
THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the General Offer, this Composite Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in the Company, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) and transferee(s). This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms of the General Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.



CHINA ASSETS (HOLDINGS) LIMITED **FIRST SHANGHAI INVESTMENTS LIMITED**
(中國資本(控股)有限公司) (第一上海投資有限公司)
(Incorporated in Hong Kong with limited liability) (Incorporated in Hong Kong with limited liability)
(Stock Code: 227)

**COMPOSITE DOCUMENT IN RELATION TO
MANDATORY UNCONDITIONAL CASH OFFER
BY FIRST SHANGHAI SECURITIES LIMITED FOR AND
ON BEHALF OF CHINA ASSETS (HOLDINGS) LIMITED
TO ACQUIRE ALL THE SHARES IN
FIRST SHANGHAI INVESTMENTS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY CHINA ASSETS (HOLDINGS) LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to the Offeror



First Shanghai Capital Limited

Offer agent to the Offeror



First Shanghai Securities Limited

Independent Financial Adviser to the Independent Board Committee



Capital 9 Limited

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from First Shanghai Securities containing, among other things, the principal terms of the General Offer is set out on pages 7 to 15 of this Composite Document. A letter from the Board is set out on pages 16 to 20 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the General Offer to the Offer Shareholders is set out on pages 21 to 22 of this Composite Document. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee in respect of the General Offer is set out on pages 23 to 43 of this Composite Document.

The procedures for acceptance and settlement of the General Offer are set out on pages I-1 to I-10 in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Forms of Acceptances of the General Offer should be received by the Registrar by no later than 4:00 p.m. (Hong Kong time) on 14, December 2023 or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive and in accordance with the Takeovers Code.

Any persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the details in this regard which are contained in the sections headed "Overseas Shareholders" in the "Letter from First Shanghai Securities Limited" and Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder wishing to accept the General Offer to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or legal requirements and the payment of any transfer or other taxes due from such Overseas Shareholder in respect of such jurisdiction. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the General Offer.

This Composite Document is issued jointly by the Offeror and the Company. The English texts of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

This Composite Document is accessible on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.firstshanghai.com.hk).

23 November 2023

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EXPECTED TIMETABLE

The timetable set out below is indicative only and is subject to change. Any changes to the timetable will be jointly announced by the Offeror and the Company by way of announcements as soon as possible. All time and date references contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong time and dates.

Event	Time and Date
Despatch date of this Composite Document and the Form of Acceptance and commencement of the General Offer ^(Note 1)	Thursday, 23 November 2023
Latest time and date for acceptance of the General Offer ^(Notes 2, 3 and 5)	4:00 p.m. on Thursday, 14 December 2023
Announcement of the results of the General Offer on the Closing Date posted on the website of the Stock Exchange	by 7:00 p.m. on Thursday, 14 December 2023
Latest date for posting of remittances in respect of valid acceptances received under the General Offer ^(Notes 4 and 5)	at or before 4:00 p.m. on the Closing Date Wednesday, 27 December 2023

Notes:

1. The General Offer, which is unconditional, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date.
2. The General Offer will initially remain open for acceptances until 4:00 p.m. on Thursday, 14 December 2023 unless the Offeror extends the General Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the General Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In accordance with the Takeovers Code, an announcement must be issued on the website of the Stock Exchange no later than 7:00 p.m. on Thursday, 14 December 2023 stating either the next Closing Date or that the General Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the General Offer closed to Offer Shareholders who have not accepted the General Offer.
3. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.

Acceptances of the General Offer will be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed "V. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.

EXPECTED TIMETABLE

4. Payment of the consideration (after deducting the seller's ad valorem stamp duty) for the Offer Shares tendered for acceptance under the General Offer will be made by cheque to Offer Shareholders accepting the General Offer by ordinary post at their own risk. Payment to Offer Shareholders by the Offeror will be made as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar of the duly completed Form of Acceptance together with all relevant documents required to render such acceptance complete, valid and in compliance with the Takeovers Code.

5. If there is a tropical cyclone warning signal number 8 or above or "extreme conditions" or a black rainstorm warning:
 - (i) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the General Offer and the latest date for posting of remittances for the amounts due under the General Offer in respect of valid acceptances, the latest time for acceptance of the General Offer will remain at 4:00 p.m. on the same Business Day and the latest date for posting of remittances will also remain on the same Business Day; or

 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the General Offer or the latest date for posting of remittances for the amounts due under the General Offer in respect of valid acceptances, the latest time for acceptance of the General Offer will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force after 12:00 noon and the latest date for posting of remittances will also be next following Business Day which does not have either of those warnings in force after 12:00 noon.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following terms shall have the following meanings:

“acting in concert”	the meaning ascribed to it in the Takeovers Code
“associate”	the meaning ascribed to it in the Listing Rules or the Takeovers Code (as the context may require)
“Board”	the board of Directors
“Business Day”	the meaning ascribed to it in the Takeovers Code
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the operational procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS
“Closing Date”	14 December 2023, being the closing date of the General Offer and, 21 calendar days after the date on which this Composite Document is posted, or if the General Offer is extended, any subsequent closing date of the General Offer as extended and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
“Company”	First Shanghai Investments Limited (第一上海投資有限公司), a company incorporated in Hong Kong and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0227)
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company to all the Offer Shareholders in accordance with the Takeovers Code, setting out (with the Form of Acceptance), among other things, details of the General Offer
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates

DEFINITIONS

“First Shanghai Capital”	First Shanghai Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the General Offer
“First Shanghai Securities”	First Shanghai Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the agent of the Offeror in respect of the General Offer
“Form of Acceptance”	the form of acceptance and transfer in respect of the General Offer accompanying this Composite Document
“General Offer”	the mandatory unconditional cash general offer being made by First Shanghai Securities for and on behalf of the Offeror to acquire the Offer Shares on the terms and conditions as set out in this Composite Document and the Form of Acceptance, in compliance with the Takeover Code
“General Offer Price”	the price of HK\$0.11 per Offer Share payable in cash by the Offeror on the terms of the General Offer
“Group”	the Company and its subsidiaries
“HKD or HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising Mr. Kwok Lam Kwong, Larry, <i>S.B.S., J.P.</i> , the non-executive Director, and all independent non-executive Directors, namely Prof. Woo Chia-Wei, Mr. Liu Ji, Mr. Yu Qihao, Mr. Zhou Xiaohe and Mr. Li Zhiyun, established for the purpose of providing recommendations in respect of the General Offer, in particular as to whether the General Offer are fair and reasonable and as to acceptance of the General Offer pursuant to Rule 2.1 of the Takeovers Code

DEFINITIONS

“Independent Financial Adviser” or “Capital 9”	Capital 9 Limited, a corporation licensed under the SFO, to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed for the purpose of advising the Independent Board Committee in respect of whether the General Offer is fair and reasonable and as to acceptance
“Initial Announcement	the announcement jointly issued by the Offeror and the Company dated 3 August 2023 in relation to the Open Offer and the General Offer pursuant to Rule 3.5 of the Takeovers Code
“Kinmoss”	Kinmoss Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability the entire issued share capital of which is owned by Mr. Lo, and a Shareholder holding 119,193,530 Shares as at the Latest Practicable Date
“Last Trading Day”	31 July 2023, being the last trading day of the Shares on the Stock Exchange before the publication of the Initial Announcement
“Latest Practicable Date”	20 November 2023, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Lo”	Mr. Lo Yuen Yat, the Chairman and an executive Director and as at the Latest Practicable Date, a Shareholder directly holding 161,304,105 Shares who is also deemed under the SFO to be interested in (a) 119,193,530 Shares owned by Kinmoss; (b) 352,914 Shares owned by New Synergies; and (c) 837,512,648 Shares owned by the Offeror

DEFINITIONS

“New Synergies”	New Synergies Investments Company Limited, a company incorporated in Hong Kong with limited liability, the issued share capital of which is owned as to 40% by Mr. Lo, 30% by his brother Mr. Lao Kaisheng and 30% by his sister Ms. Lao Jiangsheng, whose principal business is investment holding and a Shareholder holding 352,914 Shares as at the Latest Practicable Date
“Offer Period”	the period from 3 August 2023, being the date of the Initial Announcement, to the Closing Date
“Offer Share(s)”	any and all the Shares that are subject to the General Offer (other than those already owned or agreed to be acquired by the Offeror and persons acting in concert with it)
“Offer Shareholder(s)”	Shareholder(s), other than the Offeror and parties acting in concert with it
“Offeror”	China Assets (Holdings) Limited, a company incorporated in Hong Kong with limited liability, whose entire issued share capital is wholly-owned by New Synergies, and a controlling Shareholder holding 837,512,648 Shares as at the Latest Practicable Date
“Open Offer”	the offer for subscription to the existing Shareholders of the Open Offer Shares at the price of HK\$0.11 per Open Offer Share pursuant to the prospectus of the Company dated 25 October 2023
“Open Offer Shares”	the 625,908,544 new Shares allotted and issued under the Open Offer
“Overseas Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is or are outside Hong Kong
“Placing Agreement”	the placing agreement dated 31 July 2023 between the Company and First Shanghai Securities in respect of the compensatory arrangements under the Open Offer
“PRC”	the People’s Republic of China, which, for the purposes of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“Registrar”	Computershare Hong Kong Investor Services Limited, the share registrar and transfer office of the Company
“Relevant Period”	the period from 3 February 2023, being the date falling six months prior to 3 August 2023 (the date of the commencement of the Offer Period) and ending on and including the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of no par value in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated 31 July 2023 between the Company and the Offeror in relation to the Open Offer
“%”	per cent

IMPORTANT NOTICES

NOTICE TO OVERSEAS SHAREHOLDERS

The making of the General Offer to the Offer Shareholder, who are citizens, residents or nationals of jurisdictions outside Hong Kong may be subject to the laws of the relevant jurisdictions. Such Overseas Shareholders may be prohibited or affected by the laws and regulations of the relevant jurisdictions and it is the responsibility of each such Overseas Shareholder who wishes to accept the General Offer to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents, or filing and registration requirements which may be required to comply with all necessary formalities or legal or regulatory requirements and the payment of any transfer or other taxes due from such Overseas Shareholder in such relevant jurisdictions.

Any acceptance by such Overseas Shareholders will be deemed to constitute a representation and warranty from such persons to the Company, the Offeror, and their respective advisers, including First Shanghai Capital and First Shanghai Securities, that those local laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

For further information, please refer to the sections headed “Overseas Shareholders” in the Letter from First Shanghai Securities Limited as set out on page 7 to page 15 of and Appendix I to this Composite Document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “seek”, “estimate”, “will”, “would” or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The Offeror and the Company assume no obligation, and do not intend to update these forward-looking statements, except as required pursuant to applicable laws and regulations, including the Takeovers Code.

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED



23 November 2023

To the Offer Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER
BY FIRST SHANGHAI SECURITIES LIMITED FOR AND
ON BEHALF OF CHINA ASSETS (HOLDINGS) LIMITED
TO ACQUIRE ALL THE SHARES IN
FIRST SHANGHAI INVESTMENTS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY AND/OR AGREED
TO BE ACQUIRED BY CHINA ASSETS (HOLDINGS) LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Initial Announcement, the circular of the Company dated 31 August 2023 in relation to, among other things, the Open Offer and the announcement jointly issued by the Offeror and the Company dated 16 November 2023 in relation to, among other things, the Open Offer and the making of the General Offer.

At the Latest Practicable Date, the Company had 2,190,679,905 Shares in issue and there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue, where the Offeror and its ultimate beneficial owners, together with parties acting in concert with them beneficially owned in aggregate 1,140,121,890 Shares, representing approximately 52.04% of the total issued share capital of the Company.

At the date of the Initial Announcement, the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, in aggregate beneficially owned 544,178,905 Shares, representing approximately 34.78% of the Shares in issue. After completion of the Open Offer, the Placing Agreement and the Underwriting Agreement, the shareholding in the Company held by the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, increased from approximately 34.78% by more than 2%, to approximately 52.04%. Accordingly, the Offeror is required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Offer Shares.

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED

The shareholding structure of the Company as at the Latest Practicable Date is set out below:

Beneficial Shareholder	Number of Shares	%
Mr. Lo	161,304,105	7.36
Kinmoss	119,193,530	5.44
New Synergies	352,914	0.02
China Assets	837,512,648	38.22
Mr. Yeung Wai Kin ⁽¹⁾	<u>21,758,693</u>	<u>1.00</u>
 Mr. Lo, Kinmoss, New Synergies and China Assets and parties acting in concert with them	 1,140,121,890	 52.04
Mr. Zhou Xiaohu ⁽²⁾	160,000	0.01
Public Shareholders	<u>1,050,398,015</u>	<u>47.95</u>
	<u><u>2,190,679,905</u></u>	<u><u>100.00</u></u>

Notes:

1. Mr. Yeung Wai Kin is an executive Director, the chief financial officer and company secretary of the Company. Mr. Yeung Wai Kin, by virtue of his capacity as a Director, is presumed to be a party acting in concert with Mr. Lo.
2. Mr. Zhou is an independent non-executive Director.

This letter forms part of this Composite Document and sets out, amongst other things, the principal terms of the General Offer, certain information on the Offeror, and the intention of the Offeror regarding the Group. Further terms of the General Offer and the procedures for acceptance of the General Offer are set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Offer Shareholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” and the appendices as set out in this Composite Document before reaching a decision as to whether or not to accept the General Offer.

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED

INFORMATION ABOUT THE GENERAL OFFER

First Shanghai Securities is making the General Offer on behalf of the Offeror, subject to the terms set out in this Composite Document and in the Form of Acceptance, on the following basis:

For each Offer Share. HK\$0.11 in cash

The Offeror will not increase the General Offer Price. Shareholders and potential investors should be aware that, following the making of this statement, the Offeror will not be allowed to increase the General Offer Price and the Offeror does not reserve the right to increase the General Offer Price.

