for circumstances above.
12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as the CIP portion was seized and the title certificate of the Land portion had not been obtained. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB200,300,000 assuming all land consideration has been paid up, all relevant title certificate and construction permits have been obtained and the property could be freely transferred or disposed of by the Group without any restriction.
13. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Portion |
| c. Construction Work Planning Permit | Portion |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | Portion |

14. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	No commercial value
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
44.	Project Xinjiang Evergrande Imperial Lake County No.1750 Wangu Road Toutunhe District Urumqi City Xinjiang Uygur Autonomous Region The PRC (新疆恒大御湖郡)	<p>Project Xinjiang Evergrande Imperial Lake County is located at Toutunhe District Urumqi City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 90,872.43 sq.m., which is being developed into a residential and commercial complex. A parcel of land of the project was under construction (the “CIP portion”) as at the valuation date and scheduled to be completed in 2024, and the remaining parcel of land with a site area of approximately 31,070.89 sq.m. was vacant for future development (the “Land portion”).</p> <p>The property comprises the CIP portion with a planned GFA of approximately 243,663.60 sq.m., details of which are set out in note 7 and the Land portion with a plot ratio accountable GFA of approximately 31,070.89 sq.m.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB672,600,000, of which approximately RMB191,500,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 7 August 2070 for residential use and 7 August 2060 for commercial use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was vacant for future development.	257,000,000 (See note 12)

Notes:

1. Pursuant to a State-owned Land Use Rights Grant Contract dated 30 June 2020, the land use rights of a parcel of land with a site area of approximately 59,802.32 sq.m. were contracted to be granted to Urumqi Xinyunyue Property Co., Ltd. (烏魯木齊新雲岳置業有限公司, “Urumqi Xinyunyue”, a wholly-owned subsidiary of the Company) for terms of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB130,000,000. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to a Real Estate Title Certificate (for land) — Xin (2021) Wu Lu Mu Qi Bu Dong Chan Quan Di No. 65006031375, the land use rights of a parcel of land with a site area of approximately 59,801.54 sq.m. (the same land mentioned in note 1) have been granted to Urumqi Xinyunyue for terms expiring on 7 August 2070 for residential use and 7 August 2060 for commercial use.
3. Pursuant to a State-owned Land Use Rights Grant Contract dated 8 August 2020, the land use rights of a parcel of land with a site area of approximately 31,070.89 sq.m. were contracted to be granted to Urumqi Xinyunyue for terms of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB68,000,000. As advised by the Group, the title certificate for the land parcel had not been obtained.
4. Pursuant to 3 Construction Work Planning Permits — Jian Zi Di Nos. 650100202001480-1 to 3 in favour of Urumqi Xinyunyue, the CIP portion of Project Xinjiang Evergrande Imperial Lake County with a total planned GFA of approximately 243,663.60 sq.m. has been approved for construction.
5. Pursuant to 2 Construction Work Commencement Permits — Nos. 650102202009220101 and 650102202009100101 in favour of Urumqi Xinyunyue, permissions by the relevant local authority were given to commence the construction of the CIP portion of Project Xinjiang Evergrande Imperial Lake County with a planned GFA of approximately 243,663.60 sq.m.
6. Pursuant to 14 Pre-sale Permits, Urumqi Xinyunyue are entitled to sell portions of Project Xinjiang Evergrande Imperial Lake County (representing a total GFA of approximately 114,278.72 sq.m.) to purchasers.
7. According to the information provided by the Group, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	173,790.46	
	Retail	2,773.14	
	Office	2,681.22	
	Ancillary	2,773.68	
	Underground car parking spaces	61,645.10	1,133
	Total:	243,663.60	1,133

8. As advised by the Group, various residential and retail units and 16 car parking spaces with a total GFA of approximately 68,058.79 sq.m. of the CIP portion have been pre-sold to various third parties at a total consideration of RMB295,241,659. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,000 to RMB7,500 per sq.m. for residential units, RMB8,000 to RMB15,000 per sq.m. for ground floor retail units RMB4,000 to RMB6,500 per sq.m. for office units, and RMB30,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,000 to RMB1,750 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB873,200,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of a portion of the land parcel mentioned in notes 1 and 2 and obtained the relevant Real Estate Title Certificate (for land);
 - b. the Group has not paid up the land premium of the remaining portion of the land parcel mentioned in notes 1 and 3 and the relevant title certificate of the land has not been obtained;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 to 5, and such permissions, approvals and certificates have not been revoked, modified or abolished; and
 - d. the Group has not set mortgage or warrant on the property.
12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the Land portion of property as the title certificate had not been obtained. However, for reference purpose, we are of the opinion that the market value of the Land portion of the property on clear and vacant site status as at the valuation date would be RMB31,100,000 assuming all land consideration has been paid up, all relevant title certificate has been obtained and the property could be freely transferred as a clear and vacant site.
13. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Portion |
| c. Construction Work Planning Permit | Portion |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | Portion |

14. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	257,000,000
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>257,000,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
45.	Project Xinjiang Evergrande Yulan Bay located at the eastern side of Cangfanggou Road and southern side of Caiyuan Avenue Shayibak District Urumqi City Xinjiang Uygur Autonomous Region The PRC (新疆恒大御瀾灣)	<p>Project Xinjiang Evergrande Yulan Bay is located at Shayibak District Urumqi City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>The property occupies 2 parcels of land with a total site area of approximately 103,897.26 sq.m., which is being developed into a residential and commercial complex. A parcel of land of the project was under construction (the “CIP portion”) as at the valuation date and scheduled to be completed in 2024, and the remaining parcel of land with a site area of approximately 39,932.89 sq.m. was vacant for future development (the “Land portion”).</p> <p>The property comprises the CIP portion with a planned GFA of approximately 169,479.01 sq.m., details of which are set out in note 7 and the Land portion with a plot ratio accountable GFA of approximately 39,932.89 sq.m.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion is estimated to be approximately RMB519,200,000, of which approximately RMB109,200,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 28 May 2070 for residential use and 28 May 2060 for commercial use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion was vacant for future development.	261,000,000 <i>(See note 12)</i>

Notes:

- Pursuant to 2 State-owned Land Use Rights Grant Contracts dated 12 August 2020 and 13 October 2020, the land use rights of 2 parcels of land with a total site area of approximately 103,897.26 sq.m. were contracted to be granted to Urumqi Xinlin Property Co., Ltd. (烏魯木齊新林置業有限公司, “Urumqi Xinlin”, a wholly-owned subsidiary of the Company) for terms of 50 years for residential use and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB305,000,000.00. As advised by the Group, the land consideration of a portion of the land parcel with a site area of approximately 63,964.37 sq.m. has been paid, and the land consideration of the remaining portion has not been paid.
- Pursuant to a Real Estate Title Certificate (for land) — Xin (2022) Wu Lu Mu Qi Bu Dong Chan Quan Di No. 0286242, the land use rights of a parcel of land with a site area of approximately 63,964.37 sq.m. have been granted to Urumqi Xinlin for terms expiring on 28 May 2070 for residential use and 28 May 2060 for commercial use.
- As advised by the Group, the title certificate for the land parcel with a site area of approximately 39,932.89 sq.m. of the property had not been obtained.
- Pursuant to a Construction Work Planning Permit — Jian Zi Di No. 650103202001471 in favour of Urumqi Xinlin, the CIP portion of Project Xinjiang Evergrande Yulan Bay with a planned GFA of approximately 169,479.01 sq.m. has been approved for construction.
- Pursuant to a Construction Work Commencement Permit — No. 650103202009250101 in favour of Urumqi Xinlin, permission by the relevant local authority was given to commence the construction of the CIP portion of Project Xinjiang Evergrande Yulan Bay with a planned GFA of approximately 169,479.01 sq.m.
- Pursuant to 12 Pre-sale Permits, Urumqi Xinlin is entitled to sell portions of Project Xinjiang Evergrande Yulan Bay (representing a total GFA of approximately 105,394.57 sq.m.) to purchasers.
- According to the information provided by the Group, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	Planned GFA <i>(sq.m.)</i>	Nos. of car parking space
Group II	Residential	118,309.00	
	Retail	2,354.03	
	Office	3,134.67	
	Kindergarten	4,300.70	
	Ancillary	221.68	
	Underground car parking spaces	<u>41,158.93</u>	<u>1,170</u>
	Total:	<u>169,479.01</u>	<u>1,170</u>

- As advised by the Group, various residential and retail units and 43 car parking spaces with a total GFA of approximately 84,179.28 sq.m. of the CIP portion have been pre-sold to various third parties at a total consideration of RMB486,446,900. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.

9. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB4,000 to RMB7,500 per sq.m. for residential units, RMB8,000 to RMB16,000 per sq.m. for ground floor retail units RMB4,000 to RMB6,500 per sq.m. for office units, and RMB30,000 to RMB60,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,300 to RMB1,900 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
10. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB803,300,000 (exclusive of value-added tax).
11. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of a portion of the land parcel mentioned in notes 1 and 2 and obtained the relevant Real Estate Title Certificate (for land);
 - b. the Group has not paid up the land premium of the remaining portion of the land parcel mentioned in notes 1 and 3 and the relevant title certificate of the land has not been obtained;
 - c. the Group has obtained the permissions, approvals and certificates mentioned in notes 4 to 5, and such permissions, approvals and certificates have not been revoked, modified or abolished; and
 - d. the Group has not set mortgage or warrant on the property.
12. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the Land portion of the property as the title certificate had not been obtained. However, for reference purpose, we are of the opinion that the market value of the Land portion of the property on clear and vacant site status as at the valuation date would be RMB63,900,000 assuming all land consideration has been paid up, all relevant title certificate has been obtained and it could be freely transferred as a clear and vacant site.
13. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Portion |
| c. Construction Work Planning Permit | Portion |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | Portion |

14. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	261,000,000
Group VI — contracted to be acquired by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>261,000,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
46.	Project Kunming Evergrande International Health City located at the junction of Road No. 1 and Road No. 2 Yanglin Town Songming County Kunming City Yunnan Province The PRC (昆明恒大國際健康城)	<p>Project Kunming Evergrande International Health City is located at the suburban district of Songming County, northeast to Kunming City. The locality has a good natural landscape with hot spring resources, while the public transportation network and amenities are under further improvement.</p> <p>The project occupies 37 parcels of land with a total site area of approximately 1,690,166.18 sq.m., which is being developed into a residential and commercial complex. A portion of the project has been completed between 2010 and 2020 (the “Completed portion”), a portion of the project was under construction as at the valuation date and scheduled to be completed in December 2023 (the “CIP portion”), and the remaining portion of the project comprises 15 parcels of land which were vacant for future development as at the valuation date (the “Land portion”).</p> <p>The Completed portion, which occupies 14 parcels of land, comprises various commercial buildings, villas, residential buildings, apartments, office building, meeting center and sports hall. A portion of the Completed portion was sold and handed over to purchasers, and the remaining portion was held and occupied by the Group or vacant for sale.</p> <p>The property comprises five parts:</p> <p>Part A comprises the unsold villas, residential units, apartments and a golf club building of the Completed portion with a total GFA of approximately 54,339.88 sq.m.</p>	As at the valuation date, Part A of the property was vacant for sale, Part B of the property was under construction, Part C of the property was bare land for future development, Part D of the property was held and occupied by the Group, Part E of the property was held by the Group for investment purpose.	551,400,000 (See note 14)

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
		<p><i>Part B</i> comprises the CIP portion of the project, which occupies 8 parcels of land with a total site area of approximately 533,589.53 sq.m. and has a total planned GFA of approximately 680,704.78 sq.m.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of Part B is estimated to be approximately RMB3,618,000,000, of which approximately RMB2,548,900,000 had been incurred up to the valuation date.</p> <p>Details of Part A and Part B are set out in note 8.</p> <p><i>Part C</i> comprises the Land portion of the project with a total site area of approximately 740,164.25 sq.m. and has a plot ratio accountable GFA of approximately 829,496.68 sq.m.</p> <p><i>Part D</i> comprises a portion of the Completed portion of the project including an office building, a dormitory, a meeting center, a sports hall, a hotel and 14 commercial buildings, which were completed between 2012 and 2014. Part D has a total GFA of approximately 61,431.09 sq.m.</p> <p><i>Part E</i> comprises 15 retail buildings, a cinema and a club building of the Completed portion of the project with a total GFA of approximately 21,860.02 sq.m., which were completed in 2012 and 2013.</p> <p>The land use rights of the property have been granted for terms expiring between 15 April 2079 and 29 October 2088 for residential use, and 22 March 2061 for commercial use.</p>		

Notes:

1. Pursuant to 19 State-owned Land Use Right Certificates and 18 Real Estate Title Certificates (for land), the land use rights of 37 parcels of land with a total site area of approximately 1,690,166.18 sq.m. (including the property) have been granted to Kunming Jialize Travel Culture Co., Ltd. (昆明嘉麗澤旅遊文化有限公司, “Jialize Travel Culture”, an 80%-owned subsidiary of the Company) and Kunming Jialize Town Property Co., Ltd. (昆明嘉麗澤特色小鎮置業有限公司, “Jialize Town Property”, an wholly-owned subsidiary of the Company) for terms expiring between 15 April 2079 and 29 October 2088 for residential use, and 22 March 2061 for commercial use.
2. Pursuant to 3 Real Estate Title Certificates (for building) — Yun (2017) Song Ming Xian Bu Dong Chan Quan Di No. 0003127, Yun (2018) Song Ming Xian Bu Dong Chan Quan Di No. 0000030 and Yun (2019) Song Ming Xian Bu Dong Chan Quan Di No. 0000775, 2 unsold villas and the golf club building of Part A of the property with a total GFA of approximately 10,758.53 sq.m are owned by Jialize Travel Culture.
3. Pursuant to 30 Real Estate Title Certificates (for building), Part D and Part E of the property with a total GFA of approximately 83,291.11 sq.m are owned by Jialize Travel Culture.
4. Pursuant to 22 Construction Work Planning Permits in favour of Jialize Travel Culture and Jialize Town Property, portions of the project with a total planned GFA of approximately 1,087,874.95 sq.m. (including Parts A, B, D and E of the property) has been approved for construction.
5. Pursuant to 23 Construction Work Commencement Permits in favour of Jialize Travel Culture and Jialize Town Property, permissions by the relevant local authority were given to commence the construction of portions of the project with a total planned GFA of approximately 1,087,926.18 sq.m (including Parts A, B, D and E of the property).
6. Pursuant to 18 Pre-sale Permits, Jialize Travel Culture and Jialize Town Property are entitled to sell portions of Project Kunming Evergrande International Health City (representing a total GFA of approximately 1,083,966.57 sq.m.) to purchasers (including Parts A and B of the property).
7. Pursuant to 14 Construction Work Completion and Inspection Certificates in favour of Jialize Travel Culture and Jialize Town Property, portions of the construction of the project with a total GFA of approximately 402,699.97 sq.m. (including Parts A, D and E of the property) have been completed and passed the inspection acceptance.

8. According to the information provided by the Group, the GFA/planned GFA of Part A and Part B the property is set out as below:

Group	Usage	GFA/Planned GFA (sq.m.)	Nos. of car parking space
Group I — Part A	Villa	41,510.16	
	Residential	2,438.36	
	Apartment	494.90	
	Golf club	<u>9,896.46</u>	
	Sub-total	<u>54,339.88</u>	<u>Nil</u>
Group II — Part B	Villa	67,874.47	
	Residential	375,256.56	
	Retail	11,282.54	
	Ancillary	54,345.87	
	Underground car parking spaces	<u>171,945.34</u>	<u>4,708</u>
	Sub-total	<u>680,704.78</u>	<u>4,708</u>
Grand Total:		<u><u>735,044.66</u></u>	<u><u>4,708</u></u>

9. As advised by the Group, various villas, apartments, residential and retail units with a total GFA of approximately 223,852.49 sq.m. of Part B of the property have been sold to various third parties at a total consideration of RMB1,735,898,191. Most units of the property have not been legally and virtually transferred, however, as advised by the Group, the sold consideration had been recognized as revenue as at the valuation date and the cost of the units had not been reflected in the account of the Group. Therefore, we have not taken into account the consideration of such portions of the property in our valuation.
10. As advised by the Group, various villas, residential and retail units with a total GFA of approximately 161,052.77 sq.m. of Part A and Part B of the property have been pre-sold to various third parties at a total consideration of RMB770,559,125. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property, we have taken into account the contracted prices of such portions of the property.
11. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB15,000 to RMB18,000 per sq.m. for villas, RMB7,300 to RMB7,800 per sq.m. for residential units, RMB6,000 to RMB7,000 per sq.m. for apartment units, RMB5,200 to RMB6,400 per sq.m. for office, RMB8,000 to RMB10,000 per sq.m. for retail units and RMB40,000 to RMB50,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB860 to RMB920 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.

12. The market value of Part B (the CIP portion) of the property as if completed (excluding the portions as mentioned in note 9) as at the valuation date was estimated to be RMB1,962,400,000 (exclusive of value-added tax).
13. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. the Group has fully paid the land premium of the land parcels of the property and obtained the Real Estate Title Certificates (for land);
 - b. the Group has obtained the permissions, approvals and certificates mentioned in notes 1 to 5 and 7, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. various unsold villas and residential units of Part A, 5 parcels of land with the construction works erected thereon of Part B, the 15 parcels of land of Part C and a retail unit of Part E of the property are subject to mortgages and have been seized; and
 - d. the Group has not set mortgage or warrant on the property except for the circumstances above.
14. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to portions of the property (including various unsold villas and residential units with a total GFA of approximately 22,678.73 sq.m. of Part A, Part B, Part C and a retail unit with a GFA of approximately 725 sq.m. of Part E) as they were seized. However, for reference purpose, we are of the opinion that the market value of these portions of the property (excluding the portions as mentioned in note 9) as at the valuation date would be RMB3,839,500,000 assuming all relevant title certificate has been obtained and these portions of the property could be freely transferred or disposed of by the Group without any restriction.
15. A summary of major certificates/approvals is shown as follows:
- | | | |
|----|--|---------|
| a. | State-owned Land Use Rights Grant Contract | Yes |
| b. | State-owned Land Use Rights Certificate/Real Estate Title Certificate (for land) | Yes |
| c. | Construction Work Planning Permit | Portion |
| d. | Construction Work Commencement Permit | Portion |
| e. | Pre-sale Permit | Portion |
| f. | Construction Work Completion and Inspection Certificate | Portion |
| g. | Real Estate Title Certificate (for Building) | Portion |

16. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group I — held for sale by the Group and joint ventures	188,100,000
Group II — held under development by the Group and joint ventures	No commercial value
Group III — held for future development by the Group and joint ventures	No commercial value
Group IV — held and occupied by the Group	246,400,000
Group V — held for investment by the Group	<u>116,900,000</u>
Total:	<u><u>551,400,000</u></u>