Comparisons of value

The General Offer Price of HK\$0.11 per Share represents:

- (i) a premium of approximately 0.9% over the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 12.0% to the closing price of HK\$0.125 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 9.8% to the average of the closing prices per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.122;
- (iv) a discount of approximately 10.6% to the average of the closing prices per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.123;
- (v) a discount of approximately 12.7% to the average of the closing prices per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.126;
- (vi) a discount of approximately 92.6% to the audited consolidated net asset value per Share attributable to the Shareholders at 31 December 2022 of approximately HK\$1.481 per Share calculated based on the Group's latest audited consolidated net assets attributable to the Shareholders of approximately HK\$2,316.79 million as at 31 December 2022 and 1,564,771,361 Shares in issue as at 31 December 2022;

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED

- (vii) a discount of approximately 92.5% to the unaudited consolidated net asset value per Share attributable to the Shareholders at 30 June 2023 of approximately HK\$1.466 per Share calculated based on the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$2,293.33 million as at 30 June 2023 and 1,564,771,361 Shares in issue as at 30 June 2023; and
- (viii) a discount of approximately 91.4% to the adjusted unaudited consolidated net asset value per Share attributable to the Shareholders at 30 June 2023 of approximately HK\$1.284 per Share, the calculation of which is set out in the paragraph headed "5. Adjusted Unaudited Net Asset Value" in Appendix II to this Composite Document.

Highest and lowest closing prices of the Shares

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.184 per Share on 7 February 2023, 8 February 2023 and 9 February 2023 and HK\$0.100 per Share on 23 August 2023, respectively.

OFFER CONSIDERATION

As at the Latest Practicable Date, the Offeror and parties acting in concert with it owned 1,140,121,890 Shares. A total of 1,050,558,015 Offer Shares are subject to the General Offer. In the event that the General Offer is accepted in full by the Offer Shareholders, the aggregate amount payable by the Offeror under the General Offer will be approximately HK\$115.6 million.

CONFIRMATION OF FINANCIAL RESOURCES SUFFICIENCY

The Offeror intends to finance the consideration payable in cash under the General Offer with its own internal financial resources.

First Shanghai Capital, the financial adviser to the Offeror in respect of the General Offer, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the amount required for the full acceptance of the General Offer.

EFFECTS OF ACCEPTING THE GENERAL OFFER

Acceptance of the General Offer by any Offer Shareholder will constitute a warranty by such person that all Offer Shares to be sold by such person under the General Offer are fully paid and free and clear of all encumbrances whatsoever together with all rights and interests attaching thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document.

As at the Latest Practicable Date, the Company had not declared any dividend that remains unpaid and the Company does not intend to declare, make or pay any dividend or other distributions prior to the Closing Date.

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED

The General Offer is unconditional in all respect and is not conditional upon any minimum level of acceptances being received or any other conditions. Acceptance of the General Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed “V. Right of withdrawal” in Appendix I to this Composite Document.

OVERSEAS SHAREHOLDERS

The Offeror is making the General Offer available to all the Offer Shareholders, including the Overseas Shareholders. Overseas Shareholders who wish to participate in the General Offer are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the General Offer. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the General Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the General Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such accepting Overseas Shareholder in respect of such jurisdictions).

Any acceptance of the Offer will be deemed to constitute a representation and warranty from the relevant Offer Shareholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their professional advisers if in doubt.

HONG KONG STAMP DUTY

Hong Kong ad valorem stamp duty arising in connection with acceptance of the General Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances, or (if higher) the value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the amount payable to the Offer Shareholders who accept the General Offer. The Offeror will then arrange for payment of the stamp duty on behalf of those Offer Shareholders. The Offeror will bear the Offeror’s ad valorem stamp duty in connection with the acceptance of the General Offer and the transfer of the Offer Shares.

PAYMENT

Payment in cash in respect of acceptances of the General Offer will be made as soon as possible but in any event within seven (7) Business Days following the date of receipt of a duly completed acceptance of the General Offer.

Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the General Offer complete and valid.

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED

TAXATION ADVICE

Offer Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the General Offer. It is emphasised that none of the Company, the Offeror or parties acting in concert with it or any of their respective directors, officers or associates or any other person involved in the General Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the General Offer.

COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it to acquire compulsorily any Shares not tendered for acceptance under the General Offer.

SHAREHOLDINGS AND DEALING IN SECURITIES OF THE COMPANY

Your attention is drawn to the section headed “II. Disclosure of interests and dealings as required by the Takeovers Code” of Appendix IV to this Composite Document. Save as disclosed in that section, as at the Latest Practicable Date, there were no other shareholdings in the Company:

- (1) in which the Offeror is interested;
- (2) in which the directors of the Offeror are interested;
- (3) which any member of the Offeror’s concert group owns or controls;
- (4) which the Offeror, its ultimate beneficial owners and parties acting in concert with any of them has borrowed or lent; or
- (5) in which the persons identified in paragraphs (1) to (4) above have dealt for value during the Relevant Period;

nor are there any other arrangements of kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which exist between the Offeror, its ultimate beneficial owners, or any party acting in concert with any of them or the Offeror’s associates (as defined under the Takeovers Code), and any other person.

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in Hong Kong on 5 March 1991 with limited liability and is principally engaged in investment holding in Hong Kong and the PRC and is a Shareholder directly holding 837,512,648 Shares as at the Latest Practicable Date. The directors of the Offeror are Mr. Lo and Mr. Lau On Kwok. It is wholly-owned by New Synergies, a company incorporated in Hong Kong on 30 October 2013 with limited liability, the issued share capital of which is owned as to 40% by Mr. Lo, 30% by his brother Mr. Lao Kaisheng and 30% by his sister Ms. Lao Jiangsheng, whose principal business is investment holding and is a Shareholder directly holding 352,914 Shares as at the Latest Practicable Date. The sole director of New Synergies is Mr. Lo.

Kinmoss is a company incorporated in the British Virgin Islands on 2 November 1993 with limited liability, the entire issued share capital of which is owned by Mr. Lo, and is a Shareholder directly holding 119,193,530 Shares as at the Latest Practicable Date. The sole director of Kinmoss is Mr. Lo. Kinmoss, together with the Offeror, Mr. Lo and New Synergies, are the controlling shareholders of the Company for the purposes of the Listing Rules.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror to continue the existing businesses of the Group and it has no intention to put forward any major changes to the businesses of the Group after the close of the General Offer.

Immediately after the close of the General Offer, the Offeror will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror had not identified such investment or business opportunities.

The Offeror has no intention to discontinue any employment of the employees of the Group or to dispose of or re-allocate or redeploy the Group's assets outside the ordinary and usual course of business of the Group.

PROPOSED CHANGE OF THE BOARD COMPOSITION

The Board currently comprises four executive Directors, namely Mr. Lo, Mr. Xin Shulin, Mr. Yeung Wai Kin and Ms. Lao Yuanyuan; one non-executive Director, namely Mr. Kwok Lam Kwong, Larry, *S.B.S., J.P.*; and five independent non-executive Directors, namely Prof. Woo Chia-Wei, Mr. Liu Ji, Mr. Yu Qihao, Mr. Zhou Xiaohu and Mr. Li Zhiyun.

The Offeror does not intend to nominate new Directors to the Board after the close of the General Offer. If there are any changes to the composition of the Board, the Company will announce as and when appropriate in compliance with the Takeovers Code and the Listing Rules.

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror has no intention to privatise the Company and intends the Company to remain listed on the Stock Exchange following the close of the General Offer. It does not intend to avail itself of powers of compulsory acquisition of the Shares outstanding after the close of the General Offer if the requirements of Rule 2.11 of the Takeovers Code are satisfied.

The Stock Exchange has stated that if, at the close of the General Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the issued Shares are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror and the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the General Offer.

The Offeror considers that the appropriate actions to be taken after the close of the General Offer shall include placing down of sufficient number of accepted Offer Shares by the Offeror where appropriate. The Offeror and the Company will issue a further announcement as and when necessary in this regard.

FURTHER MATTERS RELATING TO THE GENERAL OFFER

Please refer to Appendix I to this Composite Document for information regarding the acceptance of the General Offer and settlement of consideration.

GENERAL

All documents and remittances will be sent to the Offer Shareholders by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company or, in the case of joint holders of the Offer Shares, to the Offer Shareholder whose name appears first in the register of members of the Company, unless otherwise specified in the accompanying Form of Acceptance completed, returned and received by the Registrar. None of the Offeror and parties acting in concert with it, First Shanghai Capital, the Registrar or any of their ultimate beneficial owners, respective directors, officers, associates, agents, professional advisers or any other parties involved in the General Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

LETTER FROM FIRST SHANGHAI SECURITIES LIMITED

ADDITIONAL INFORMATION

Offer Shareholders are strongly encouraged and advised to read this Composite Document carefully, including the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser”, as to whether the General Offer are fair and reasonable so far as the Offer Shareholders are concerned, and to consult their professional advisers as they see fit and necessary, before deciding whether or not to accept the General Offer. Offer Shareholders’ attention is further drawn to the additional information set out in the appendices to this Composite Document, which form part of this Composite Document.

Yours faithfully,

For and on behalf of

First Shanghai Securities Limited

Mr. Yeung Wai Kin

Director

Mr. Qiu Hong

Director

LETTER FROM THE BOARD



FIRST SHANGHAI INVESTMENTS LIMITED

(第一上海投資有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 227)

Directors:

Mr. Lo Yuen Yat (Chairman)
Mr. Xin Shulin
Mr. Yeung Wai Kin
Ms. Lao Yuanyuan
Mr. Kwok Lam Kwong, Larry, S.B.S., J.P.*
Prof. Woo Chia-Wei**
Mr. Liu Ji**
Mr. Yu Qihao**
Mr. Zhou Xiaohe**
Mr. Li Zhiyun**

Registered office:

Room 1903, Wing On House
71 Des Voeux Road Central
Hong Kong

* Non-executive Director

** Independent non-executive Director

23 November 2023

To the Offer Shareholders:

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER
BY FIRST SHANGHAI SECURITIES LIMITED FOR AND
ON BEHALF OF CHINA ASSETS (HOLDINGS) LIMITED
TO ACQUIRE ALL THE SHARES IN
FIRST SHANGHAI INVESTMENTS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY CHINA ASSETS (HOLDINGS) LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

1. INTRODUCTION

Reference is made to the Initial Announcement, the circular of the Company dated 31 August 2023 in relation to, among other things, the Open Offer and the announcement jointly issued by the Offeror and the Company dated 16 November 2023 in relation to, among other things, the Open Offer and the making of the General Offer.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company had 2,190,679,905 Shares in issue and there were no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue, where the Offeror and its ultimate beneficial owners, together with parties acting in concert with them beneficially owned in aggregate 1,140,121,890 Shares, representing approximately 52.04% of the total issued share capital of the Company.

As at the date of the Initial Announcement, the Offeror, and its ultimate beneficial owners, together with the parties acting in concert with them, in aggregate beneficially owned 544,178,905 Shares, representing approximately 34.78% of the Shares in issue. After completion of the Open Offer, the Placing Agreement and the Underwriting Agreement, the shareholding in the Company held by the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, increased from approximately 34.78% by more than 2%, to approximately 52.04%. Accordingly, the Offeror is required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the issued Offer Shares.

This letter forms part of the Composite Document which provides you with, among other things, (i) details of the General Offer (including the expected timetable and the terms of the General Offer); (ii) a letter of recommendation from the Independent Board Committee to the Offer Shareholders in relation to the General Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in relation to the General Offer; and (iv) information relating to the Group and the General Offeror, together with the Form of Acceptance.

2. THE GENERAL OFFER PRICE

The General Offer Price of HK\$0.11 per Share represents:

- (i) a premium of approximately 0.9% over the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 12.0% to the closing price of HK\$0.125 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 9.8% to the average of the closing prices per Shares as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.122;
- (iv) a discount of approximately 10.6% to the average of the closing prices per Shares as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.123;
- (v) a discount of approximately 12.7% to the average of the closing prices per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.126;

LETTER FROM THE BOARD

- (vi) a discount of approximately 92.6% to the audited consolidated net asset value per Share attributable to the Shareholders at 31 December 2022 of approximately HK\$1.481 per Share calculated based on the Group's latest audited consolidated net assets attributable to the Shareholders of approximately HK\$2,316.79 million as at 31 December 2022 and 1,564,771,361 Shares in issue as at 31 December 2022;
- (vii) a discount of approximately 92.5% to the unaudited consolidated net asset value per Share attributable to the Shareholders at 30 June 2023 of approximately HK\$1.466 per Share calculated based on the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$2,293.33 million as at 30 June 2023 and 1,564,771,361 Shares in issue as at 30 June 2023; and
- (viii) a discount of approximately 91.4% to the adjusted unaudited consolidated net asset value per Share attributable to the Shareholders at 30 June 2023 of approximately HK\$1.284 per Share, the calculation of which is set out in the paragraph headed "5. Adjusted Unaudited Net Asset Value" in Appendix II to this Composite Document.

3. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising Mr. Kwok Lam Kwong, Larry, *S.B.S., J.P.*, the non-executive director and all the independent non-executive Directors, namely Prof. Woo Chia-Wei, Mr. Liu Ji, Mr. Yu Qihao, Mr. Zhou Xiaohu and Mr. Li Zhiyun, has been established to make recommendations to the Offer Shareholders on whether the General Offer are fair and reasonable and as to the acceptance of the General Offer.

The Board, with the approval of the Independent Board Committee, has appointed Capital 9 Limited as the Independent Financial Adviser to advise the Independent Board Committee in respect of the General Offer and, in particular, as to whether the General Offer is fair and reasonable and as to the acceptance of the General Offer pursuant to Rule 2.1 of the Takeovers Code.

4. THE GENERAL OFFER

As disclosed in the "Letter from First Shanghai Securities Limited" in this Composite Document, First Shanghai Securities, for and on behalf of the Offeror, is making the General Offer in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$0.11 in cash

LETTER FROM THE BOARD

Further details of the General Offer are set out in the section headed “Letter from First Shanghai Securities Limited” and Appendix I in this Composite Document and the accompanying Form of Acceptance, which together set out the terms and conditions of the General Offer and certain related information.

5. OFFEROR’S INTENTIONS REGARDING THE COMPANY

Your attention is drawn to the section headed “Intentions of the Offeror regarding the Group” in the “Letter from First Shanghai Securities Limited” in this Composite Document which sets out the intentions of the Offeror regarding the Group.

6. INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from First Shanghai Securities Limited” in this Composite Document for information relating to the Offeror.

7. INFORMATION OF THE GROUP

The Company is a company incorporated in Hong Kong with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in securities investment, corporate finance, stockbroking, property development, property investment, hotel operations, medical and healthcare services, direct investment, investment holding and management.

Your attention is also drawn to Appendices II and V to this Composite Document which contain financial information about the Group and general information about the Group respectively.

8. PROPOSED CHANGE OF THE BOARD COMPOSITION

Your attention is drawn to the paragraph headed “Proposed Change of the Board Composition” in the “Letter from First Shanghai Securities Limited” in this Composite Document.

The Board currently comprises four executive Directors, namely Mr. Lo, Mr. Xin Shulin, Mr. Yeung Wai Kin and Ms. Lao Yuanyuan; one non-executive Director namely Mr. Kwok Lam Kwong, Larry, *S.B.S., J.P.*; and five independent non-executive Directors, namely Prof. Woo Chia-Wei, Mr. Liu Ji, Mr. Yu Qihao, Mr. Zhou Xiaohu and Mr. Li Zhiyun.

The Board is aware that the Offeror does not intend to nominate new Directors to the Board. Any changes to the Board composition, if any, will be made in compliance with the Takeovers Code and the Listing Rules.

LETTER FROM THE BOARD

9. PUBLIC FLOAT AND LISTING STATUS OF THE COMPANY

Your attention is drawn to the section headed “Public float and maintaining the listing status of the Company” in the “Letter from First Shanghai Securities Limited” in this Composite Document.

10. FURTHER INFORMATION

You are advised to read the “Letter from First Shanghai Securities Limited” and Appendix I in this Composite Document and the accompanying Form of Acceptance for information relating to the General Offer and the acceptance and settlement procedures of the General Offer. Your attention is also drawn to the additional information contained in the Appendices to this Composite Document.

11. RECOMMENDATION

Your attention is drawn to (i) “Letter from the Independent Board Committee” as set out on pages 21 to 22 of this Composite Document, which contains the recommendation of the Independent Board Committee to Offer Shareholders in relation to the General Offer; and (ii) “Letter from the Independent Financial Adviser” as set out on pages 23 to 43 of this Composite Document, which sets out the advice and recommendation of the Independent Financial Adviser to the Independent Board Committee in relation to the General Offer and the principal factors considered by it before arriving at its recommendation. You are urged to read both letters and the other information contained in this Composite Document carefully before taking any action in respect of the General Offer.

In considering what action to take in response to the General Offer, you should also consider your own tax positions, and in case of doubt, consult your professional advisers.

By Order of the Board
First Shanghai Investments Limited
Lo Yuen Yat
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



FIRST SHANGHAI INVESTMENTS LIMITED

(第一上海投資有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 227)

23 November 2023

To the Offer Shareholders:

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER
BY FIRST SHANGHAI SECURITIES LIMITED FOR AND
ON BEHALF OF CHINA ASSETS (HOLDINGS) LIMITED
TO ACQUIRE ALL THE SHARES IN
FIRST SHANGHAI INVESTMENTS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY CHINA ASSETS (HOLDINGS) LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

1. INTRODUCTION

We refer to the Composite Document dated 23 November 2023 issued jointly by the Offeror and the Company of which this letter forms part. Unless the context otherwise requires, terms defined in the Composite Document shall have the same meanings when used in this letter.

We have been appointed by the Board to form the Independent Board Committee to advise you whether, in our opinion, the General Offer are fair and reasonable so far as the Offer Shareholders are concerned and make a recommendation to you as to acceptance of the General Offer.

Capital 9 Limited, with the approval of the Independent Board Committee, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the General Offer and in particular as to whether the General Offer are, or are not, fair and reasonable and as to acceptance of the General Offer. Details of its advice and recommendation are set out in the “Letter from the Independent Financial Adviser” set out in the Composite Document.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We also wish to draw your attention to the “Letter from First Shanghai Securities Limited”, the “Letter from the Board” and the additional information set out in the Composite Document, including the Appendices to the Composite Document and the accompanying Form of Acceptance.

2. RECOMMENDATION

Having taken into account the advice and recommendation of the Independent Financial Adviser, and in particular the factors, reasons and recommendations as set out in the “Letter from the Independent Financial Adviser”, we concur with the view of the Independent Financial Adviser and consider that the General Offer are not fair and not reasonable so far as the Offer Shareholders are concerned, and recommend the Offer Shareholders to reject the General Offer.

Notwithstanding our recommendation, Offer Shareholders are reminded that their decision to realise or hold their investment in the Company is for them to make based on their own individual circumstances and investment objectives. If in any doubt, the Offer Shareholders should consult their own professional advisers for professional advice.

For and on behalf of the
Independent Board Committee of
First Shanghai Investments Limited

Mr. Kwok Lam Kwong, Larry, S.B.S., J.P.
Non-executive Director

Prof. Woo Chia-Wei
Independent non-executive Director

Mr. Liu Ji
Independent non-executive Director

Mr. Yu Qihao
Independent non-executive Director

Mr. Zhou Xiaohe
Independent non-executive Director

Mr. Li Zhiyun
Independent non-executive Director

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Offer Shareholders in relation to the General Offer for the purpose of incorporation into this Composite Document.



Unit 1219, 12/F,
Bank of America Tower,
12 Harcourt Road,
Central,
Hong Kong

23 November 2023

*To the Independent Board Committee and the Offer Shareholders of
First Shanghai Investments Limited*

Dear Sir/Madam,

**MANDATORY UNCONDITIONAL CASH OFFER
BY FIRST SHANGHAI SECURITIES LIMITED FOR AND
ON BEHALF OF CHINA ASSETS (HOLDINGS) LIMITED
TO ACQUIRE ALL THE SHARES IN
FIRST SHANGHAI INVESTMENTS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY CHINA ASSETS (HOLDINGS) LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Offer Shareholders in respect of the General Offer, particulars of which are set out in the section headed “Letter from First Shanghai Securities Limited” (the “**Letter from First Shanghai Securities**”) contained in the composite document of the Company and the Offeror dated 23 November 2023 (the “**Composite Document**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context requires otherwise.

Reference is made to the Initial Announcement in relation to, among other things, the Open Offer, the Placing Agreement, the Underwriting Agreement and the General Offer. Immediately prior to the completion of the Open Offer, the Placing Agreement and the Underwriting Agreement, the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, in aggregate beneficially owned 544,178,905 Shares, representing approximately 34.78% of the total issued Shares, which was not less than 30% and not more than 50%. Therefore, the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them are subject to the 2% “creeper rule” under Rule 26.1(d) of the Takeovers Code.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the date of the Initial Announcement, the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them beneficially owned 544,178,905 Shares in aggregate, representing approximately 34.78% of the Shares in issue. After completion of the Open Offer, the Placing Agreement and the Underwriting Agreement, the shareholding in the Company held by the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, increased by more than 2% from approximately 34.78% to approximately 52.04%. Accordingly, the Offeror is required to make a mandatory unconditional cash offer pursuant to Rule 26.1 of the Takeovers Code for all the Offer Shares.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising Mr. Kwok Lam Kwong Larry, the non-executive Director and all the independent non-executive Directors, namely Prof. Woo Chia-Wei, Mr. Liu Ji, Mr. Yu Qihao, Mr. Zhou Xiaohu and Mr. Li Zhiyun, has been established to advise the Offer Shareholders (i) as to whether the General Offer is, or is not, fair and reasonable and (ii) as to acceptance of the General Offer.

With the approval of the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code, we have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Offer Shareholders in this regard.

We are not in the same group as the financial or other professional advisers (including stockbrokers) to the Company and to the Offeror, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had, any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) of either of them. In the past two years preceding the Latest Practicable Date, Capital 9 Limited has acted as the independent financial adviser to the independent committee of the Board and the Offer Shareholders in respect of the Open Offer, Placing Agreement and Underwriting Agreement as detailed in the circular of the Company dated 31 August 2023. Capital 9 Limited received normal professional fees from the Company under such engagement. Save for the aforesaid engagement, there has been no engagement between the Company and/or the Offeror and their respective controlling shareholders on the one hand and us on the other hand. Apart from the normal advisory fee payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we shall receive any other fees or benefits from the Company, the Offeror, any of their respective substantial shareholders, directors or chief executives, their respective associates, or any person acting, or presumed to be acting, in concert with any of them. Accordingly, we are qualified to give independent advice in relation to the General Offer.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Offer Shareholders, we have reviewed, among other things, the annual and interim report of the Company for the year ended 31 December 2022 (the “**2022 AR**”) the six months ended 30 June 2023 (the “**2023 IR**”) respectively and information contained in the Composite Document.

In addition, we have relied on (i) the information, facts and representations provided, and the opinions and views expressed, to us by the Company, the Directors and/or the management of the Group, and (ii) the information, facts, representations, opinions and views of the Company, the Directors, the management of the Group and/or the Offeror contained or referred to in the Composite Document, including but not limited to the Letter from the Board and the Letter from First Shanghai Securities contained therein, all of which have been assumed to be true, accurate and complete at the time they were made and to continue to be so as at the Latest Practicable Date. We understand that the Company will notify the Shareholders of any material changes during the Offer Period as soon as possible in accordance with the Takeovers Code. Offer Shareholders will be notified of any material changes of such information provided and our opinion, if any, as soon as possible throughout the Offer Period. We have also assumed that all statements of belief, opinion, view and intention made by the Company, the Directors, the management of the Group and/or the Offeror in the Composite Document, including but not limited to the Letter from the Board and the Letter from First Shanghai Securities contained therein, were reasonably made after due and careful enquiry and the expectations and intentions of the Company, the Directors, the management of the Group and/or the Offeror will be met or carried out as the case may be. We consider that we have received and reviewed sufficient information to form an informed view and have no reason to believe that any material information has been omitted or withheld, or to doubt the truth, accuracy and completeness of the information and representations provided to us by the Company, the Directors, the management of the Group and/or the Offeror. The Company has confirmed to us that no material facts which would have material impact on our formulating our opinion and recommendation to the Independent Board Committee and the Offer Shareholders have been withheld or omitted from the information provided to us, the opinion expressed to us, and/or information or opinion contained or referred to in the Composite Document.

We have not, however, carried out any independent verification of the information provided by the Company, the Directors, the management of the Group and/or the Offeror, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Group, the Offeror, or any of their respective subsidiaries, controlled entities, jointly controlled entities or associates. We consider that we have performed our duties with impartiality and independence from the Company and the Offeror.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

All the Directors jointly and severally accept full responsibility for the accuracy of information contained in the Composite Document (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions (other than those expressed by the directors of the Offeror) expressed in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement in the Composite Document misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than that relating to the Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions (other than those expressed by the Directors) expressed in the Composite Document have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained in the Composite Document misleading.

We have not considered and express no opinion on the tax and regulatory implications on the Offer Shareholders of their acceptances or non-acceptances of the General Offer since these are dependent upon their own individual circumstances. In particular, the Offer Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions with regard to the General Offer and, if in any doubt, should consult their own professional advisers.

This letter is issued for the information of the Independent Board Committee and the Offer Shareholders solely in connection with their consideration of the General Offer. Except for its inclusion in the Composite Document, this letter may not be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL REASONS AND FACTORS CONSIDERED

In arriving at our recommendation to the Independent Board Committee and the Offer Shareholders in respect of the General Offer, we have taken into consideration the following principal reasons and factors:

(1) Information on the Group

(a) *Historical financial performance*

The Group is principally engaged in securities investment, corporate finance, stockbroking, property development, property investment, hotel operations, medical and healthcare services, direct investment, investment holding and management.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the financial information of the Group for the two years ended 31 December 2021 (“FY2021”) and 2022 (“FY2022”) and the six months ended 30 June 2022 (“1H 2022”) and 2023 (“1H 2023”), as extracted from the 2022 AR and 2023 IR, and further confirmed by the Company:

Operating performance

	FY2021	FY2022	1H 2022	1H 2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue, comprising	529,850	342,183	175,337	157,072
(i) Financial services	304,590	183,501	93,536	84,389
(ii) Property development	36,436	7,925	7,362	12,625
(iii) Property investment and hotel	127,935	134,056	61,373	56,319
(iv) Other businesses	60,889	16,701	13,066	3,739
Cost of sales	(226,385)	(131,848)	(76,399)	(52,438)
Gross profit	303,465	210,335	98,938	104,634
<i>Gross profit margin</i>	<i>57.3%</i>	<i>61.5%</i>	<i>56.4%</i>	<i>66.6%</i>
Other gains/(losses) – net	10,990	(30,594)	6,541	(3,339)
Selling, general and administrative expenses	(390,310)	(276,407)	(141,561)	(127,153)
Finance (costs)/income – net	(12,483)	32,853	4,108	27,174
Taxation	(60,660)	4,969	(1,416)	(4,720)
Loss for the year/period				
attributable to the Shareholders	(139,899)	(55,501)	(33,237)	(1,931)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial position

	As at 31 December		As at
	2021	2022	30 June 2023
	HK\$'000	HK\$'000	HK\$'000
	(audited)	(audited)	(unaudited)
Non-current assets	1,553,430	1,320,228	1,266,674
Intangible assets	2,126	2,126	1,726
Property, plant and equipment	564,406	471,935	465,607
Right-of-use assets	22,628	26,574	20,133
Investment properties	701,548	604,704	578,011
Leasehold land and land use rights	39,453	36,462	35,274
Properties under development	148,186	135,633	131,410
Deferred tax assets	1,672	204	47
Financial assets at fair value through other comprehensive income	72,350	40,604	32,083
Other non-current prepayments and deposits	1,061	1,986	2,383
Current assets	5,559,444	4,580,523	4,353,807
Inventories	356,230	355,203	356,104
Loans and advances	1,077,086	1,072,680	1,063,812
Trade receivables	262,584	150,217	122,291
Other receivables, prepayments and deposits	76,126	59,048	51,716
Tax recoverable	7,515	8,292	7,391
Financial assets at fair value through profit or loss	31	4,262	15,468
Deposits with banks	12,231	5,597	6,291
Client trust bank balances	3,439,418	2,678,227	2,474,098
Cash and bank balances	328,223	246,997	256,636
Current liabilities	4,357,863	3,362,043	3,132,881
Trade and other payables	4,086,649	3,150,436	2,923,128
Tax payables	53,562	44,741	44,489
Lease liabilities	9,911	13,269	11,299
Borrowings	207,741	153,597	153,965
Non-current liabilities	196,220	158,695	134,646
Deferred tax liabilities	80,036	60,836	58,101
Lease liabilities	12,478	14,324	9,698
Borrowings	103,706	83,278	66,585
Other non-current liabilities	–	257	262
Net current assets	1,201,581	1,218,480	1,220,926
Net assets	2,558,791	2,380,013	2,352,954
Net assets attributable to the Shareholders	2,484,943	2,316,788	2,293,327
Gearing ratio (<i>Note</i>)	12.2%	10.0%	9.4%

Note: The gearing ratio is calculated based on total borrowings divided by total equity.