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
47.	29 retail units in Kunming Astral Garden No. 6009 Guangfu Road Guandu District Kunming City Yunnan Province The PRC (昆明星體花園商鋪)	The property comprises 29 retail units located in Building nos. 3, 38, 47, 49, 50, 56, 64 and D5 in Kunming Astral Garden with a total GFA of approximately 5,227.23 sq.m. which was completed in 2009.	As at the valuation date, portion of the property with a total GFA of approximately 1,056.40 sq.m. was leased to 4 tenants for retail and kindergarten purposes, whilst the remaining portion was vacant.	11,000,000 (See note 5)

Notes:

1. Pursuant to 29 Building Ownership Certificates, the property with a GFA of approximately 5,227.23 sq.m. was owned by Kunming Jialize Travel Culture Co., Ltd. (昆明嘉麗澤旅遊文化有限公司, "Jialize Travel Culture", an 80%-owned subsidiary of the Company).
2. Pursuant to 4 Tenancy Agreements, 9 retail units of the property with a total GFA of approximately 1,056.4 sq.m. were rented to 4 tenants for terms with the latest expiry date on 31 January 2028 for retail and kindergarten uses. The total annual rental was approximately RMB309,683, exclusive of management fees.
3. We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,910 to RMB6,250 per sq.m. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property.
4. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has obtained the building ownership certificates for the property;
 - b. portion of the property with a total GFA of approximately 3,330.97 sq.m. has been seized;
 - c. portion of the property with a total GFA of approximately 1,896.26 sq.m. was subject to mortgages; and
 - d. the Group has not set mortgage or warrant on the property except for the circumstances above.

5. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to portion of the property with a total GFA of approximately 3,330.97 sq.m. as it was seized. However, for reference purpose, we are of the opinion that the market value of this portion of the property as at the valuation date would be RMB19,200,000 assuming that it could be freely transferred or disposed of by the Group without any restriction.

6. For the purpose of this report, the property is classified into the group as “Group V — held for investment by the Group” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date RMB
48.	Building S10 of Kunming Starland Commercial Plaza located at the northern side of Guangfu Road and western side of Caiyun North Road Guandu District Kunming City Yunnan Province The PRC (昆明星天地商業廣場)	The property comprises a 3-storey (including a basement level) commercial building located Kunming Starland Commercial Plaza with a total GFA of approximately 25,191.62 sq.m. which was completed in 2008.	As at the valuation date, portion of the property with a total GFA of approximately 20,784.93 sq.m. was leased to various tenants for retail purpose, whilst the remaining portion was vacant.	No commercial value (See note 5)

Notes:

1. Pursuant to 2 Building Ownership Certificates — Kun Fang Chan Zheng (Kun Ming Shi) Zi Di Nos. 201520489 and 201520552, the property with a GFA of approximately 25,191.62 sq.m. was owned by Kunming Jialize Travel Culture Co., Ltd. (昆明嘉麗澤旅遊文化有限公司, “Jialize Travel Culture”, an 80%-owned subsidiary of the Company).
2. Pursuant to various Tenancy Agreements, portion of the property with a total GFA of approximately 20,784.93 sq.m. was rented to various tenants for terms with the latest expiry date on 31 May 2028 for retail uses. The total annual rental was approximately RMB9,302,275, exclusive of management fees.
3. We have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB15,390 to RMB15,730 per sq.m. for ground floor retail unit. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property.
4. We have been provided with a legal opinion regarding the property interest by the Company’s PRC legal adviser, which contains, *inter alia*, the following:
 - a. the Group has obtained the building ownership certificates for the property; and
 - b. portion of the property under the Building Ownership Certificate Kun Fang Chan Zheng (Kun Ming Shi) Zi Di No. 201520552 has been seized and subject to mortgages, and the remaining portion of the property under the Building Ownership Certificate Kun Fang Chan Zheng (Kun Ming Shi) Zi Di No. 201520489 has been seized.
5. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as it was seized. However, for reference purpose, we are of the opinion that the market value of this portion of the property as at the valuation date would be RMB264,100,000 assuming that it could be freely transferred or disposed of by the Group without any restriction.
6. For the purpose of this report, the property is classified into the group as “Group V — held for investment by the Group” according to the purpose for which it is held.

VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
49.	Project Jinhua Evergrande Health Valley located at the junction of Linhu Street and Wenbo Road Wucheng District Jinhua City Zhejiang Province The PRC (金華恒大養生谷)	<p>Project Jinhua Evergrande Health Valley is located at Wucheng District of Jinhua City. The locality is a developing residential area with public transportation network and amenities under further improvement.</p> <p>Project Jinhua Evergrande Health Valley occupies 7 parcels of land with a total site area of approximately 377,073 sq.m., which is being developed into a residential and commercial complex. A portion of the project has been completed in December 2022, a portion of the project was under construction (the “CIP portion”) as at the valuation date and scheduled to be completed in December 2023, and the remaining portion was vacant for further development (the “Land portion”).</p> <p>The property comprises the CIP portion of the project with a planned GFA of approximately 412,665.37 sq.m., details of which are set out in note 6, and the Land portion of the project with a plot ratio accountable GFA of approximately 44,110.40 sq.m.</p> <p>As advised by the Group, the total construction cost (excluding land cost and financial cost) of the CIP portion of the property is estimated to be approximately RMB1,957,700,000, of which approximately RMB1,238,900,000 had been incurred up to the valuation date.</p> <p>The land use rights of the property have been granted for terms expiring on 14 October 2088 for residential use, 14 October 2068 for sports and entertainment uses and 14 October 2058 for commercial use.</p>	As at the valuation date, the CIP portion of the property was under construction and the Land portion is vacant for further development.	No commercial value <i>(See note 11)</i>

Notes:

1. Pursuant to 7 State-owned Land Use Rights Grant Contracts dated 7 September 2018, the land use rights of 7 parcels of land with a total site area of approximately 377,073 sq.m. were contracted to be granted to Jinhua Henghe Real Estate Co., Ltd. (金華恒合置業有限公司, “Jinhua Henghe”, a 75%-owned joint venture of the Company) for terms of 70 years for residential use, 50 years for sports and entertainment uses and 40 years for commercial use commencing from the land delivery date. The land consideration was RMB623,608,280. As advised by the Group, the land consideration has been fully paid.
2. Pursuant to 7 Real Estate Title Certificates (for land), the land use rights of 7 parcels of land with a total site area of approximately 377,073 sq.m. have been granted to Jinhua Henghe for terms expiring on 14 October 2088 for residential use, 14 October 2068 for sports and entertainment uses and 14 October 2058 for commercial use.
3. Pursuant to 6 Construction Work Planning Permits in favour of Jinhua Henghe, portions of Project Jinhua Evergrande Health Valley with a total planned GFA of approximately 598,823.87 sq.m. has been approved for construction.
4. Pursuant to 5 Construction Work Commencement Permits — Nos. 330702202001220101, 330791202004170201, 330791202004200301, 330791202004200501 and 330791202203210101 in favour of Jinhua Henghe, permissions by the relevant local authority were given to commence the construction of portions of Project Jinhua Evergrande Health Valley with a total planned GFA of approximately 555,937.06 sq.m.
5. Pursuant to 13 Pre-sale Permits, Jinhua Henghe is entitled to sell portions of Project Jinhua Evergrande Health Valley (representing a total GFA of approximately 308,865.50 sq.m.) to purchasers.
6. According to the information provided by Jinhua Henghe, the planned GFA of the CIP portion of the property is set out as below:

Group	Usage	Planned GFA (sq.m.)	Nos. of car parking space
Group II	Residential	196,157.82	
	Commercial (Sidayuan)	26,973.97	
	Kindergarten	5,150.31	
	Ancillary	2,064.69	
	Basement (inclusive of car parking spaces)	182,318.58	3,476
Total:		412,665.37	3,476

7. As advised by Jinhua Henghe, various residential units and car parking spaces with a total GFA of approximately 191,784.17 sq.m. of the property have been pre-sold to various third parties at a total consideration of RMB1,314,325,815. Such portions of the property have not been legally and virtually transferred and therefore we have included the units in our valuation. In arriving at our opinion on the market value of the property for reference purpose, we have taken into account the contracted prices of such portions of the property.

8. Our valuation has been made on the following basis and analysis:
- a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB6,000 to RMB7,500 per sq.m. for residential units, RMB4,000 to RMB6,000 per sq.m. for commercial units and RMB50,000 to RMB70,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at the assumed unit rate for the property; and
 - b. we have also made reference to sales prices of land within the locality which have the similar characteristics as to the property. The accommodation value of these comparable land sites ranges from about RMB1,400 to RMB1,600 per sq.m. for residential use and RMB500 to RMB700 per sq.m. for commercial use. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed accommodation value.
9. The market value of the CIP portion of the property as if completed as at the valuation date was estimated to be RMB1,512,900,000 (exclusive of value-added tax).
10. We have been provided with a legal opinion regarding the property interest by the Company's PRC legal adviser, which contains, *inter alia*, the following:
- a. Jinhua Henghe has fully paid the land premium for the land parcels of the property mentioned in notes 1 and 2 and obtained the Real Estate Title Certificates;
 - b. Jinhua Henghe has obtained the permissions, approvals and certificates mentioned in notes 3 and 4, and such permissions, approvals and certificates have not been revoked, modified or abolished;
 - c. based on the information provided by Jinhua Henghe, the Construction Work Commencement Permits of construction works under Real Estate Title Certificate — Zhe (2019) Jin Hua Shi Bu Dong Chan Quan Di No. 0037952 have not been obtained and there is a legal risk of being ordered to stop construction, make corrections within a definite time, and impose fines and other administrative penalties;
 - d. the land parcels under the Real Estate Title Certificates of Zhe (2019) Jin Hua Shi Bu Dong Chan Quan Di Nos. 0037949, 0037950 and 0037952 and the buildings erected thereon have been seized; and
 - e. Jinhua Henghe has not set mortgage or warrant on the property except for the circumstances above.
11. In the valuation of this property, we have relied on the aforesaid legal opinion and attributed no commercial value to the property as portions of the property have been seized. However, for reference purpose, we are of the opinion that the market value of the property as at the valuation date would be RMB1,347,100,000 assuming all relevant title certificate has been obtained and them could be freely transferred.
12. A summary of major certificates/approvals is shown as follows:
- | | |
|---|---------|
| a. State-owned Land Use Rights Grant Contract | Yes |
| b. Real Estate Title Certificate (for land) | Yes |
| c. Construction Work Planning Permit | Portion |
| d. Construction Work Commencement Permit | Portion |
| e. Pre-sale Permit | Portion |

13. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the valuation date in its existing state is set out as below:

Group	Market value in existing state as at the valuation date (RMB)
Group II — held under development by the Group and joint ventures	No commercial value
Group III — held for future development by the Group and joint ventures	<u>No commercial value</u>
Total:	<u><u>Nil</u></u>

1. INTRODUCTION

The following is a summary of the illustrative unaudited pro forma consolidated statement of financial position as at 30 June 2021, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 and related notes of the Group excluding the Disposal Group upon the completion of the Disposal (hereinafter referred to as the “**Remaining Group**”) (the “**Unaudited Pro Forma Financial Information**”) which has been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Disposal (i) as if the Disposal had been completed on 30 June 2021 for the unaudited pro forma consolidated statement of financial position; and (ii) as if the Disposal had been completed on 1 January 2020 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2021 as extracted from the published Interim Report 2021 after making pro forma adjustments relating to the Disposal that are factually supportable and directly attributable to the Disposal as set out below.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2020 as extracted from the published Annual Report 2020 after making pro forma adjustments relating to the Disposal that are factually supportable and directly attributable to the Disposal as set out below.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with paragraph 4.29 of 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 Remaining Group as at 30 June 2021 or at any future date, or the financial performance and cash flows of the Remaining Group for the year ended 31 December 2020 or for any future period.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published Interim Report 2021, Annual Report 2020 and other financial information included elsewhere in this circular.

2a. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL
POSITION OF THE REMAINING GROUP AS AT 30 JUNE 2021

	The Group	Pro forma adjustments		The Remaining Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
Non-current assets				
Property, plant and equipment	21,294,077	(2,220,203)	—	19,073,874
Right-of-use assets	5,493,443	(316,815)	—	5,176,628
Investment properties	908,800	(938,100)	—	(29,300)
Intangible assets	11,990,210	(311,388)	—	11,678,822
Goodwill	5,964,172	—	—	5,964,172
Trade receivables	72,849	(41,862)	—	30,987
Prepayments	1,284,037	(380)	—	1,283,657
Investments accounted for using the equity method	1,060,075	(438,507)	—	621,568
Financial assets at fair value through profit or loss	5,034,197	(349,876)	—	4,684,321
Deferred income tax assets	<u>407,717</u>	(270,908)	—	<u>136,809</u>
	<u>53,509,577</u>	(4,888,039)	—	<u>48,621,538</u>
Current assets				
Trade and other receivables and prepaid taxes	12,456,381	(6,512,909)	—	5,943,472
Prepayments	6,505,462	(5,924,905)	—	580,557
Properties under development and completed properties held for sales	78,873,236	(73,003,062)	—	5,870,174
Inventories	319,017	—	—	319,017
Contract acquisition costs	714,876	(601,355)	—	113,521
Financial assets at fair value through profit or loss	198,259	—	—	198,259
Restricted cash	2,936,427	(3,447,149)	—	(510,722)
Cash and cash equivalents	<u>9,577,100</u>	(9,183,588)	—	<u>393,512</u>
	<u>111,580,758</u>	(98,672,968)	—	<u>12,907,790</u>
Total assets	<u><u>165,090,335</u></u>	(103,561,007)	—	<u><u>61,529,328</u></u>

	The Group <i>RMB'000</i> <i>(Note 1)</i>	Pro forma adjustments <i>RMB'000</i> <i>(Note 2)</i> <i>RMB'000</i> <i>(Note 3)</i>		The Remaining Group <i>RMB'000</i>
Equity				
Equity attributable to owners of the Company				
Share capital and share premium	25,562,422	—	—	25,562,422
Reserves	3,301,820	39,195	—	3,341,015
Accumulated losses	<u>(17,784,010)</u>	(871,994)	(7,000)	<u>(18,663,004)</u>
	<u>11,080,232</u>	(832,799)	(7,000)	<u>10,240,433</u>
Non-controlling interests	<u>995,434</u>	16	—	<u>995,450</u>
Total deficit	<u><u>12,075,666</u></u>	(832,783)	(7,000)	<u><u>11,235,883</u></u>
Current liabilities				
Contract liabilities	35,884,516	(20,576,486)	—	15,308,030
Lease liabilities	269,718	(33,948)	—	235,770
Derivative financial liabilities	300,383	—	—	300,383
Trade and other payables	73,045,007	(60,986,264)	7,000	12,065,743
Borrowings	13,268,475	(6,811,568)	—	6,456,907
Current income tax liabilities	<u>1,811,962</u>	(1,634,642)	—	<u>177,320</u>
	<u>124,580,061</u>	(90,042,908)	7,000	<u>34,544,153</u>
Non-current liabilities				
Lease liabilities	636,674	(32,425)	—	604,249
Deferred income	3,816,604	(10,000)	—	3,806,604
Borrowings	21,821,897	(11,815,737)	—	10,006,160
Deferred income tax liabilities	<u>2,159,433</u>	(827,154)	—	<u>1,332,279</u>
	<u>28,434,608</u>	(12,685,316)	—	<u>15,749,292</u>
Total liabilities	<u><u>153,014,669</u></u>	(102,728,224)	7,000	<u><u>50,293,445</u></u>
Total deficit and liabilities	<u><u>165,090,335</u></u>	(103,561,007)	—	<u><u>61,529,328</u></u>

2b. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP FOR THE
YEAR ENDED 31 DECEMBER 2020

	The Group	Pro forma adjustments		The Remaining Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>	
Revenue	15,486,625	(15,298,551)	—	188,074
Cost of sales	<u>(12,791,802)</u>	12,452,855	—	<u>(338,947)</u>
Gross profit	2,694,823	(2,845,696)	—	(150,873)
Other (losses)/income, net	(6,909)	1,540	—	(5,369)
Other gains, net	214,636	8,592	—	223,228
Selling and marketing costs	(2,237,848)	1,558,629	—	(679,219)
Administrative expenses	(5,114,518)	554,112	(7,000)	(4,567,406)
Net impairment losses on financial assets	(37,022)	37,187	—	165
Fair value losses on investment properties	<u>(126,420)</u>	126,420	—	<u>—</u>
Operating loss	(4,613,258)	(559,216)	(7,000)	(5,179,474)
Finance costs, net	(2,695,131)	(31,869)	—	(2,727,000)
Share of losses of investments accounted for using the equity method	(59,173)	35,787	—	(23,386)
Fair value losses on financial assets at fair value through profit or loss	<u>(27,701)</u>	14,846	—	<u>(12,855)</u>
Loss before tax	(7,395,263)	(540,452)	(7,000)	(7,942,715)
Income tax expense	<u>(269,644)</u>	472,326	—	<u>202,682</u>
Loss for the year	<u><u>(7,664,907)</u></u>	(68,126)	(7,000)	<u><u>(7,740,033)</u></u>

	The Group <i>RMB'000</i> <i>(Note 4)</i>	Pro forma adjustments <i>RMB'000</i> <i>(Note 5)</i> <i>RMB'000</i> <i>(Note 6)</i>		The Remaining Group <i>RMB'000</i>
Other comprehensive income: Items that may be reclassified to profit and loss:				
Currency translation differences	<u>2,749,478</u>	138,589	—	<u>2,888,067</u>
Total comprehensive loss for the year	<u>(4,915,429)</u>	70,463	(7,000)	<u>(4,851,966)</u>
Loss attributable to:				
Owners of the Company	(7,394,075)	(83,794)	(7,000)	(7,484,869)
Non-controlling interests	<u>(270,832)</u>	15,668	—	<u>(255,164)</u>
Loss of the year	<u>(7,664,907)</u>	(68,126)	(7,000)	<u>(7,740,033)</u>
Total Comprehensive loss attributable to:				
Owners of the Company	(4,557,182)	54,795	(7,000)	(4,509,387)
Non-controlling interests	<u>(358,247)</u>	15,668	—	<u>(342,579)</u>
Total comprehensive loss for the year	<u>(4,915,429)</u>	70,463	(7,000)	<u>(4,851,966)</u>

2c. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF
THE REMAINING GROUP FOR THE YEAR ENDED 31 DECEMBER 2020

	The Group	Pro forma adjustments		The Remaining Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>	
Cash flows of operating activities				
Cash generated from/(used in) operations	4,010,029	(3,421,556)	—	588,473
Interest paid	(4,492,411)	2,043,695	—	(2,448,716)
Income tax paid	<u>(1,478,770)</u>	176,110	—	<u>(1,302,660)</u>
Net cash used in operating activities	<u><u>(1,961,152)</u></u>	(1,201,751)	—	<u><u>3,162,903</u></u>
Cash flows of investing activities				
Purchases of property, plant and equipment and construction in progress	(5,883,302)	366,970	—	(5,516,332)
Purchases of intangible assets	(3,819,237)	316,408	—	(3,502,829)
Purchases of right-of-use assets	(1,276,216)	2,553	—	(1,273,663)
Investments accounted for using the equity method	(602,633)	—	—	(602,633)
Investment in financial assets at fair value through profit and loss	(2,000)	—	—	(2,000)
Proceeds from government grants for construction	1,098,234	(852,107)	—	246,127
Interest received	146,351	(70,503)	—	75,848
Repayments from joint ventures	1,161,403	(731,062)	—	430,341
Repayments from associates	65,193	(13,920)	—	51,273
Payments for change of joint ventures to subsidiaries, net	(5,622)	—	—	(5,622)
Disposal of property, plant and equipment	<u>3,089</u>	(2,012)	—	<u>1,077</u>
Net cash used in investing activities	<u><u>(9,114,740)</u></u>	(983,673)	—	<u><u>(10,098,413)</u></u>

	The Group	Pro forma adjustments		The Remaining Group
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(Note 4)</i>	<i>(Note 5)</i>	<i>(Note 6)</i>	
Cash flows from financing activities				
Proceeds from borrowings	42,391,773	(13,493,592)	—	28,898,181
Repayments of borrowings	(30,393,471)	10,878,154	—	(19,515,317)
Issuance of ordinary shares in connection with private placement	3,349,923	—	—	3,349,923
Acquisition of interests in subsidiaries without change of control	(4,614,371)	—	—	(4,614,371)
Capital injection from non-controlling interests	1,035,176	—	—	1,035,176
Principal element of lease payment	<u>(231,620)</u>	60,853	—	<u>(170,767)</u>
Net cash generated from financing activities	<u>11,537,410</u>	(2,554,585)	—	<u>8,982,825</u>
Net increase in cash and cash equivalents	461,518	(4,740,009)	—	(4,278,491)
Cash and cash equivalents at beginning of year	9,857,780	(4,469,509)	—	5,388,271
Effect of exchange difference on cash and cash equivalents	<u>156,941</u>	25,930	—	<u>182,871</u>
Cash and cash equivalents at end of year	<u>10,476,239</u>	(9,183,588)	—	<u>1,292,651</u>

Notes to the unaudited pro forma financial information of the Remaining Group

- (1) The amounts are extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2021 as set out in the published interim report of the Company for the six months ended 30 June 2021.
- (2) The adjustment represents the deconsolidation of the assets and liabilities of the Disposal Group as at 31 December 2020 as if the Disposal had been completed on 30 June 2021. The balance is extracted from the unaudited financial information of the Disposal Group as at 31 December 2020.
- (3) As only a nominal consideration of RMB2 is payable in connection with the Disposal, the Company does not expect to receive any net proceeds from the Disposal.

The amount represents the estimated transaction costs payable amounting to RMB7,000,000, including accounting, legal, valuation and other professional service fees and related stamp duties for the Disposal.

- (4) The amounts are extracted from the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2020, as set out in the published annual report of the Company for the year ended 31 December 2020.
- (5) The adjustment represents the deconsolidation of the financial performance and cash flows of the Disposal Group for the year ended 31 December 2020 as set out in this circular as if the Disposal had been completed on 1 January 2020. The amounts are extracted from the unaudited financial information of the Disposal Group for the year ended 31 December 2020.
- (6) As only a nominal consideration of RMB2 is payable in connection with the Disposal, the Company does not expect to receive any net proceeds from the Disposal.

The amount represents the estimated transaction costs payable amounting to RMB7,000,000, including accounting, legal, valuation and other professional service fees and related stamp duties for the Disposal.



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The Board of Directors
China Evergrande New Energy Vehicle Group Limited
15th Floor,
China Evergrande Centre,
38 Gloucester Road,
Wanchai, Hong Kong

Dear Sirs,

ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

We have completed our assurance engagement to report on the compilation of pro forma financial information of China Evergrande New Energy Vehicle Group Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2021, unaudited pro forma consolidated statement of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2020 and related notes as set out in Part A of the pro forma report issued by the Company in connection with the Disposal. The applicable criteria on the basis of which the directors of the Company have compiled the pro forma financial information are described in Part A of the pro forma report.

The pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Disposal on the Group’s financial position as at 31 December 2020 as if the Disposal had completed at 30 June 2021. As part of this process, information about the Group’s financial position as at 30 June 2021 has been extracted by the directors of the Company from the condensed consolidated financial statements for the period then ended, on which an audit report has been published.

Directors' Responsibilities for the Pro Forma Financial Information

The Directors are responsible for compiling the 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.

The 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” issued by the HKICPA 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 on the 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 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 of the Company have compiled the pro forma financial information.

For purpose of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the 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 pro forma financial information.

The purpose of pro forma financial information is solely to illustrate the impact of the Disposal on the unadjusted financial information of the Group as if the Disposal had been completed at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal completed at 31 December 2020 would have been as presented.

A reasonable assurance engagement to report on whether the 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 of the Company in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the 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 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 purposes of the pro forma financial information.

Prism Hong Kong and Shanghai Limited

Certified Public Accountants

Lee Kwok Lun

Practising Certificate Number: P06294

Hong Kong

Set out below is the management discussion and analysis on the results of operations and financial conditions of the Remaining Group for the years ended 31 December 2020, 2021 and 2022.

The Remaining Group is principally engaged in the new energy vehicle business. As at the Latest Practicable Date, the Remaining Group also included the Tianjin Project and the Nanning Project. The current plan of the Remaining Group in relation to the Tianjin Project and the Nanning Project are as set out below:

(i) *the Tianjin Project*

The residential units in the Tianjin Project have already been sold. It is expected that the residential units will be delivered to the purchasers by the end of June 2023. Upon completion of the said delivery, Tianjin Guoneng will no longer hold any property interest in the Tianjin Project. Tianjin Guoneng will no longer be engaged in the property development business after the residential units have been delivered to the purchasers. Therefore, Tianjin Guoneng does not form part of the Disposal Group.

(ii) *the Nanning Project*

The Group intended to dispose of Guangxi Lichi which in turn holds the Nanning Project (which is in development stage) soonest, preferably together with the other Projects. In this regard, the Group has been discussing with the relevant parties on the disposal of the entire equity interests in Guangxi Lichi. However, given that the Nanning Project is still in a development stage, and some residential units are to be delivered to the purchasers this year, the Company has not been able to reach a consensus with the relevant parties as at the Latest Practicable Date. The Group is currently exploring alternatives with the relevant parties and additional time is required for the negotiation in light of the aforesaid delivery of residential units. The Group targets to complete the disposal of Guangxi Lichi by September 2023.

Upon completion of the Disposal, the Remaining Group will continue its primary focus on operating in the new energy vehicles segment. The management discussion and analysis of the Remaining Group for FY2020, FY2021 and FY2022 are set out below.

BUSINESS AND FINANCIAL REVIEW

Segmental information

The Remaining Group is principally engaged in the sales of new energy vehicle business, and to a lesser extent, the sale of lithium batteries and vehicle components and the provision of technical services. The following table sets forth a breakdown of the Remaining Group's revenue by business segment for the years indicated:

	For the year ended December 31,		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
New energy vehicles segment	—	—	55,404
Lithium batteries, vehicle components and technical services segment	<u>187,533</u>	<u>75,827</u>	<u>76,839</u>
Total	<u><u>187,533</u></u>	<u><u>75,827</u></u>	<u><u>132,243</u></u>

For FY2020, the revenue of the Remaining Group decreased by approximately 71.6% to approximately RMB188 million from approximately RMB661 million in FY2019, mainly attributable to the decrease in revenue from sales of batteries, resulting from the disposal of the Remaining Group's batteries inventory in anticipation of further reform and upgrade of new battery products in FY2019. The operating loss of the Remaining Group was approximately RMB8 billion.

For FY2021, the revenue of the Remaining Group decreased by approximately 59.6% to approximately RMB76 million from RMB188 million in FY2020, which was mainly due to further decrease in sales of lithium batteries. The operating loss of the Remaining Group was approximately RMB25 billion.

For FY2022, the revenue of the Remaining Group increased by approximately 73.7% to approximately RMB132 million from RMB76 million in 2021. Such an increase in revenue was mainly attributable to the sales of the Remaining Group's Hengchi 5 model. On 6 July 2022, the Remaining Group has commenced the pre-order of this model. Up to 31 December 2022, the Remaining Group had received sales orders of 39,280 units for the Hengchi 5 and 324 units were delivered. The operating loss of the Remaining Group decreased to approximately RMB11 billion.

New energy vehicles segment

In terms of the new energy vehicles business, the Remaining Group strives to become the one of the world's major new energy vehicle enterprises, with a goal of achieving annual production and sales volume of over 5 million vehicles by 2035. The Remaining Group also believes that the development of the new energy automobile industry will continue to improve in the long term. With the emerging wave of electrification, intelligence transformation and network advancement of

automobiles, irreversible structural changes have taken place in automobile products and industry landscape. With the launch of the New Energy Automobile Industry Development Plan (2021–2035) (《新能源汽车产业发​​展规划(2021–2035年)》), there have been increased deployments and infrastructure made in China in terms of technological innovation, industrial ecology, integrated development, infrastructure and open cooperation, which further reinforces the medium and long-term health-centric development of the industry. In terms of specific measures, the consumption, usage and infrastructure construction of new energy vehicles benefited from various fiscal and tax policy support in China. Meanwhile, standards of and requirements for electric car manufacturing technology have been further enhanced and optimized, thus ensuring the sustainable and health-centric development of the industry. For example, the Notice on Improving the Financial Subsidy Policies for the Promotion and Application of New Energy Vehicles jointly issued by the Ministry of Finance, the Ministry of Industry and Information Technology, the Ministry of Science and Technology and the National Development and Reform Commission on 23 April 2020 announced that the financial subsidy policies for the promotion and application of new energy vehicles was extended to the end of 2022.