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FY2022 compared with FY2021

For FY2022, the Group's revenue decreased by approximately HK\$187.7 million or 35.4% to approximately HK\$342.2 million from approximately HK\$529.9 million for FY2021. As shown in the table above and stated in 2022 AR, such revenue decrease was mainly attributable to the decrease in the revenue (i) from financial services sector by approximately HK\$121.1 million for FY2022 compared to FY2021, as a result of decrease in commission income by 46% from brokerage business and drop in initial public offerings (“**IPO**”) and margin loan interest income by 29% due to the significant pare down in trading activities of the Group's stockbroking clients, especially during the fifth wave of 2019 novel coronavirus (“**COVID-19**”) infection, as evidenced by the aforesaid drop in commission income; (ii) from other businesses sector including the operation of the medical centre and child dental centre and direct investment by approximately HK\$44.2 million for FY2022 compared to FY2021, mainly due to the closure of the medical centre in Central in April 2022; and (iii) from property development sector by approximately HK\$28.5 million for FY2022 compared to FY2021 due to reduction on overall property sales volume due to poor market sentiment. The aforesaid medical centre was set up in 2017, aiming at providing one-stop integrated medical services to patients from Hong Kong and Chinese Mainland, and commenced full scope of medical services in 2018. However, as stated in 2022 AR, taking into account the prolonged unsatisfactory operating result over the past few years and the proposed increase in rental by the landlord of the medical centre which has exerted pressure on the Group's cash flow position and performance, the Group has decided to terminate the operation of the medical centre in April 2022 and sold most of the medical equipment so as to focus the Group's resources on profitable business segments. Nevertheless, the Group has maintained its investment in a child dental centre as a long term investment to provide dental care services to the public. As a result, the revenue and operation loss attributable to the medical centre dropped by 79% and 78% respectively for FY2022 compared to FY2021.

Loss for the year attributable to the Shareholders of approximately HK\$55.5 million for FY2022, representing a decrease by approximately HK\$84.4 million or 60.3% from approximately HK\$139.9 million for FY2021. Such decrease was mainly due to (i) the recognition of an accounting gain on disposal of fixed assets of the medical centre of approximately HK\$12.5 million; (ii) the reduction of operation loss of approximately HK\$102.9 million from the medical and healthcare business after the closure of medical centre in April 2022; and (iii) the recognition of charges related to the litigation for settlement of construction costs of the property development project in Wuxi of approximately HK\$5.6 million in FY2022, compared with the full provision of

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HK\$37.0 million in FY2021 pursuant to a ruling issued by the Court and nil for the year ended 31 December 2020, partially offset by (i) the decrease in brokerage income and margin loan interest income from financial services sector as stated above and (ii) recognition of fair value losses on investment properties held mainly in Shanghai, Wuxi and Huangshan of approximately HK\$30.7 million based on the property valuations performed by the independent valuers.

1H 2023 compared with 1H 2022

For 1H 2023, the Group's revenue decreased by approximately HK\$18.2 million or 10.4% to approximately HK\$157.1 million from approximately HK\$175.3 million for 1H 2022, mainly due to the decrease in the revenue (i) from financial services sector by approximately HK\$9.1 million and (ii) from other business sector by approximately HK\$9.4 million for 1H 2023 compared to 1H 2022. Due to slowdown in IPO and secondary market, less brokerage and underwriting commission income was generated by the Group in 1H 2023, resulting in decrease in revenue from its financial services sector compared to 1H 2022. Nevertheless, such decrease was partially offset by the increase in margin loan interest income by 13% due to interest rate hikes. In addition, the Group closed its medical centre in 2022 which contributed revenue of approximately HK\$10.5 million in 2022 before its closure, resulting in revenue drop by approximately HK\$9.1 million from the medical and healthcare business in 1H 2023 compared to 1H 2022.

Despite revenue drop, the Group recorded an increase in gross profit by approximately HK\$5.7 million to approximately HK\$104.6 million for 1H 2023 from approximately HK\$98.9 million for 1H 2022. Such an increase was mainly due to the closure of the medical centre in 2022 and hence no loss was incurred in 1H 2023 for it. In addition, the Group recorded a significant drop in loss for the period attributable to the Shareholders by approximately HK\$31.3 million or 94.3% to approximately HK\$1.9 million for 1H 2023, compared to approximately HK\$33.2 million for 1H 2022. Such drop was mainly due to (i) the closure of the medical centre in 2022, which recorded operation loss of approximately HK\$13.6 million in 1H 2022, and hence no material operating expenses were incurred from the medical and healthcare business in 2023; and (ii) increase in net interest income due to interest rate hikes, despite partially offset by the decrease in brokerage and underwriting commission income from the financial services sector as mentioned above.

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30 June 2023 compared with 31 December 2022, which compared with 31 December 2021

As to the financial position of the Group, the Group's total liabilities were approximately HK\$4.6 million, HK\$3.5 million and HK\$3.3 million as at 31 December 2021 and 2022 and 30 June 2023 respectively. The decrease in the total liabilities was mainly due to the decrease in the trade payables (which are mainly amounts due to stockbrokers, dealers, stockbroking clients and clearing houses under normal course of brokerage business), mainly due to the decreasing securities trading activities of the Group's overall stockbroking clients over the aforesaid years and periods.

As shown in the table above, the Group's net assets decreased by approximately HK\$178.8 million or 7.0% from approximately HK\$2,558.8 million as at 31 December 2021 to approximately HK\$2,380.0 million as at 31 December 2022, and further decreased by approximately HK\$27.0 million or 1.1% to approximately HK\$2,353.0 million as at 30 June 2023. As shown in the table above and confirmed by the Group, such decrease was mainly due to (i) the decrease in trade receivables (being amounts due from stockbrokers, stockbroking clients and clearing houses under normal course of brokerage business), mainly due to the decrease in securities trading activities of the Group's overall stockbroking clients over the aforesaid years and periods; and (ii) the decrease in property, plant and equipment resulted from the depreciation charged and the disposal of the medical equipment of the medical centre in Central as at 31 December 2022 compared to 31 December 2021, and as at 30 June 2023 compared to 31 December 2022. Taking into account (a) the cash and bank balances and deposits with bank of the Group as at 30 June 2023 of approximately HK\$262.9 million in aggregate, being the latest published figure showing the latest cash position of the Group available to the Shareholders and public, which then increased to approximately HK\$430 million as at 31 August 2023 based on the latest consolidated management accounts of the Group for the eight months ended 31 August 2023, (b) the net proceeds from the Open Offer of approximately HK\$65.2 million and 2,190,679,905 Shares in issue upon completion of the Open Offer, cash per Share of the Group is estimated to be approximately HK\$0.15 (the "**Cash Per Share**") based on the aforesaid cash balance as at 30 June 2023, which is higher than the General Offer Price of HK\$0.11. Cash per share is considered one of the common indicators of a firm's liquidity and overall financial health which serves as an additional reference other than NAV per Share and Adjusted Unaudited NAV Per Share (as defined and discussed below) to assess the fairness and reasonableness of the General Offer Price.

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The Group recorded a decrease in gearing ratio from 12.2% as at 31 December 2021 to approximately 10.0% as at 31 December 2022, and to approximately 9.4% as at 30 June 2023. As indicated in the accountants' report set out in the 2022 AR and 2023 IR, the Group has no liquidity problem to continue its operation and business. In addition, the cash position of the Group is strengthened by the net proceeds from the Open Offer of which 50% each is intended to be used to repay loan and to finance the further development of the financial services business of the Group as stated in the circular of the Company dated 31 August 2023.

(b) Prospects of the Group

The financial services sector has been one of the major revenue streams of the Group, contributing to over 53% of the Group's total revenue for FY2022 and 1H 2023, of which the performance depended on, among others, the amount of securities transactions of the Group's overall clients and underwriting cases completed by the Group.

As stated in the 2023 IR, Hang Seng Index dropped from a year high of 22,700 in January 2023, and closed at 18,916 on 30 June 2023. For 1H 2023, the Group's brokerage business reported a decrease in commission income by 29%, mainly due to the decline in average daily market turnover by 16% recorded by the Group. As reported in the website of the Stock Exchange, the average daily market turnover of the Hong Kong stock market decreased from approximately HK\$166.7 billion in 2021 to approximately HK\$124.9 billion in 2022. Nevertheless, the average daily market turnover for the third quarter in 2023 slightly increased to HK\$98.4 billion, compared with HK\$97.6 billion for the same quarter in 2022. The number of new listed companies in Hong Kong, including the number of transfer of listings from GEM to Main Board, decreased from 98 in 2021 to 90 in 2022, and decreased from 56 in the first nine months in 2022 to 47 for the same period in 2023. The fund raised by IPO by way of subscription, sales and placing decreased from HK\$331.3 billion in 2021 to HK\$104.6 billion in 2022, and from HK\$73.7 billion in the first nine months in 2022 to HK\$24.6 billion in the same period in 2023.

As stated in the 2023 IR, the Directors expect that the financial market will continue to be very volatile due to a combination of factors, such as the credit events of Chinese property developers with matured debts but slowdown of the property sales, relaxation of domestic real estate policies in the PRC such as relaxation of mortgage loan approval, allowing home buyers to enjoy preferential loans for first-home purchases regardless of their previous credit record, increased expectations of interest rate hikes by the US Federal Reserve, and mounting geopolitical tensions. The Group has disclosed that it will maintain a cautious and proactive approach regarding the risk and credit control of its operation and business development and persist to

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play an active role to drive the digitalisation and automation process of its financial services to further enhance its customer experience and operating efficiency. The Group shall also pursue to enrich its product matrix and broaden its customer base to cope with market demands and continue to actively reinforce market knowledge and listen to the needs of its customers so as to seize business opportunity in a timely manner under the rapidly changing environment. The Group is expanding its assets management business by recruitment of more staff members and launch of the first fixed income fund in April 2023. It is also enhancing its IT systems for providing quality services to clients so as to broaden the client base. The Group has generated revenue of approximately HK\$0.2 million for the 1H 2023 from the fixed income fund launched in April 2023, and will continue to develop its fund management business. We understand from the Company that they are implementing the measures above and concur with the Directors' view that it takes time to assess if those measures are effective.

Another business segment, which contributed to approximately 40% of the Group's total revenue for FY2022 and 1H 2023, was property and hotel segment, comprising property development, property investment and hotel operation mainly in the PRC. As stated in the 2022 AR, the Group had five property development and investment projects as at 31 December 2022, mainly located at Jiangsu and Anhui Provinces in the PRC. According to the statistics released by the National Bureau of Statistics¹ in October 2023, China's investment in property development continued to cool in the first three quarters of 2023, down 9.1% as compared with the same period in 2022. Commercial housing sales in terms of gross floor area amounted to 848.06 million square meters, decreased by 7.5% from the first three quarters of 2022 to the first three quarters of 2023. In terms of value, commercial housing sales amounted to RMB8.9 trillion, decreased by 4.6% from the first three quarters of 2022 to the first three quarters of 2023. For the first three quarters of 2023, revenue from the commercial housing sales of eastern region (including provinces such as Jiangsu) and central region (including provinces such as Anhui) of the PRC amounted to RMB5.5 trillion and RMB1.6 trillion, representing a decrease by 3.0% and 9.2% respectively as compared to the first three quarters of 2022.

The Group has hotel operations mainly in the PRC, which contributed to approximately 8% and 12% of the Group's total revenue respectively for FY2022 and 1H 2023. According to the statistics released by the Ministry of Culture Tourism of the PRC² in July 2023, the number of domestic tourist arrivals was 2.4 billion for 1H 2023, representing an increase of 63.9% as compared to 1H 2022. The tourism expenditure increased by 95.9% to RMB1.2 billion for 1H 2023, as compared to 1H 2022.

¹ <http://www.stats.gov.cn/>

² <https://www.mct.gov.cn/>

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The remaining revenue, amounting to less than 10% of the Group's revenue for FY2022 and 1H 2023, was contributed by other business including medical and healthcare business and direct investment.

Having considered (i) the overall weak market sentiment reflecting global economic fragility, the sustained high interest rate environment and slower than expected economic recovery in both Mainland China and Hong Kong; (ii) the Group's strategies to tackle the above-mentioned issues, including but not limited to its cautious and proactive approach taken such as (a) termination of the operation of the loss making medical centre, (b) focusing of its resources on financial services business including the enhancement of product matrix, and (c) raising capital by way of the Open Offer; (iii) the decrease in revenue from the Group's property and hotel segment and market statistics of property development and tourism industry in the PRC, we consider that the prospects of the Group's overall business is uncertain which the Offer Shareholders are recommended to take all the above issues into consideration, together with all other factors such as fairness and reasonableness of the General Offer Price, in deciding whether to accept the General Offer.

(2) Background of the Offeror and its intention for the Group

As stated in the Letter from First Shanghai Securities, the Offeror is a company incorporated in Hong Kong on 5 March 1991 with limited liability and is principally engaged in investment holding in Hong Kong and the PRC. It is wholly-owned by New Synergies, which in term is owned as to 40% by Mr. Lo, 30% by his brother Mr. Lao Kaisheng and 30% by his sister Ms. Lao Jiangsheng. As advised by the Company, the Offeror and parties acting in concert with it, including but not limited to Mr. Lo, were the substantial Shareholders since 2000 and have become controlling Shareholders since 2020.

The Offeror has stated that it intends to maintain the listing of the Shares on the Stock Exchange and continue the existing business of the Group. It has no intention to (i) put forward any major changes to the businesses of the Group, (ii) discontinue any employment of the employees, (iii) dispose of or re-allocate the Group's assets outside the ordinary and usual course of business of the Group or (iv) nominate new Directors to the Board after the close of the General Offer.

Immediately after the close of the General Offer, the Offeror will conduct a review of the financial position and operations of the Group in order to formulate a long-term strategy for the Group and explore other business/investment opportunities for enhancing its future development and strengthening its revenue bases. As at the Latest Practicable Date, the Offeror had not identified such investment or business opportunities.

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Taking into the account the above, no immediate material change in the management or business operation of the Group is expected after the close of the General Offer. Nevertheless, Offer Shareholders should be aware that the future operating performance of the Group will also be subject to any long-term business plans and strategies for the future business development of the Group to be formulated by the Offeror.

(3) The General Offer

(a) Principal terms of the General Offer

First Shanghai Securities is making the General Offer on behalf of the Offeror at the General Offer Price of HK\$0.11 in cash for each Offer Share.

The General Offer is unconditional in all respects and is not conditional upon any minimum level of acceptances being received or any other conditions. Acceptance of the General Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code, details of which are set out in the section headed “V. Right of withdrawal” in Appendix I to this Composite Document.

As at the Latest Practicable Date, there were 2,190,679,905 Shares in issue and the Company did not have any outstanding securities, options, warrants or derivatives which are convertible or exchangeable into Shares and the Company had not entered into any agreement for the issue of such securities, options, warrants or derivatives.

(b) Comparison of value

The General Offer Price of HK\$0.11 per Offer Share represents:

- (i) a premium of approximately 0.9% over the closing price of HK\$0.109 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 12.0% to the closing price of HK\$0.125 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 9.8% to the average of the closing price per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.122;
- (iv) a discount of approximately 10.6% to the average of the closing price per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.123;

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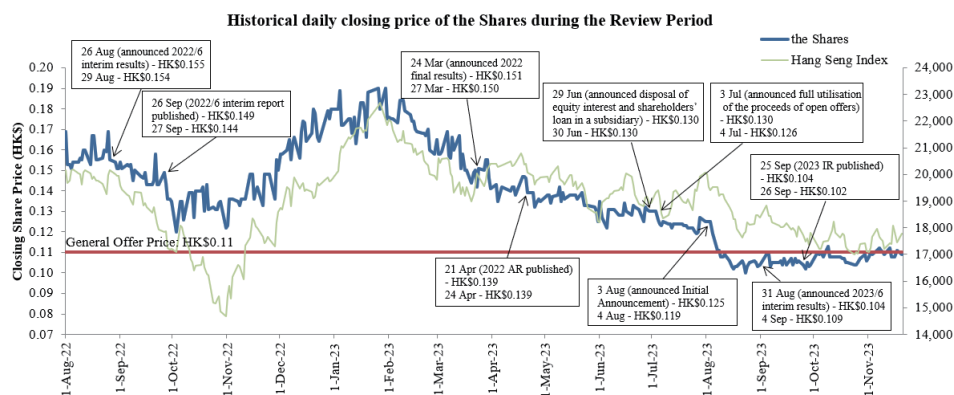
- (v) a discount of approximately 12.7% to the average of the closing prices per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day of approximately HK\$0.126;
- (vi) a discount of approximately 92.6% to the audited consolidated net asset value (“NAV”) per Share attributable to the Shareholders as at 31 December 2022 of approximately HK\$1.481 per Share, calculated based on the Group’s latest audited consolidated net assets attributable to the Shareholders of approximately HK\$2,316.79 million as at 31 December 2022 and 1,564,771,361 Shares in issue as at 31 December 2022;
- (vii) a discount of approximately 92.5% to the unaudited consolidated NAV per Share attributable to the Shareholders as at 30 June 2023 of approximately HK\$1.466 per Share, which is calculated based on the Group’s unaudited consolidated net assets attributable to the Shareholders of approximately HK\$2,293.33 million as at 30 June 2023 and 1,564,771,361 Shares in issue as at 30 June 2023; and
- (viii) a discount of approximately 91.4% to the adjusted unaudited consolidated NAV per Share attributable to the Shareholders as at 30 June 2023 of approximately HK\$1.284 per Share (the “**Adjusted Unaudited NAV Per Share**”), taking into account the Group’s unaudited consolidated net assets attributable to the Shareholders of approximately HK\$2,293.33 million as at 30 June 2023, revaluation surplus of the property interests held by the Group as at 30 September 2023 of approximately HK\$455.12 million, net proceeds from the Open Offer of approximately HK\$65.19 million and 2,190,679,905 Shares in issue as at the Latest Practicable Date, the calculation of which is set out in the paragraph headed “5. Adjusted Unaudited Net Asset Value” in Appendix II to the Composite Document.

To assess the fairness and reasonableness of the General Offer Price, we have analysed the General Offer Price with reference to (i) the historical price performance of the Shares; (ii) the historical trading price against NAV per Share; (iii) the historical trading liquidity of the Shares; and (iv) the comparison with market comparables.

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(i) *Historical price performance of the Shares*

The chart below depicts the closing price level of the Shares as quoted on the Stock Exchange from 1 August 2022 (being around 1-year before the Last Trading Day) and up to and including the Latest Practicable Date (the “**Review Period**”), and the comparison of the Share price performance and General Offer Price with Hang Seng Index:



Source: Website of the Stock Exchange (www.hkex.com.hk)

We consider the length of the Review Period to be reasonably long enough to illustrate the historical trend and level of movement of the closing prices of the Shares.

As shown in the chart above, there was a decreasing trend in the closing price of the Shares from HK\$0.169 at the beginning of the Review Period on 1 August 2022 to HK\$0.12 on 3 October 2022. Then, the closing price of the Shares moved upwards and reached HK\$0.19 on 26 January 2023, then moved downwards gradually. The price trend of the Shares was generally in line with the trend of the Hang Seng Index during the Review Period as shown in the chart above. Interim and annual results announcements were published by the Company after trading hours on 26 August 2022 and 24 March 2023 respectively. The Company also announced its disposal of equity interest in a subsidiary, together with a shareholders' loan, on 29 June 2023 and full utilisation of the proceeds raised from open offers in 2021 on 3 July 2023. It is noted that the closing price of the Shares slightly decreased or remained steady after publication of the aforesaid announcements. Other than that, no particular news was announced by the Company. We have made enquiries with the management of the Company and understand that they were not aware of any specific reason for the aforesaid upward or downward movement in the closing price of the Shares before the trading halt on 1 August 2023 pending the publication of the Initial Announcement.

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Following the resumption of trading of the Shares on 4 August 2023, the closing price of the Shares moved downwards and reached HK\$0.1 on 23 August 2023, and then moved upwards and closed at around the General Offer Price or higher up to the Latest Practicable Date. Although the Shares closed at a level below the General Offer Price after the publication of the Initial Announcement, we reckon that such movement in the closing price of the Shares was likely due to the market reaction to the Initial Announcement including the news of the Open Offer and the investors or Offer Shareholders' possible pessimistic view on the Group's prospects or future or divesting their shareholding interests in the Company. The closing price of the Shares was above the General Offer Price most of the time in the Review Period (i.e. 255 trading days, accounting for around 80% of a total of 319 trading days).

Taking into account (i) the historical price performance of the Shares during the Review Period and; (ii) the discount of 12.0%, 9.8%, 10.6% and 12.7% represented by the General Offer Price to the Share closing price on the Last Trading Day, the average Share closing price for the last five (5), ten (10) and thirty (30) consecutive trading days up to and including the Last Trading Day respectively; (iii) although the General Offer Price represents a premium/discount range from 10.0% premium to 7.6% discount to the Share closing price since the date of the Initial Announcement, the aforesaid 10.0% premium occurred only once on 23 August 2023 and dropped to a slight premium of 0.9% over the closing price of the Shares on the Latest Practicable Date; and (iv) the discount represented by the General Offer Price to the unaudited NAV per Share attributable to the Shareholders as at 30 June 2023, the Adjusted Unaudited NAV Per Share and the Cash Per Share, the General Offer Price is unattractive and hence not fair and not reasonable. Taking into account the amount of property, plant and equipment, investment properties, properties under development and financial assets held by the Group contributed to over 50% of the Group's net assets attributable to Shareholders as at 30 June 2023, NAV per share is considered an important factor to assess the fairness and reasonableness of the General Offer Price. While NAV representing a premium over the share price is considered to be common for Hong Kong listed companies which are principally engaged in property development and/or investment business, it is noted that the average discount to NAV per share of those property development and/or investment companies (excluding those which traded at a premium over NAV) amounted to approximately 80%, but the discount to NAV per Share as at 30 June 2023 of the General Offer Price was over 90% even though the property development and/or investment business contributed to approximately 40% of the Group's revenue for FY2022 and 1H 2023 only.

Offer Shareholders should note that the information set out above is not an indicator of the future performance of the Shares and that the price of the Shares may increase or decrease from its closing price after the Latest Practicable Date.

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(ii) *Historical trading liquidity of the Shares*

The table below sets out the trading volume of the Shares and the percentages of average daily trading volume to the total number of issued Shares and Shares held by the public Shareholders, respectively during the Review Period:

Month/period	Total trading volume for the month/period Shares	Number of trading days days	Average daily trading volume (Note 1) Shares	Average daily trading volume over total	Average daily trading volume over total
				number of issued Shares (Note 2) %	number of issued Shares held by the public Shareholders (Note 3) %
2022					
August	1,590,933	23	69,171	0.00%	0.01%
September	2,382,836	21	113,468	0.01%	0.01%
October	5,336,563	20	266,828	0.02%	0.03%
November	6,011,244	22	273,238	0.02%	0.03%
December	4,171,248	20	208,562	0.01%	0.02%
2023					
January	7,423,733	18	412,430	0.03%	0.04%
February	2,698,763	20	134,938	0.01%	0.01%
March	8,582,400	23	373,148	0.02%	0.04%
April	5,690,905	17	334,759	0.02%	0.03%
May	3,467,200	21	165,105	0.01%	0.02%
June	6,551,514	21	311,977	0.02%	0.03%
July	12,373,964	20	618,698	0.04%	0.06%
August	20,362,472	20	1,018,124	0.07%	0.10%
September	7,654,254	19	402,855	0.03%	0.04%
October	10,795,634	20	539,782	0.03%	0.05%
November (up to the Latest Practicable Date)	24,454,154	14	1,746,725	0.08	0.17%

Source: Website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Calculated by dividing the total trading volume for the month/period by the number of trading days during the month/period.
2. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares at the end of each month or as at the Latest Practicable Date, where applicable.
3. Calculated by dividing the average daily trading volumes of the Shares by the total issued Shares held by the public Shareholders at the end of each month or as at the Latest Practicable Date, where applicable.

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During the Review Period, the average daily trading volume ranged from approximately 69,171 Shares (in August 2022) to approximately 1,746,725 Shares (in November 2023 (up to the Latest Practicable Date)), representing approximately 0.00% to 0.08% of the total number of issued Shares, and approximately 0.01% to 0.17% of the total number of issued Shares held by the public Shareholders, as at the end of the respective month/period. It is also noted that the daily trading volume of Shares reached over 2,000,000 Shares, representing approximately 0.1% of the total number of issued Shares, on a few days in July, August and November 2023, including 24 July 2023 and 4, 14 and 16 August 2023 and 6 November 2023, and reached over 3,000,000, 8,000,000 and 6,000,000 Shares on 3, 17 and 20 November 2023, representing approximately 0.2%, 0.4% and 0.3% of the total number of issued Shares. We have enquired the management of the Group on that and were advised that they were not aware of any particular reason that led to such higher trading volume on those dates as no particular news was announced by the Company before those dates, apart from the publication of the Initial Announcement, results announcement for 2023 1H and results announcement of the Open Offer after trading hours on 3 August 2023, 31 August 2023 and 16 November 2023 respectively.

Given the inactive trading of the Shares, the Offer Shareholders (especially those with relatively sizeable shareholdings) may encounter difficulties in selling a significant number of Shares in the open market in one batch. Nevertheless, although the General Offer provides an exit alternative at the General Offer Price for the Offer Shareholders who would like to realise their investments in the Shares in one batch, those Shareholders are reminded to consider to sell their Shares in the open market, and by batches if they have a relatively sizeable shareholdings, instead of accepting the General Offer if the market price of the Shares is higher than the unattractive General Offer Price, after taking into account the possible movement of the trading price of the Shares which is subject to market demand and supply of the Shares.

(iii) Peer comparison

In order to assess the fairness and reasonableness of the General Offer Price, we have sought to identify comparable companies on the website of the Stock Exchange for peer comparison based on the criteria that the company is (i) listed on the Stock Exchange; and (ii) similar to the Group, principally engaged in (a) the provision of financial services (such as securities investment, corporate finance and/or stockbroking) in Hong Kong and (b) the property development, property investment and hotel business mainly in the PRC, which contributed to over 50% and 40% of their respective revenue respectively in the latest preceding year. However, no comparable company can be identified. Hence, peer comparison is not applicable.

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We have thus focused our analysis of the General Offer Price on historical trading performance, trading volume of the Shares and underlying fundamentals of the Company as discussed above, and analysis of offer comparables below.

RECOMMENDATION

Notwithstanding that (i) the Offer Shareholders may encounter difficulties in selling their Shares in the open market in bulk at a fixed cash price in one batch as trading price of the Shares may move upwards or downwards subject to market demand and supply of the Shares, and (ii) the overall prospects of the Group's business is uncertain, having considered that,

- (a) the General Offer Price is unattractive, given (i) it represents a discount of 12.0%, 9.8%, 10.6% and 12.7% to the Share closing price on the Last Trading Day, the average Share closing price for the last five (5), ten (10) and thirty (30) consecutive trading days up to and including the Last Trading Day respectively; and (ii) although the General Offer Price represents a premium/discount range from 10.0% premium to 7.6% discount to the Share closing price since the date of the Initial Announcement, the aforesaid 10.0% premium occurred only once on 23 August 2023 and dropped to a slight premium of 0.9% over the closing price of the Shares on the Latest Practicable Date;
- (b) the closing price of the Shares was well above the General Offer Price most of the time in the Review Period. The Shares closed at a level below the General Offer Price after the publication of the Initial Announcement we reckoned to be affected by the news of the Open Offer and the possible pessimistic view from the investors or Offer Shareholders on the Group's prospects or future or divesting their shareholding interests in the Company. Regardless of the aforesaid possible pessimistic view, a gradual and slight upward trend in the closing price after the date of the Initial Announcement reaching HK\$0.113 on 9 October 2023 (that is, higher than the General Offer Price) from the low end of HK\$0.1 on 23 August 2023 is noted. Further, the Shares closed at prices equal to or above the General Offer Price on a few days in October and November 2023 (including 3, 5 and 9 October and 2, 6 to 9, 13, 17 November 2023);
- (c) the General Offer Price represents a discount of 92.5%, 91.4% and 26.7% to (i) the consolidated NAV attributable to the Shareholders as at 30 June 2023, (ii) the Adjusted Unaudited NAV Per Share and (iii) the Cash Per Share, and the Shares have long been traded with a deep discount to the NAV of the Group throughout the Review Period, taken into account that while it is considered common for Hong Kong listed companies which are principally engaged in the property development and/or investment business to trade below their NAV per share, it is noted that the average discount to NAV per share of those property development and/or investment companies (excluding those which traded at a premium over NAV) amounted to approximately 80%, but the discount to NAV per Share as at 30 June 2023 of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

General Offer Price was over 90% even though the property development and/or investment business contributed to approximately 40% of the Group's revenue for FY2022 and 1H 2023 only;

- (d) despite revenue decrease and loss made for FY2022 compared to FY2021 and 1H 2023 compared to 1H 2022, the Group recorded an increase in gross profit and gross profit margin for 1H 2023 compared to 1H 2022, and a significant drop in net loss for 1H 2023 compared to 1H 2022, mainly attributable to, among others, the change in Group's development strategy, including the closure of its medical centre in April 2022 to avoid material operating expenses which would otherwise be incurred by such business in 2023;
- (e) the Group has no liquidity problem to continue its operation and business as indicated in the accountants' report set out in the 2022 AR and 2023 IR;
- (f) the Offeror intends to continue the existing principal business of the Group without downsizing as mentioned above and has no intention to change the Board member in the foreseeable future after the General Offer; and
- (g) the Group will maintain a cautious and proactive approach regarding the risk and credit control of its operation and business development, pursue to enrich its product matrix and broaden its customer base to cope with market demands and seize business opportunity in a timely manner under the rapidly changing environment as stated in the 2023 IR,

we are of the view that, on balance, the General Offer are not fair and not reasonable so far as the Offer Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to recommend, and we recommend, the Offer Shareholders not to accept the General Offer.