In order to seize such industry opportunities, the Remaining Group aims to strengthen its technology R&D and innovation in terms of hardware design and high-end manufacturing, as well as its software and servicing capabilities, in order to fully promote the continuous development and growth of its new energy vehicle business.

In 2020, the Remaining Group launched the design of six Hengchi models, including the Hengchi 1 (an electric sedan), Hengchi 2 (an electric sports/luxury sedan), Hengchi 3 (an electric large ultra-luxury SUV), Hengchi 4 (an electric large ultra-luxury MPV with seven seats), Hengchi 5 (an electric luxury SUV), and Hengchi 6 (an electric luxury cross-over SUV).

In 2021, by teaming up with Tencent and Baidu, the Remaining Group released the Hengchi Smart Vehicle Operating System after nearly two years of development. This system aims to create an intelligent cabin in the cars to be launched in the future by utilizing various technologies, including an AI assistant “Xiaochi (小馳)”. In the same year, the Remaining Group also released the Hengchi AVP automatic parking system which integrates various sensors such as ultrasonic radar, millimetre wave radar and high-definition surround view cameras. This system can accurately identify vehicle location and surrounding obstacles, and achieve specific driverless functions in scenarios such as narrow road cruising, pedestrian avoidance, vehicle obstacle avoidance, automatic car following and automatic parking space identification.

In 2022, the Remaining Group commenced the pre-order of Hengchi 5, which has received sales orders for 39,280 units, 324 units of which were delivered in the year.

Lithium batteries, vehicle components and technical services segment

In terms of power battery technology, in 2020, the Remaining Group established a number of bases in Yangzhou, Zhengzhou and other regions across the country in accordance with the Industry 4.0 Standard. The primary focus of such bases include the R&D of material synthesis, electrolyte, battery modules and pack technologies, thermal management and other aspects.

In 2021, the Remaining Group further established R&D bases in Shenzhen, Shanghai and Osaka, focusing on the deployment of lithium-ion batteries, solid state batteries, battery materials, battery management system, and forward-looking development and application of next-generation battery technologies.

In the same year, the Remaining Group applied for a total of 3,012 patents in the PRC and overseas, 1,355 of which have been granted patents. These patents cover core areas including pure electric chassis architecture, suspension system, steering control, vehicle control, thermal management system, batteries, battery modules, battery management system, motors and electronic control, electronic and electrical architecture, body of vehicles and interior and exterior trim, Internet of vehicles, and autonomous driving. With the ongoing technology and product R&D, the Remaining Group is refreshing the number of its patents.

In 2022, the Remaining Group had applied for a total of 3,566 patents, in similar fields of study, worldwide, 1,827 of which have been granted patents. The Remaining Group also undertook preparations to build exhibition and experience centres, sales centres, as well as after-sales service centres, to be located in cities including Beijing, Shanghai, Guangzhou and Shenzhen, in order to construct a strong closed loop of online and offline transactions. The main functions of such centres include promoting Remaining Group's brand, vehicle sales and user experience, and providing after-sales maintenance and repair services such as vehicle delivery, machine repair and sheet metal spraying services.

LIQUIDITY, FINANCIAL RESOURCES, GEARING AND CAPITAL STRUCTURE**Liquidity**

As at 31 December 2020, 2021 and 2022, net current assets/(liabilities) of the Remaining Group amounted to approximately RMB1,894 million, RMB(26,662) million, and RMB(34,289) million, respectively, and the total assets of the Remaining Group amounted to approximately RMB64,499 million, RMB58,002 million, and RMB51,347 million, respectively.

Financial resources

As at 31 December 2020, 2021 and 2022, the Remaining Group had cash and cash equivalents of approximately RMB1,293 million, RMB1,287 million, and RMB189 million respectively and total bank and other borrowings of approximately RMB53,579 million, RMB25,156 million, and RMB25,926 million, respectively.

Capital structure

The Board's approach to manage the working capital and is to ensure sufficient liquid assets to meet its matured liabilities so as to avoid any unacceptable losses or damage to the Remaining Group's reputation. The Remaining Group's assets portfolio was mainly financed by its shareholders' funds and bank and other borrowings, as illustrated below:

	For the year ended 31 December		
	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Shareholders' equity of the Remaining Group	(6,833,456)	(4,222,421)	(11,885,689)
Bank and other borrowings of the Remaining Group	53,578,954	25,155,973	25,925,764

Based on the agreed scheduled repayment dates in the loan agreements and ignoring the effect of any repayment on demand clause, the Remaining Group's bank and other borrowings were repayable:

	For the year ended 31 December		
	2020	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Within the first year	9,478,962	13,884,913	13,613,638
After the first year	<u>44,099,992</u>	<u>11,271,060</u>	<u>12,312,126</u>
Total	<u><u>53,578,954</u></u>	<u><u>25,155,973</u></u>	<u><u>25,925,764</u></u>
Interest rates of bank and other borrowings per annum	<u>8.73%</u>	<u>9%</u>	<u>9%</u>

Capital commitments

As at 31 December 2020, the Remaining Group had capital commitments in respect of its capital injection of approximately RMB15,432 million. As at 31 December 2021, Remaining Group had capital commitments in respect of its capital injection of approximately RMB18,260 million for the construction of the Remaining Group's power battery technology bases in Yangzhou, Zhengzhou and other regions across the country. As at 31 December 2022, the Remaining Group had no significant capital commitments.

Gearing ratio

As at 31 December 2020, 2021 and 2022, the gearing ratio of the Remaining Group were not applicable because the Group had net deficit of approximately RMB6,834 million, RMB4,222 million and RMB11,886 million respectively. The gearing ratio was defined as the sum of interest bearing borrowings over total equity.

Foreign Exchange Exposure

The monetary assets and liabilities as well as business transactions of the Remaining Group are mainly denominated in Renminbi. For FY2020, FY2021 and FY2022, the Remaining Group did not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. The Remaining Group is subject to foreign exchange risks arising primarily from currencies pegged to USD. Majority of its income source is denominated in RMB while the repayment of interest and principals of its bank borrowings, are denominated in USD. Any substantial fluctuation between the currencies may have significant effects on the Remaining Group. Furthermore, the conversion of RMB into foreign currencies is subject to rules and regulations of exchange control enforced by the government. The Remaining Group has a standing foreign exchange risk management policy and uses forward contracts and various derivative instruments to mitigate the associated risks.

Significant investments

For FY2020, FY2021 and FY2022, the Remaining Group had no significant investments.

Material acquisitions and disposals

For FY2020, FY2021 and FY2022, the Remaining Group had not held any other significant investments nor made any material acquisitions or disposals of subsidiaries or associated companies.

Pledge of assets

As at 31 December 2020, 2021 and 2022, the Remaining Group's borrowings of RMB53,579 million, RMB25,156 million, and RMB25,926 million respectively were secured by pledge of the Remaining Group's property, plant and equipment, right-of-use assets, properties under development, completed properties held for sale, restricted cash, and equity interests of certain subsidiaries, totalling RMB7,930 million, RMB10,707 million, and RMB10,456 million respectively.

Contingent liabilities

As at 31 December 2020 and 2021, the Remaining Group had no material contingent liabilities, and it had approximately RMB348 million in contingent liabilities as at 31 December 2022 in relation to the pending litigation.

Employees and Share Option Scheme

As at 31 December 2020, 2021 and 2022, the Remaining Group employed 7,109, 4,294, and 3,628 employees respectively. For the years ended 31 December 2020, 2021, and 2022, the staff costs (including directors' emoluments) of the Remaining Group amounted to approximately RMB1,761 million, RMB2,416 million, and RMB1,395 million respectively. The Remaining Group offered competitive remuneration package, discretionary bonuses and social insurance benefits to its employees. Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employee. The Remaining Group also provides appropriate staff training and development, so as to enhance the Remaining Group's sustainable development.

To provide incentives or rewards to the staff and the Directors of the Company, the Company adopted a Share Option Scheme on 6 June 2018. Since its adoption and up to 31 December 2020 and save as disclosed in the announcement of the Company published on 6 November 2020 regarding the grant of share options on the same date, the Company has not granted any other new share option under such Share Option Scheme or adopt any other share option schemes. As at 31 December 2020, (i) 298,820,000 share options granted under the Share Option Scheme had not been exercised; (ii) 3,940,000 share options granted under the Share Option Scheme had lapsed; and (iii) no share option granted under the Share Option Scheme had been cancelled.

Capital expenditure

During the years ended 31 December 2020, 2021 and 2022, the Remaining Group's capital expenditure amounted to approximately RMB10,293 million, RMB5,220 million, and RMB1,801 million respectively, which was used for acquisition of property, plant and equipment, intangible assets and land use rights for production plant in China. Other than the capital expenditure, the Remaining Group did not have material acquisition, disposal and investment.

RISK MANAGEMENT OF THE REMAINING GROUP

The Remaining Group is exposed to various types of risks, including business risk, policy risk, currency risk, interest rate risk and liquidity risk.