Offer Shareholders are reminded to consider all the factors above before deciding whether to accept the General Offer. Given the Share price closed at around the General Offer Price in November 2023 up to the Latest Practicable Date, the Offer Shareholders who wish to realise their investments in the Shares should consider to sell their Shares in the open market instead of accepting the General Offer, if the net proceeds from such sale of Shares would exceed the net amount receivable under the General Offer. Contrary to the General Offer Price, being a fixed price, the Offer Shareholders (especially those with relatively sizeable shareholdings) should beware of the possible difficulties in selling a significant number of Shares in the open market at a fixed cash price in one batch as, subject to market demand and supply of the Shares, closing price of the Shares may move upwards or downwards.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Offer Shareholders should also carefully monitor the operating and financial performance of the Group, the intention of the Offeror, and beware of the potential difficulties they may encounter in disposing of their investments in the Shares after the close of the General Offer. They should seek advice from their own professional advisers prior to making any investment decision.

Yours faithfully,

For and on behalf of

Capital 9 Limited

Chu Tat Hoi

Chan Man Yee

Managing Director

Director

Chu Tat Hoi and Chan Man Yee are licensed persons and responsible officers of Capital 9 Limited registered with the Securities and Futures Commission to carry out Type 6 (advising on corporate finance) regulated activity under the SFO and have over 20 years and 15 years of experience respectively in the corporate finance industry.

To accept the General Offer, you should complete and sign the relevant accompanying Form of Acceptance in accordance with the instructions printed thereon. The instructions set out in this Composite Document should be read together with the instructions printed on the Form of Acceptance.

I. GENERAL PROCEDURES FOR ACCEPTANCE OF THE GENERAL OFFER

- (a) To accept the General Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the General Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are in your name, and you wish to accept the General Offer in respect of your Shares (whether in full or in part), you must send the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity required in respect thereof) for the number of Shares in respect of which you intend to accept the General Offer, by post or by hand, to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, marked "First Shanghai Investments Limited – General Offer" on the envelope as soon as possible and in any event by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the General Offer in respect of your Shares (whether in full or in part), you must either:
 - a. lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity required in respect thereof) in respect of your Shares with the nominee company, or other nominee, and with instructions authorising it to accept the General Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity required in respect thereof) in respect of your Shares to the Registrar; or

- b. arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the Form of Acceptance duly completed and signed together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity required in respect thereof) in respect of your Shares to the Registrar; or
 - c. if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the General Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by it; or
 - d. if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the General Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares or that it is/they are not readily available. If you subsequently find such document(s) or if it/they become(s) available, the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Shares should be forwarded to the Registrar as soon as possible thereafter. If you have lost the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Shares, you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be provided to the Registrar.

- (e) If you have lodged (a) transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the General Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself and other document(s) of title (as the case may be). Such action will constitute an irrevocable authority to the Offeror and/or First Shanghai Securities and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the General Offer, as if it/they were delivered to the Registrar with the Form of Acceptance.
- (f) An acceptance of the General Offer will be treated as valid only if the completed and signed Form of Acceptance is received by the Registrar by not later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code) and the Registrar has recorded that the acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- a. accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any indemnity required in respect thereof) in respect of the number of your Shares for which you intend to accept the General Offer and, if that/those share certificate(s) and/or other document(s) of title (and/or any indemnity required in respect thereof) is/are not in your name, such other documents (e.g., a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - b. from a registered Offer Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or
 - c. certified by the Registrar or the Stock Exchange.
- (g) If the Form of Acceptance is executed by a person other than the registered Offer Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.

- (h) Seller's ad valorem stamp duty (rounded up to the nearest HK\$1) payable by the Offer Shareholders who accept the General Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the General Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Offer Shareholders on the acceptance of the General Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Offer Shareholders who accept the General Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the General Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (i) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any indemnity required in respect thereof) in respect of your Shares tendered for acceptance will be given.

II. SETTLEMENT OF THE GENERAL OFFER

i. The General Offer

- (a) Pursuant to Rule 20.1 of the Takeovers Code, provided that a valid Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any indemnity required in respect thereof) in respect of the relevant Shares are complete and in good order in all respects and have been received by the Registrar before the close of the General Offer, a cheque for the amount (round up to the nearest cent) due to each of the Offer Shareholders who accepts the General Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the General Offer will be despatched to such Offer Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the date of receipt by the Registrar of the duly completed acceptances of the General Offer and all relevant document(s) of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.
- (b) Settlement of the consideration to which any accepting Offer Shareholder is entitled under the General Offer will be implemented in full in accordance with the terms of the General Offer (save with respect to the payment of the seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Offer Shareholder.

- (c) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and will be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

III. ACCEPTANCE PERIOD

- (a) Unless the General Offer has previously been extended with the consent of the Executive, to be valid, the Form of Acceptance must be received by the Registrar (in respect of the General Offer) in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date.
- (b) If the General Offer is extended, the Offeror and the Company will issue an announcement in relation to any extension of the General Offer, which announcement will state either the next closing date or, a statement that the General Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing must be given before the General Offer is closed to those Offer Shareholders who have not accepted the relevant General Offer.
- (c) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

IV. ANNOUNCEMENT

- (a) As required under Rule 19 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the extension or expiry of the General Offer. The Offeror must publish an announcement in accordance with the requirements of the Listing Rules by 7:00 p.m. on the Closing Date stating whether the General Offer has been extended or has expired.

Such announcement must state the following:

- (i) the total number of Shares for which acceptances of the General Offer have been received;
- (ii) the total number of Shares held, controlled or directed by the Offeror and/or parties acting in concert with it before the Offer Period;
- (iii) the total number of Shares acquired or agreed to be acquired during the Offer Period by the Offeror and/or parties acting in concert with it; and

- (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company in which the Offeror or any parties acting in concert with it has borrowed or lent, saved for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by the number of securities as referred to in (i) to (iv) above.

- (b) In computing the total number of Shares for which acceptances of the General Offer have been received, only valid acceptances that are complete and in good order which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, and/or date as the Offeror may determine and announce in accordance with the Takeovers Code, being the latest time and date for acceptance of the General Offer, shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the General Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules respectively, where appropriate.

V. RIGHT OF WITHDRAWAL

- (a) Acceptances of the General Offer tendered by the Offer Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in subparagraph (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in paragraph (a) of the section headed “IV. ANNOUNCEMENT” in this Appendix, the Executive may, pursuant to Rule 19.2 of the Takeovers Code, require that acceptors of the General Offer who have tendered acceptances of the General Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, when the Offer Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days thereof, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any indemnity required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Offer Shareholders at his/her/its own risks.

VI. OVERSEAS SHAREHOLDERS

The General Offer is being made available to all the Offer Shareholders, including the Overseas Shareholders. The availability of the General Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibility of the Overseas Shareholders who wish to accept the General Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the General Offer (including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes and duties due by such Overseas Shareholders in respect of the acceptance of the General Offer in such jurisdictions).

Any acceptance by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that such Overseas Shareholders have observed and are permitted under all applicable laws and regulations to receive and accept the General Offer and that such Overseas Shareholders have obtained all requisite governmental, exchange control or other consents and have made all requisite regulations and filing in compliance with all necessary formalities and regulatory or legal requirements and have paid all transfer or other taxes and duties or other required payments due from such Overseas Shareholders in connection with such acceptance in such jurisdiction, and the such acceptance shall be valid and binding in accordance with all applicable laws and regulations. The Overseas Shareholders should consult their professional advisers if in doubt.

VII. NOMINEE REGISTRATION

To ensure equality of treatment of all Offer Shareholders, those Offer Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intention with regard to the General Offer.

VIII. TAX IMPLICATIONS

Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of their acceptance or rejection of the General Offer that may be applicable in relevant jurisdictions. It is emphasized that none of the Offeror or parties acting in concert with it, the Company, the Registrar or any of their respective directors, officers, advisers, associates, agents or any persons involved in the General Offer is in a position to advise the Offer Shareholders on their individual tax implications, nor do they accept responsibility for any taxation effects on, or liabilities of, any person as a result of acceptance or rejection of the General Offer.

IX. GENERAL

- (a) All communications, notices, Form of Acceptance, share certificates, transfer receipts (as the case may be), other document(s) of title and/or any indemnity required in respect thereof and remittances to settle the consideration payable under the General Offer to be delivered by or sent to or from the Offer Shareholders or their designated agents will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror, First Shanghai Capital, First Shanghai Securities and any of their respective directors nor the Registrar or the company secretary of the Company or other parties involved in the General Offer or any of their respective agents accepts any liability for any loss in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the accompanying Form of Acceptance form part of the terms and conditions of the General Offer.
- (c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or either of them to any person to whom the General Offer is intended to be made will not invalidate the General Offer in any way.
- (d) The General Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, First Shanghai Securities, the Registrar or such person or persons as the Offeror may direct, to complete, amend and execute any document on behalf of the person or persons accepting the General Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror or such person or persons as it may direct the Shares in respect of which the relevant Offer Shareholder has accepted the General Offer.

- (f) Due execution of the Form of Acceptance will constitute an agreement of the relevant Offer Shareholder to ratify each and every act or thing which may be done or effected by the Offeror and/or First Shanghai Securities and/or the Company or their respective agent(s) or such person or persons as any of them may direct in the exercise of any of the rights in respect of or arising on the relevant acceptance.
- (g) Acceptance of the General Offer by any Offer Shareholders will (subject as mentioned below) be deemed to constitute a warranty by such person or persons to the Offeror, First Shanghai Capital and the Company that their Shares under the General Offer are sold to the Offeror free from all encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attached to them as at the date of this Composite Document or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the General Offer is made, being the date of despatch of this Composite Document. For the avoidance of doubt, neither Hong Kong Securities Clearing Company Limited nor HKSCC Nominees Limited will give, or be subject to, any of the above representations and warranty. As at the Latest Practicable Date, there were no unpaid dividends and the Company has no intention to make, declare or pay any future dividend/distribution before the close of the General Offer.
- (h) Acceptance of the General Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which the General Offer is accepted as indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the General Offer.
- (i) Any Offer Shareholder accepting the General Offer, will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction by such persons.
- (j) References to the General Offer in this Composite Document and in the Form of Acceptance shall include any extension or amendment thereof.
- (k) All acceptances, instructions, authorities and undertakings given by Offer Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

- (l) In making their decision whether to accept the General Offer, the Offer Shareholders must rely on their own examination of the Offeror, the Group and the terms of the General Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Offeror and parties acting in concert with them, First Shanghai Capital, First Shanghai Securities, the Registrar or any of their respective ultimate beneficial owners, directors, officers, advisers, associates, agents or any persons involved in the General Offer. The Offer Shareholders should consult their own professional advisers for professional advice.
- (m) The English texts of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese texts for the purpose of interpretation.

APPENDIX II**FINANCIAL INFORMATION OF THE GROUP****SUMMARY OF FINANCIAL INFORMATION OF THE GROUP**

The following is a summary of the audited consolidated financial results of the Group for each of the years ended 31 December 2020, 2021 and 2022 and the unaudited financial information of the Group for each of the six months ended 30 June 2022 and 2023, extracted from the annual reports of the Company for the years ended 31 December 2020, 2021 and 2022 and the interim report of the Company for the six months ended 30 June 2023.

	For the year ended 31 December			For the six months ended 30 June	
	2020 HK\$'000 (audited)	2021 HK\$'000 (audited)	2022 HK\$'000 (audited)	2022 HK\$'000 (unaudited)	2023 HK\$'000 (unaudited)
Revenue	457,988	529,850	342,183	175,337	157,072
Cost of sales	<u>(199,520)</u>	<u>(226,385)</u>	<u>(131,848)</u>	<u>(76,399)</u>	<u>(52,438)</u>
Gross profit	258,468	303,465	210,335	98,938	104,634
Other (losses)/gains – net	(23,145)	10,990	(30,594)	6,541	(3,339)
Selling, general and administrative expenses	<u>(311,644)</u>	<u>(390,310)</u>	<u>(276,407)</u>	<u>(141,561)</u>	<u>(127,153)</u>
Operating loss	(76,321)	(75,855)	(96,666)	(36,082)	(25,858)
Finance income	33,304	17,696	48,142	10,761	47,221
Finance costs	(34,243)	(30,179)	(15,289)	(6,653)	(20,047)
Finance (costs)/income – net	(939)	(12,483)	32,853	4,108	27,174
(Loss)/Profit before taxation	(77,260)	(88,338)	(63,813)	(31,974)	1,316
Taxation	<u>(13,564)</u>	<u>(60,660)</u>	<u>4,969</u>	<u>(1,416)</u>	<u>(4,720)</u>
Loss for the year/period	(90,824)	(148,998)	(58,844)	(33,390)	(3,404)
Attributable to:					
Shareholders of the Company	(90,331)	(139,899)	(55,501)	(33,237)	(1,931)
Non-controlling interests	(493)	(9,099)	(3,343)	(153)	(1,473)
Losses per Share attributable to shareholders of the Company					
Basic and diluted	HK(6.37) cents	HK(9.61) cents	HK(3.55) cents	HK(2.12) cents	HK(0.12) cents
Total comprehensive loss for the year/period	(24,039)	(162,319)	(179,566)	(111,690)	(26,916)
Attributable to:					
Shareholders of the Company	(28,479)	(155,496)	(170,018)	(108,266)	(23,461)
Non-controlling interests	4,440	(6,823)	(9,548)	(3,424)	(3,455)

Save as disclosed above, the Group did not have any item of income or expense which was material for any of the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023.

The Company did not declare or distribute any dividend to its owners for any of the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023.

The auditors' reports issued by the auditors of the Group, namely PricewaterhouseCoopers, in respect of the audited consolidated financial statements of the Group for each of the years ended 31 December 2020, 2021 and 2022 did not contain any modified opinion, emphasis of matter or material uncertainty related to going concern.

CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of cash flows, the consolidated statement of changes of equity and any other primary statement are shown in (i) the audited consolidated financial statements of the Group for the year ended 31 December 2020 (the “**2020 Financial Statements**”); (ii) the audited consolidated financial statements of the Group for the year ended 31 December 2021 (the “**2021 Financial Statements**”); (iii) the audited consolidated financial statements of the Group for the year ended 31 December 2022 (the “**2022 Financial Statements**”); and (iv) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 (the “**2023 Interim Financial Statements**”), together with significant accounting policies and the notes to the relevant published financial statements which are of major relevance to the appreciation of the above financial information.

The 2020 Financial Statements are set out on pages 37 to 114 of the annual report of the Company for the year ended 31 December 2020, which was published on 26 April 2021 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0426/2021042600436.pdf>

The 2021 Financial Statements are set out on pages 36 to 116 of the annual report of the Company for the year ended 31 December 2021, which was published on 22 April 2022 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042201554.pdf>

The 2022 Financial Statements are set out on pages 35 to 110 of the annual report of the Company for the year ended 31 December 2022, which was published on 21 April 2023 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0421/2023042101205.pdf>

The 2023 Interim Financial Statements are set out on pages 9 to 34 of the interim report of the Company for the six months ended 30 June 2023, which was published on 25 September 2023 on the websites of the Stock Exchange and the Company, and is accessible via the following hyperlink:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0925/2023092500553.pdf>

STATEMENT OF INDEBTEDNESS

At the close of business on 30 September 2023, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, apart from intra-group liabilities, the Group had the following indebtedness:

Bank and other borrowings

As at 30 September 2023, the Group had total outstanding borrowings of approximately HK\$220.9 million, comprising of (i) secured and guaranteed bank loans of approximately HK\$175.9 million; (ii) unsecured and guaranteed bank loans of approximately HK\$10.0 million; and (iii) unsecured and unguaranteed other loans of approximately HK\$35.0 million.

Pledge of assets of the Group

As at 30 September 2023, properties of approximately HK\$142.0 million, investment properties of approximately HK\$296.2 million, leasehold land and land use rights of approximately HK\$27.4 million and properties held for sale of approximately HK\$95.3 million and fixed deposits of the Group of approximately HK\$15.0 million were pledged to secure its bank loans and general banking facilities. Among such bank loans and general banking facilities, HK\$175.9 million had been utilized. No bank borrowing was secured by charges over listed securities pledged by the customers to the Group as margin and IPO loan collateral.

Lease obligations

As at 30 September 2023, the Group had outstanding lease payments in respect of right-of-use assets, land and buildings, vehicles, trucks and machinery of approximately HK\$25.6 million, which were unguaranteed and secured by the rental deposits paid by the Group.

Contingent liabilities

The Group had certain litigation and/or claims of material importance as stated in the paragraph headed “LITIGATION” in Appendix V to this Composite Document. Also, the Group had guarantees given to banks for the mortgage loans arranged for the purchasers of the Group’s properties in PRC. As at 30 September 2023, the Group’s total contingent liabilities amounted to approximately HK\$20.0 million.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, the Group did not have any outstanding bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees or other material contingent liabilities, at the close of business on 30 September 2023.

MATERIAL CHANGE

Save as (i) as disclosed in the interim report of the Company for the six months ended 30 June 2023, the significant drop in the net loss attributable to the Shareholders by approximately 94.3% to approximately HK\$1.9 million for the six months ended 30 June 2023 from approximately HK\$33.2 million for the same period in 2022, mainly due to the closure of the Group's medical centre in 2022, as a result of which no material operating expenses were incurred from the medical and health business in 2023, and increase in net interest income as a result of the increase in margin loan interest income by 13% due to interest rate hikes, partially offset by the decrease in brokerage and underwriting commission income by 29% from the financial services sector due to slowdown in initial public offerings and secondary market for the period; (ii) the revaluation surplus of property interests held by the Group as at 30 September 2023 of approximately HK\$455.1 million based on the property valuation reports as set out in Appendix III to this Composite Document, the calculation of which as set out in the paragraph headed "Adjusted Unaudited Net Asset Value" below in this Appendix; (iii) the increase of cash and bank balances by approximately HK\$180.6 million from HK\$247.0 million as at 31 December 2022 to HK\$427.6 million as at 31 August 2023 due to the drop in clients' margin loans based on the latest consolidated management accounts of the Group for the eight months ended 31 August 2023; and (iv) the Open Offer completed on 16 November 2023 which resulted in an increase in cash of approximately HK\$65.2 million being the net proceeds from the Open Offer of which approximately HK\$32.7 million will be used to repay the loan from the Offeror, there has been no material change in the financial or trading position or outlook of the Group since 31 December 2022, being the date to which the latest published audited consolidated financial statements of the Company were made up, up to and including the Latest Practicable Date.

ADJUSTED UNAUDITED NET ASSET VALUE

The following sets out the adjusted unaudited consolidated net asset value attributable to the shareholders of the Company as at 30 June 2023 ("**Adjusted Unaudited NAV**"), taking into account the effect of revaluation arising from the valuation of the property interests held by to the Group as at 30 September 2023:

	<i>HK\$'000</i>
Unaudited consolidated net asset value attributable to Shareholders of the Company as at 30 June 2023	2,293,327
<i>Adjustment:</i>	
Revaluation surplus arising from the valuation (<i>Note 1</i>)	455,122
Net proceeds from the Open Offer	65,189
Adjusted Unaudited NAV	2,813,638
Adjusted Unaudited NAV per Share (<i>Note 2</i>)	1.284

Notes:

1. Represents the revaluation surplus arising from the excess of the aggregate market value of the property interests held by the Group in their existing state of approximately HK\$1,834 million as at 30 September 2023, as appraised by Colliers International (Hong Kong) Limited and Roma Appraisals Limited, over their corresponding net book value of the Group of approximately HK\$1,379 million as at 30 June 2023. The full text of the property valuation reports issued by Colliers International (Hong Kong) Limited and Roma Appraisals Limited, being the independent property valuers to the Company, in respect of the valuation of the property interests held by the Group as at 30 September 2023 are set out in Appendix III to this Composite Document.

2. Based on 2,190,679,905 Shares in issue as at the Latest Practicable Date.

The following are the texts of letters, summaries of valuation and valuation certificates, prepared for the purpose of incorporation in this Composite Document, received from Colliers International (Hong Kong) Limited (“Colliers”) and Roma Appraisals Limited (“Roma”), two independent professional valuers, in connection with their valuations as at 30 September 2023 of the property interests held by the Group.

A. Valuation report from Colliers International (Hong Kong) Limited for properties located in Hong Kong and the PRC

Suite 5701 Central Plaza
18 Harbour Road Wanchai Hong Kong
+852 2828 9888
colliers.com



Colliers International
(Hong Kong) Limited Company
Licence No: C-006052

23 November 2023

**The Directors
First Shanghai Investments Limited**

19/F, Wing On House
71 Des Voeux Road Central
Hong Kong

Re: Valuation of Various Properties Located in Hong Kong, Shanghai, Suzhou, Wuxi, Huangshan, Shenzhen and Zhongshan, The People’s Republic of China (the “Properties”)

Dear Sirs,

INSTRUCTIONS, PURPOSES AND VALUATION DATE

In accordance with the instructions for us to value the Properties in which First Shanghai Investments Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) have interests in Hong Kong and the People’s Republic of China (the “**PRC**”), we confirm that we have carried out physical inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for providing you with our opinion of the Market Value of the Properties in their existing states, as at 30 September 2023 (the “**Valuation Date**”) for circular purposes.

BASIS OF VALUATION

Our valuation has been made on the basis of market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Market Value is defined as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION STANDARDS

The valuation has been carried out in accordance with the prevailing Hong Kong Institute of Surveyors' (HKIS) Valuation Standards published by the Hong Kong Institute of Surveyors and the Royal Institution of Chartered Surveyors' (RICS) Valuation – Global Standards, both incorporating the International Valuation Standards published by the International Valuation Standards Council (IVSC). We have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, and Rule 11 of the Takeovers Code issued by the Securities and Future Commission.

VALUATION METHODOLOGY

We have adopted the Market Approach to assess the Market Value of Property Nos. 1 to 12 and 14 to 16. The Market Approach estimates the value of property by comparing recent sales of similar interests in the building or buildings located in their surrounding area. By analysing such sales which qualify as 'arms-length' transactions, between willing buyers and sellers, adjustments are made for size, location, time, amenities and other relevant factors when comparing such sales prices to assess the value of the subject property. This approach is commonly used to value property when reliable sales evidence of property of a similar nature is available.

For the Property no. 13, we have adopted the Market Approach by making reference to recent market sales evidences available in the market. Appropriate adjustments have been made for any differences in the characteristics between the property and the comparable properties. We have assumed the property will be completed in accordance with the proposed development scheme given by the Company and ready for immediate occupation as at the Valuation Date with all relevant approvals for the scheme have been obtained. We have also considered the cost of development including construction costs provided by the Company, finance costs, professional fees and developer's profit which duly reflects the risks associated with the development of the property.

For the Property no. 17, we have adopted the cost approach. Cost approach provides an indication of value based on the estimated current costs to reproduce or create a property of equal operational capability, quality, utility, and marketability. This approach includes replacement with a replica and replacement with a facsimile. A replica is a copy of the original item, as near as possible to the original in terms of nature, quality and age of materials, but

created by means of modern construction or fabrication methods. A facsimile is an exact copy of the original item, created with materials of a closely similar nature, quality and age, using construction or fabrication methods of the original period.

SOURCE OF INFORMATION

We have relied to a considerable extent on the information provided by the Company on such matters as tenure, floor areas, and building plans and all other relevant matters. Dimensions, measurements and areas included in the valuation are based on information contained in the documents provided to us and are, therefore, only approximations.

We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and we consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable.

TITLE INVESTIGATIONS

We have been provided with copies of extracts of title documents relating to the Properties.

In respect of the property in Hong Kong, we have made enquires and relevant searches at the Land Registry.

However, we have not caused title searches to be made for the properties in the PRC at the relevant government bureaus in the PRC and have not inspected the original documents to verify the ownership, encumbrances or the existence of any subsequent amendments which may not appear on the copies handed to us. In undertaking our valuation for the properties in the PRC, we have relied on the legal opinion dated 20 November 2023 provided by the Company's PRC legal adviser, AllBright Law Offices (Shenzhen), regarding the title and other legal matters to the properties in the PRC.

SITE MEASUREMENT

We have not carried out detailed site measurements to verify the correctness of the site/floor areas in respect of the Properties but have assumed that the site/floor areas shown on the documents and official site/floor plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the property in Hong Kong by our Rachel Chin on 20 October 2023, properties in Shanghai and Suzhou by Sean Wang on 24 and 25 September 2023, properties in Zhongshan and Shenzhen by Alex Liu on 12 October 2023, and properties in Huangshan and Wuxi by Alex Liu on 16 and 17 October 2023.

We have not carried out investigations to determine the suitability of the ground conditions and the services for any future development of the Properties we have inspected. Our valuations have been prepared on the assumption that these aspects are satisfactory. We are not, however, able to report whether the Properties are free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

POTENTIAL TAX LIABILITY

As provided by the Company, the potential tax liability at an amount of approximately HKD188,000,000 would arise if the Properties were to be sold at the market value as at the valuation date. As the Company has no intention or plan to sell the Properties, the likelihood for this tax liability to be crystallised is very low.

ASSUMPTIONS AND CAVEATS

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

No allowance has been made for any charges, mortgages or amounts owing on the property or for any expenses or taxations which may be incurred in effecting a sale.

In valuing the property interests held in Hong Kong and the PRC, we have made the following assumptions:

- We have assumed that all information, estimates and opinions furnished to us and contained in this report including all information provided by the Group, are true and correct, fit for valuation purposes, and from reliable sources.
- We have assumed that the Properties are free from any contamination and environmental problems or hazards.

THE VALUER

This valuation has been prepared by Jason Fung, Director of Valuation and Advisory Services, who has sufficient experience to carry out valuations of this size and nature.

Neither the valuer nor Colliers International (Hong Kong) Limited are aware of any pecuniary interest or other conflict of interest that could affect their ability to give an unbiased and objective opinion of the value of the Properties.

CURRENCY

Unless otherwise stated, all sums stated in our valuations are in Hong Kong Dollars (HKD) for the property in Hong Kong and Renminbi (RMB) for the property in the PRC respectively.

Our valuations of the Properties set out in the summary of valuations and valuation particulars attached hereto, together with this covering letter, form our valuation report.

Yours faithfully,

For and on behalf of

Colliers International (Hong Kong) Ltd

Jason Fung

BSc (Hons), MRICS, MHKIS, RPS(GP), MCIREA

REGISTERED REAL ESTATE APPRAISER PRC

Director

Valuation and Advisory Services

Note: Jason Fung is a Member of The Royal Institution of Chartered Surveyors, a Member of The Hong Kong Institute of Surveyors, a Registered Professional Surveyor (General Practice), a member of the China Institute of Real Estate Appraisers and Agents and a registered Real Estate Appraiser PRC with over 15 years' experience in the real estate industry. His valuation experience covers Hong Kong SAR, mainland China and other Asia regions.