Business risk

Due to (i) the landscape and nature of the business in which the Remaining Group operates; (ii) certain aspects of its operations; and (iii) its development history, the Remaining Group is subject to various business risks, including the following:

- The Remaining Group has a limited operating history, having only begun delivering its first model in 2022, and thus will continue to face significant challenges as a new entrant into the new energy vehicles industry;

- With such a limited operating history, the Remaining Group may face difficulties to anticipate and adapt to changing market conditions, including changes in consumer preferences and competitive landscape; and to navigate a complex and evolving regulatory environment;
- The Remaining Group may still require further time and investments in improving its operating efficiency and economies of scale, and operating the manufacturing facilities in a safe and cost-efficient manner;
- As a relatively new brand, the Remaining Group will require more time and effort in improving its market penetration in order to compete in the passenger vehicles market, which is already highly competitive. The Remaining Group will also need further investment and marketing planning to identify the latest tastes and preferences of their target customers, in order to assist with future vehicle and software development;
- If the Remaining Group's models and its latest software systems, such as the Hengchi models and the AI assistant "Xiaochi" (小馳), fail to offer a good mobility experience and meet customer expectations, its business, results of operations and reputation would be materially and adversely affected;
- Such models and software may contain defects in design or manufacturing that cause them not to perform as expected, which may lead to severe repair, maintenance or recall costs, and damage the Remaining Group's business operations and safety reputation; and
- China's passenger vehicle market is large yet competitive, and the demand for new energy vehicles may be cyclical depending on latest market trends and government initiatives. Such competition is compounded when the Remaining Group will also need to compete with traditional internal combustion engine vehicles and hybrid vehicles. Factors affecting such competition may also include, among others, product quality and features, innovation and development time, pricing, reliability, safety, energy efficiency, sales and marketing capabilities, distribution network, customer service and financing terms. Any increased competition may lead to lower vehicle unit sales and increased inventory, which may result in downward price pressure and adversely affect the Remaining Group's business, financial condition, operating results and prospects.

Policy risk

The Remaining Group's new energy vehicle business is operating in the PRC where the government has shown its support in the development of new energy vehicles by promulgating and implementing series of laws and regulations as well as policies favoring the industry, such as tax incentives on purchase of new energy vehicles. Any addition or amendment to existing laws and regulations or any reduction of demand in the PRC may affect the Remaining Group's financial

position and performance. Such policy changes may include the increase or reduction on tax incentives to customers of new energy vehicles, or the introduction or abolishment of R&D grants to further the technological advancement in this field.

Currency risk

The principal subsidiaries of the Remaining Group operate in the PRC and the presentation currency of the consolidated financial statements of the Remaining Group is Hong Kong dollars. All of the Remaining Group's revenue, cost of sales and operating expenses are substantially denominated in RMB. Since the interests and principals of relevant Shareholders' loans are denominated in US dollars, some overseas payments are denominated in US dollars or Euros, any substantial fluctuation in the exchange rates may have significant effects. The Remaining Group currently does not have a foreign currency hedging policy, and the Board will closely monitor foreign exchange exposure as any depreciation or appreciation of RMB against US dollar or any other foreign currencies may result in the impacts on assets, liabilities and net asset value.

Interest rate risk

The Remaining Group is exposed to fair value interest rate risk in relation to fixed-rate restricted bank deposits, bank and other borrowings. For FY2020, FY2021 and FY2022, the Remaining Group's bank and other borrowings amounted to approximately RMB53,579 million, RMB25,156 million and RMB25,926 million, respectively, at interest rates of bank and other borrowings per annum of approximately 8.73%, 9.00% and 9.00%, respectively. Considering the latest market conditions and changes in global interest rates, which are expected to continue to be on the rise in the short term future, the Directors will monitor interest rate exposures and consider hedging significant interest rate risk should the need arise.

Liquidity risk

Liquidity risk is the risk that the Remaining Group will not be able to meet its obligations when fall due. As at 31 December 2020, 2021 and 2022, net current assets/(liabilities) of the Remaining Group amounted to approximately RMB1,894 million, RMB(26,662) million, and RMB(34,289) million, respectively. In order to manage the liquidity risk, the Remaining Group will continually monitor cash flows and seek possible financing alternatives (including both equity financing and debt financing) to ensure that the Remaining Group can meet its finance needs.

OUTLOOK AND FUTURE PLAN

The Remaining Group believes that the new energy automobile industry is developing positively. As at the Latest Practicable Date, the Remaining Group had delivered over 900 units of Hengchi 5 to the customers. However, due to insufficient funding, the production of Hengchi 5 in the facilities in Tianjin was suspended as at the Latest Practicable Date. The Remaining Group will continue to carry out technical skills training and various facilities enhancements and improvements. The Remaining Group intends to raise funds by disposing of certain non-core assets

and introducing strategic investments, so that it may resume payments to suppliers and the Tianjin facilities may resume production capacity in May 2023. In the field of R&D, the Remaining Group will continue to strengthen R&D investment and consolidate R&D foundation. While accelerating the R&D of core technologies to lead the technology innovation and development of smart electric vehicles, the Remaining Group will also stay focus on the R&D of new models, so as to provide users with forward-looking smart electric vehicle products integrating technological aesthetics. In the field of manufacturing, the Remaining Group will strive to promote the formal commissioning of development bases for vehicles in Tianjin, Shanghai and Guangzhou as well as the development bases for parts in Yangzhou and Zhengzhou, striving to successfully complete the production capacity target. In respect of marketing system, the Remaining Group will continue to push ahead the deployment, furnishing and opening of exhibition and experience centres, sales centres, as well as after-sales service centres, along with the further expansion of sales channels. Upholding a people-oriented approach and paying attention to user experience, the Remaining Group will continue to improve the full life-cycle service system, and strive to provide users with thoughtful and considerate services than ever.

The Remaining Group will keep a close watch on the development and transformation trend of the industry, continue to implement its strategic development plan, keep abreast of the current trend, seize future investment opportunities arising from economic recovery and make continuous effort to optimise its investment portfolio and minimise the operating cost, with an aim to improve the value and market competitiveness of the Remaining Group. The Remaining Group will continue to optimise its capital structure and business portfolio in order to continuously improve its financial position. The Remaining Group will strive to capture investment opportunities prudently and optimise the capital structure and business portfolio in a bid to maximise Shareholders' interests.

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(i) Directors and chief executive' interests

As at the Latest Practicable Date, the interests and short positions of the Directors, chief executive and their respective associates in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

(a) *Interests of shares in the Company*

Name of Director	Nature of interest	Number of Shares interested	Approximate percentage of shareholding
Liu Yongzhuo	Beneficial owner ^(Note 1)	21,653,500	0.22%
Qin Liyong	Beneficial owner ^(Note 2)	3,386,000	0.03%
Siu Shawn	Beneficial owner ^(Note 3)	24,600,000	0.25%
Chau Shing Yim, David	Beneficial owner ^(Note 4)	300,000	0.00%
Guo Jianwen	Beneficial owner ^(Note 4)	300,000	0.00%
Xie Wu	Beneficial owner ^(Note 4)	300,000	0.00%

Notes:

As at the Latest Practicable Date:

- Mr. Liu Yongzhuo was interested in 21,653,500 Shares, of which 1,653,500 Shares were directly held by Mr. Liu and 20,000,000 Shares were represented by share options.
- Mr. Qin Liyong was interested in 3,386,000 Shares, of which 1,386,000 Shares were directly held by Mr. Qin and 2,000,000 Shares were represented by share options.

- (3) Mr. Siu Shawn was interested in 24,600,000 Shares, of which 4,600,000 Shares were directly held by Mr. Siu and 20,000,000 Shares were represented by share options.
- (4) Each of Mr. Chau Shing Yim, David, Mr. Guo Jianwen and Mr. Xie Wu was interested in 300,000 Shares which were represented by share options.

(b) *Interests of shares in the associated corporations of the Company*

Name of Director	Name of associated corporation	Nature of interest	Number of Shares interested	Approximate percentage of shareholding
Liu Yongzhuo	CEG	Beneficial owner	20,600,000 ^(Note 2)	0.16%
	Evergrande Property Services Group Limited ^(Note 1)	Beneficial owner	548,500	0.00%
Qin Liyong	CEG	Beneficial owner	4,136,000 ^(Note 3)	0.03%
Chau Shing Yim, David	CEG	Beneficial owner	1,000,000 ^(Note 4)	0.01%
Siu Shawn	CEG	Beneficial owner	20,600,000 ^(Note 5)	0.16%
	China Ruyi Holdings Limited	Beneficial owner	4,000,000	0.04%

Notes:

As at the Latest Practicable Date:

- (1) Evergrande Property Services Group Limited was a subsidiary of CEG.
- (2) Mr. Liu Yongzhuo was interested in 20,600,000 shares of CEG, which were represented by share options; Mr. Liu was also interested in 548,500 shares of Evergrande Property Services Group Limited, all of which were directly held by Mr. Liu.
- (3) Mr. Qin Liyong was interested in 4,136,000 shares of CEG, of which 2,936,000 shares were directly held by Mr. Qin and 1,200,000 share were represented by share options.
- (4) Mr. Chau Shing Yim, David directly held 1,000,000 shares of CEG.
- (5) Mr. Siu Shawn was interested in 20,600,000 shares of CEG, which were represented by share options; Mr. Siu was also interested in 4,000,000 shares of China Ruyi Holdings Limited, all of which were directly held by Mr. Siu.

As at the Latest Practicable Date, saved as disclosed above, none of the Directors and the chief executive of the Company had any interests and short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which were required, pursuant to Section 352 of the SFO to be entered in the register referred to therein, or which were required to be notified to the Company and Stock Exchange pursuant to the Model Code.

(ii) Substantial shareholders' interest

As at the Latest Practicable Date, so far as was known to any Director or the chief executive of the Company, other than a Director or the chief executive of the Company, the following persons 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, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

Name of Shareholder	Nature of interest held	Interest in the Shares	Approximate Percentage of Shareholding (Note)
CEG	Beneficial owner; and interest of corporation controlled by the substantial shareholder	6,347,948,000	58.54%

Note: Of the 6,347,948,000 Shares held, 128,398,000 were held in the capacity of beneficial owner, 6,219,500,000 Shares were held by Evergrande Health Industry Holdings Limited and 50,000 Shares were held by Acelin Global Limited, both being wholly-owned by CEG.

3. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS**(i) Interests in contracts**

As at the Latest Practicable Date, there was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and which is significant in relation to the business of the Group.

(ii) Interests in assets

None of the Directors had, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to, or which are proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors (including the independent non-executive Directors) and their close associates was considered to have interests in the businesses which compete or are likely to compete with the businesses of the Group pursuant to the Listing Rules.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract which is not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within two years immediately preceding the date of this circular:

- (a) an agreement for the sale and purchase of Protean Electric Holdings Limited dated 20 October 2021 between National Electric Vehicle Sweden AB as seller, BD Auto and Energy Ltd. as buyer, Evergrande New Energy Automotive Investment Holdings Group Co. Ltd and Evergrande New Energy Automotive Holdings (Hong Kong) Limited, pursuant to which, National Electric Vehicle Sweden AB has agreed to sell, and BD Auto and Energy Ltd. has agreed to buy the entire issued share capital of Protean Electric Holdings Limited at the consideration of USD3,000,000;
- (b) an asset purchase agreement dated 29 October 2021 between eAx solutions GmbH as purchaser, Evergrande hofer powertrain GmbH as seller, hofer powertrain Berlin GmbH and Evergrande Hengchi New Energy Automotive Holdings (Hong Kong) Limited, pursuant to which, Evergrande hofer powertrain GmbH has agreed to sell, and eAx solutions GmbH has agreed to purchase, certain assets and contracts in relation to certain plant of Evergrande hofer powertrain GmbH;
- (c) a placing and subscription agreement dated 9 November 2021 between the Company, Evergrande Health Industry Holdings Limited and Kingston Securities Limited, pursuant to which, Kingston Securities Limited has agreed to place 174,830,000 placing shares at HK\$2.86 per share through top-up placing, and Evergrande Health Industry Holdings Limited has agreed to subscribed for the subscription shares allotted and issued under the general mandate, as disclosed in the announcement of the Company dated 9 November 2021;
- (d) a share purchase agreement dated 10 November 2021 between Hubei TET Drive Technology Co Ltd. as the seller and Saletta Traction Holdings B.V. as the buyer, pursuant to which, Hubei TET Drive Technology Co Ltd. has agreed to sell, and Saletta Traction Holdings B.V. has agreed to purchase, the issued and outstanding share capital of e-Traction Europe B.V. at the consideration of EUR2,000,000;
- (e) a placing and subscription agreement dated 19 November 2021 between the Company, Evergrande Health Industry Holdings Limited and Kingston Securities Limited, pursuant to which, Kingston Securities Limited has agreed to place 900,000,000 placing shares at HK\$3.00 per share through top-up placing, and Evergrande Health Industry Holdings

Limited has agreed to subscribed for the subscription shares allotted and issued under the general mandate, as disclosed in the announcement of the Company dated 19 November 2021; and

- (f) the Sale and Purchase Agreement.

7. LITIGATION

Save as disclosed below, as at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

As at the Latest Practicable Date, there were 38 court judgments against the Group resulting in the aggregate amount of approximately RMB5,210 million. Out of these court judgments, 22 were related to failure to repay overdue loans, eight were related to miscellaneous disputes in various contracts such as agreements in relation to the sale and purchase of building materials and equipment, and eight were related to delayed payment in relation to construction work. The amounts involved in these three types of judgments were approximately RMB3,962 million, RMB798 million and RMB450 million, respectively.

As at the Latest Practicable Date, there were 86 pending or threatened material litigation or claims against the Group resulting in the aggregate amount of approximately RMB15,251 million. Out of these litigation or claims, 16 were related to failure to repay overdue loans, 15 were related to miscellaneous disputes in various contracts such as subcontracting agreements for construction and agreements in relation to the sale and purchase of building materials and equipment, and 55 were related to delayed payment in relation to construction work. The amounts involved in these three types of litigation or claims were approximately RMB3,120 million, RMB5,760 million and RMB6,371 million, respectively.

8. QUALIFICATIONS AND CONSENTS OF EXPERTS

The following are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualifications
Maxa Capital Limited	Licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Prism Hong Kong and Shanghai Limited	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong)

Name	Qualifications
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer

As at the Latest Practicable Date, none of the above experts had any direct or indirect shareholdings in any member of the Group, or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group, or any interests, directly or indirectly, in any assets which had been acquired, disposed of or leased to or which were proposed to be acquired, disposed of or leased to the Group or any of their respective subsidiaries, respectively, since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its reports and references to its name in the form and context in which it appears.

9. GENERAL

- (i) The registered office and principal place of business of the Company is situated at 15/F, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong.
- (ii) The Company's share registrar is Tricor Secretaries Limited which is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (iii) The company secretary of the Company is Fong Kar Chun, Jimmy, who is a member of the Law Society of Hong Kong and a qualified solicitor in Hong Kong.
- (iv) The English text of this circular and the accompanying proxy form shall prevail over the Chinese text in case of inconsistency.

10. DOCUMENTS ON DISPLAY

The following documents will be available for display on the Stock Exchange's website and the Company's website (<https://www.irasia.com/listco/hk/evergrandevehicle/>) from the date of this circular up to 14 days thereafter:

- (i) the material contracts referred to in the paragraph headed "Material Contracts" above in this appendix;
- (ii) the review report on the FY2020 Disposal Group Financial Information as set out in Appendix II to this circular;
- (iii) the report on the unaudited pro forma financial information of the Remaining Group as set out in Appendix IV to this circular;

- (iv) the Valuation Report prepared by the Independent Property Valuer as set out in Appendix III to this circular;
- (v) the letter from the Independent Financial Adviser, the text of which is set out on pages 23 to 51 of this circular; and
- (vi) the written consents referred to in the paragraph headed “Qualifications and Consents of Experts” above in this Appendix.

NOTICE OF GENERAL MEETING



CHINA EVERGRANDE NEW ENERGY VEHICLE GROUP LIMITED

中國恒大新能源汽車集團有限公司

(a company incorporated in Hong Kong with limited liability)

(Stock code: 708)

NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that the general meeting (the “**GM**”) of China Evergrande New Energy Vehicle Group Limited (the “**Company**”) will be held at 15/F, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong on Friday, 12 May 2023 at 11:00 a.m., for the purpose of considering and, if thought fit, passing the following resolution of the Company. Terms and expressions that are not expressly defined in this notice of GM shall have the same meaning as those defined in the circular (the “**Circular**”) to the shareholders of the Company (the “**Shareholders**”) dated 25 April 2023.

ORDINARY RESOLUTION

“THAT:

- (a) the Sale and Purchase Agreement (a copy of which is tabled at the GM, marked “**A**” and initialed by the chairman of the GM for identification purpose), and the consummation of the transactions contemplated thereunder based on the terms and conditions under the Sale and Purchase Agreement (further details of which are set out in the Circular) are hereby approved, confirmed and ratified in all respects;
- (b) to authorize any of the directors of the Company (“**Directors**”) to complete and do all such acts and things or to sign or execute such other documents or supplemental agreements or to sign or execute such other documents or supplemental agreements or amendments for the Company, such Director or, as the case may be, the Board may consider necessary, desirable or expedient or in the interest of the Company to give effect to the terms of the matters contemplated under the Sale and Purchase Agreement, all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith.”

By Order of the Board

China Evergrande New Energy Vehicle Group Limited

SIU Shawn

Chairman

Hong Kong, 25 April 2023

NOTICE OF GENERAL MEETING

Notes:

- (i) A member of the Company entitled to attend and vote at the GM convened by the above notice is entitled to appoint one, or if he/she is a holder of more than one Share, or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
- (ii) In order to be valid, the form of proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal, or under the hand of an officer or attorney duly authorised on that behalf, and must be deposited at the Company's share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney, not less than 48 hours before the time for holding the GM or adjourned meeting.
- (iii) Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the GM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and, for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding of such Share.
- (iv) For the purpose of ascertaining Shareholders' right to attend and vote at the above meeting, the register of members of the Company will be closed and the relevant details are set out below:

Latest time to lodge transfer: 4:30 p.m. on 8 May 2023 (Monday)

Book closure: 9 May 2023 (Tuesday) to 12 May 2023 (Friday)

Record date: 12 May 2023 (Friday)

During the above closure period, no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the above meeting, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's share registrar, Tricor Secretaries Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong before the above latest time to lodge transfer.

- (v) Completion and delivery of the form of proxy will not preclude a member from attending and voting in person at the GM.
- (vi) Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the resolution set out in this notice will be decided by poll at the GM. Where the Chairman in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted, such resolution will be decided by a show of hands.
- (vii) If Typhoon Signal No. 8 or above, or a "black" rainstorm warning is in effect any time after 9:00 a.m. and before the above GM time, the meeting will be postponed. The Company will post an announcement on the website of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company's website (<https://www.irasia.com/listco/hk/evergrandevehicle/>) to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, the executive Directors of the Company are Mr. SIU Shawn, Mr. LIU Yongzhuo and Mr. QIN Liyong; and the independent non-executive Directors of the Company are Mr. CHAU Shing Yim, David, Mr. GUO Jianwen and Mr. XIE Wu.