SUMMARY OF VALUATIONS

Property	Market value in existing state as at 30 September 2023 (HKD)	Effective interest attributable to the Group	Market value in existing state as at 30 September 2023 attributable to the Group (HKD)
(a) Property Interests in Hong Kong			
1 19/F whole floor, Wing On House, 71 Des Voeux Road Central, Hong Kong	260,000,000	100%	260,000,000
		Sub-total	HKD260,000,000
(b) Property Interests in the PRC			
Property	Market value in existing state as at 30 September 2023 (RMB)	Effective interest attributable to the Group	Market value in existing state as at 30 September 2023 attributable to the Group (RMB)
2 House C16 (No. S7), Tomson Golf Villa, Southern Zone of No. 1 Longdong Avenue, Pudong New District, Shanghai	34,100,000	100%	34,100,000
3 House C25 (No. S97), Tomson Golf Villa, Southern Zone of No. 1 Longdong Avenue, Pudong New District, Shanghai	34,100,000	100%	34,100,000
4 Room No. 102, Fuhai Business Park B2, No. 299 Bisheng Road, High-Tech Park of Pudong New District, Shanghai	12,800,000	100%	12,800,000
5 Room No. 102, Fuhai Business Park B4, No. 299 Bisheng Road, High-Tech Park of Pudong New District, Shanghai	12,800,000	100%	12,800,000

APPENDIX III
PROPERTY VALUATION REPORTS

		Market value in existing state as at 30 September 2023 (RMB)	Effective interest attributable to the Group	Market value in existing state as at 30 September 2023 attributable to the Group (RMB)
Property				
6	Room No. 601, Fuhai Business Park C6, No. 299 Bisheng Road, High-Tech Park of Pudong New District, Shanghai	7,400,000	100%	7,400,000
7	Fuhai Business Park A7, No. 299 Bisheng Road, High-Tech Park of Pudong New District, Shanghai	17,600,000	100%	17,600,000
8	Block Nos. 1 and Block 5 of Elite Place, No. 588 Chuangye Road, Kunshan Development Area, Kunshan, Jiangsu Province	71,000,000	70%	49,700,000
9	Unsold portions of Block Nos. 2 to 10 & 12 to 13, Singapore International Park, No. 89 Xingchuang Fourth Road, Wuxi New District, Wuxi, Jiangsu Province	431,000,000	70%	301,700,000
10	Unsold portions of retail, office and serviced apartment of First Shanghai Plaza, No. 19 Gaolang Road, Wuxi New District, Wuxi, Jiangsu Province	120,000,000	100%	120,000,000
11	Double Tree by Hilton Hotel Wuxi, No. 19 Gaolang Road, Wuxi New District, Wuxi, Jiangsu Province	291,000,000	100%	291,000,000
12	The unsold portions of Lots A & B, Huangshan Banshan Haoyuan, Fenghuang Road, Huangshan District, Huangshan, Anhui Province	10,600,000	100%	10,600,000

APPENDIX III**PROPERTY VALUATION REPORTS**

Property	Market value in existing state as at 30 September 2023 (RMB)	Effective interest attributable to the Group	Market value in existing state as at 30 September 2023 attributable to the Group (RMB)
13 The under construction portion of Lot C, Fenghuang Road, Huangshan District, Huangshan, Anhui Province	132,000,000	100%	132,000,000
14 Lot D, Fenghuang Road, Huangshan District, Huangshan, Anhui Province	21,000,000	100%	21,000,000
15 The arcade of Lot E, Fenghuang Road, Huangshan District, Huangshan, Anhui Province	16,000,000	100%	16,000,000
16 15/F, Building B, International Chamber of Commerce Building, Fuhuay Road, Futian District, Shenzhen	31,100,000	100%	31,100,000
17 Ru Shan Hu, Eastern side of Chang Jiang Water Reservoir, East District, Zhongshan, Guangdong Province	135,000,000	99.9%	134,865,000
		Sub-total	RMB1,226,765,000

VALUATION PARTICULARS

(a) Property Interests in Hong Kong:

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
1	19/F whole floor, Wing On House, 71 Des Voeux Road Central, Hong Kong (1,000/42,700 shares of and in the Lot)	<p>The Property comprises a whole floor on the 19th floor of a 31-storey office building namely Wing On House. According to the Occupation Permit No. H94/67, the building was completed in 1967.</p> <p>The gross floor area of the Property is approximately 11,062 square feet. As per our scale-off measurement on the approved building plans, the saleable area of the Property is approximately 8,609 square feet.</p> <p>The lot is held under Government Lease for a term of 999 years commencing on 15 August 1903. The annual Government rent payable for the Lot is HKD298.</p>	<p>As at the date of valuation, unit nos. 1903 to 1908 of the Property were subject to a tenancy for a term expiring on 30 November 2023 with a monthly rent of HKD54,080 exclusive of rates and management fee.</p> <p>The remaining units of the Property were occupied by the Group.</p>	<p>HKD260,000,000 (Hong Kong Dollars Two Hundred and Sixty Million)</p>

Notes:

(1) The ownership particulars of the Property and interest valued are as follows:

Lot Number	:	Section A and the Remaining Portion of Marine Lot No. 381
Lease Terms	:	A term of 999 years commencing on 15 August 1903
Registered Owner	:	<ul style="list-style-type: none">– First Shanghai Properties Limited, a direct wholly-owned subsidiary of the Company, registered vide Memorial No. UB5941010 dated 21 September 1993 (Re: office Nos. 1901 & 1909 on 19th Floor)– First Shanghai Properties Limited, a direct wholly-owned subsidiary of the Company, registered vide Memorial No. UB6356617 dated 30 June 1995 (Re: office No. 1902 on 19th Floor)– First Shanghai Properties Limited, a direct wholly-owned subsidiary of the Company, registered vide Memorial No. UB6214916 dated 29 December 1994 (Re: office Nos. 1903 – 1908 on 19th Floor)– First Shanghai Properties Limited, a direct wholly-owned subsidiary of the Company, registered vide Memorial No. UB6145806 dated 30 September 1994 (Re: office Nos. 1910 & 1911 on 19th Floor)
Government Rent	:	HKD298 per annum
Major Encumbrances	:	<ul style="list-style-type: none">– Deed of Mutual Covenant with Plans registered vide Memorial No. UB2199280 dated 15 December 1981– Tripartite Legal Charge/Mortgage to all sums of money including general banking facilities (PT.) in favour of Citic Ka Wah Bank Limited registered vide Memorial No. UB8142629 dated 11 July 2000.

(2) The Property was inspected by Rachel Chin on 20 October 2023.

(b) Property Interests in the PRC:

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
2	House C16 (No. S7), Tomson Golf Villa, Southern Zone of No. 1 Longdong Avenue, Pudong New District, Shanghai	<p>The Property comprises a 2-storey villa with a 1-storey basement in a residential development known as “Tomson Golf Villa”, which was completed in 1998.</p> <p>The Property has a gross floor area of approximately 416.82 square metres.</p> <p>The land use rights of the Property have been granted for a term expiring on 30 April 2064 for garden apartment residential use.</p>	As at the date of valuation, the Property was occupied by the Group.	RMB34,100,000 (Renminbi Thirty Four Million One Hundred Thousand)

Notes:

- (1) Pursuant to a Real Estate Ownership Certificate No. 002731 issued by the Shanghai Housing & Land Administration Bureau dated 2 July 1998, the land use rights and building ownership of the Property have been granted to 良屋投資有限公司 (“Leung”), a direct wholly-owned subsidiary of the Company, for a term commencing from 17 March 1998 to 30 April 2064 for garden residential use.
- (2) The Property was inspected by Sean Wang on 24 September 2023.
- (3) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Leung has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
3	House C25 (No. S97), Tomson Golf Villa, Southern Zone of No. 1 Longdong Avenue, Pudong New District, Shanghai	<p>The Property comprises a 2-storey villa with a 1-storey basement in a residential development known as “Tomson Golf Villa”, which was completed in 1998.</p> <p>The Property has a gross floor area of approximately 416.82 square metres.</p> <p>The land use rights of the Property have been granted for a term expiring on 30 April 2064 for garden apartment residential use.</p>	As at the date of valuation, the Property was occupied by the Group.	RMB34,100,000 (Renminbi Thirty Four Million One Hundred Thousand)

Notes:

- (1) Pursuant to a Real Estate Ownership Certificate No. 004305 issued by the Shanghai Housing & Land Administration Bureau dated 30 September 1998, the land use rights and building ownership of the Property have been granted to 年盛地產有限公司 (“Yearson”), a direct wholly-owned subsidiary of the Company, for a term commencing from 25 June 1998 to 30 April 2064 for garden residential use.
- (2) The Property was inspected by Sean Wang on 24 September 2023.
- (3) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Yearson has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
4	Room No. 102, Fuhai Business Park B2, No. 299 Bisheng Road, High-Tech Park of Pudong New District, Shanghai	<p>The Property comprises part of a 2-storey building in an office development known as “Fuhai Business Park”, which was completed in 2004.</p> <p>The Property has a gross floor area of approximately 574.63 square metres.</p> <p>The land use rights of the Property have been granted for a term expiring on 27 May 2051 for office use.</p>	As at the date of valuation, the Property was occupied by the Group.	RMB12,800,000 (Renminbi Twelve Million Eight Hundred Thousand)

Notes:

- (1) Pursuant to a Real Estate Ownership Certificate No. 043969 issued by the Shanghai Housing & Land Administration Bureau dated 5 June 2006, the land use rights and building ownership of the Property have been granted to 康佳投资有限公司 (“**Perfect Honor**”), an indirect wholly-owned subsidiary of the Company, for a term commencing from 3 April 2006 to 27 May 2051 for office use.
- (2) The Property was inspected by Sean Wang on 24 September 2023.
- (3) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Perfect Honor has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
5	Room No. 102, Fuhai Business Park B4, No. 299 Bisheng Road, High-Tech Park of Pudong New District, Shanghai	<p>The Property comprises part of a 2-storey building in an office development known as “Fuhai Business Park”, which was completed in 2004.</p> <p>The Property has a gross floor area of approximately 574.63 square metres.</p> <p>The land use rights of the Property have been granted for a term expiring on 27 May 2051 for office use.</p>	As at the date of valuation, the Property was subject to a tenancy for a term of 3 years from 1 March 2021 to 29 February 2024 with a monthly rental of RMB62,922, inclusive of value-added tax (“VAT”) but exclusive of management fee.	RMB12,800,000 (Renminbi Twelve Million Eight Hundred Thousand)

Notes:

- (1) Pursuant to a Real Estate Ownership Certificate No. 043576 issued by the Shanghai Housing & Land Administration Bureau dated 5 June 2006, the land use rights and building ownership of the Property have been granted to 明利投資有限公司 (“Clear Profit”), an indirect wholly-owned subsidiary of the Company, for a term commencing from 3 April 2006 to 27 May 2051 for office use.
- (2) The Property was inspected by Sean Wang on 24 September 2023.
- (3) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Clear Profit has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
6	Room No. 601, Fuhai Business Park C6, No. 299 Bisheng Road, High-Tech Park of Pudong New District, Shanghai	<p>The Property comprises a unit on the 6th floor of a 6-storey building in an office development known as “Fuhai Business Park”, which was completed in 2004.</p> <p>The Property has a gross floor area of approximately 328.65 square metres.</p> <p>The land use rights of the Property have been granted for a term expiring on 27 May 2051 for office use.</p>	<p>As at the date of valuation, the Property was subject to a tenancy for a term of 5 years from 1 October 2019 to 31 October 2024 with a monthly rental of RMB25,391 from 1 November 2022 to 31 October 2023, and a monthly rental of RMB26,890 from 1 November 2023 to 31 October 2024, inclusive of VAT but exclusive of management fee.</p>	<p>RMB7,400,000</p> <p>(Renminbi Seven Million Four Hundred Thousand)</p>

Notes:

- (1) Pursuant to a Real Estate Ownership Certificate No. 043566 issued by the Shanghai Housing & Land Administration Bureau dated 5 June 2006, the land use rights and building ownership of the Property have been granted to 智創投資有限公司 (“**Talent Creation**”), an indirect wholly-owned subsidiary of the Company, for a term commencing from 3 April 2006 to 27 May 2051 for office use.
- (2) The Property was inspected by Sean Wang on 24 September 2023.
- (3) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Talent Creation has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
7	Fuhai Business Park A7, No. 299 Bisheng Road, High-Tech Park of Pudong New District, Shanghai	<p>The Property comprises a block of 3-storey building in an office development known as “Fuhai Business Park”, which was completed in 2004.</p> <p>The Property has a gross floor area of approximately 829.35 square metres.</p> <p>The land use rights of the Property have been granted for a term expiring on 27 May 2051 for office use.</p>	<p>As at the date of valuation, the Property was subject to a tenancy for a term of 10 years from 1 March 2022 to 29 February 2032 with a monthly rental of RMB85,769 (1 March 2022 to 29 February 2024), RMB90,814 (1 March 2024 to 28 February 2026), RMB95,859 (1 March 2026 to 29 February 2028), RMB100,904 (1 March 2028 to 28 February 2030) and RMB105,949 (1 March 2030 to 29 February 2032), inclusive of VAT but exclusive of management fee.</p>	<p>RMB17,600,000</p> <p>(Renminbi Seventeen Million Six Hundred Thousand)</p>

Notes:

- (1) Pursuant to a Real Estate Ownership Certificate No. 049001 issued by the Shanghai Housing & Land Administration Bureau dated 5 June 2006, the land use rights and building ownership of the Property have been granted to 耀亮有限公司 (“Bright Shining”), an indirect wholly-owned subsidiary of the Company, for a term commencing from 3 April 2006 to 27 May 2051 for office use.
- (2) The Property was inspected by Sean Wang on 24 September 2023.
- (3) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Bright Shining has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
8	Block Nos. 1 and Block 5 of Elite Place, No. 588 Chuangye Road, Kunshan Development Area, Kunshan, Jiangsu Province	<p>The Property comprises 2 commercial blocks (namely Block Nos. 1 and 5) of a composite development known as 'Elite Place' which was completed in about 2009.</p> <p>The Property has a total gross floor area of 8,189.95 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 24 January 2047 for commercial use.</p>	<p>As at the valuation date, portions of the Property with a gross floor area of approximately 7,931 sq m were subject to various tenancies for various terms, with the last term expiring in August 2029 at a total monthly rental of approximately RMB406,747, inclusive of VAT but exclusive of building management fees.</p> <p>The remaining portions of the Property were vacant.</p>	<p>RMB71,000,000</p> <p>(Renminbi Seventy One Million)</p>

Notes:

- (1) Pursuant to State-owned Land Use Rights Certificate No. (2007) 120071001184 issued by the People's Government of Kunshan on 12 October 2007, the land use rights of the development with a site area of 20,974 sq m have been vested in 第一上海房地產(昆山)有限公司 ("First Shanghai Properties (Kunshan)"), an indirect partly-owned subsidiary of the Company, for a term of 40 years due to expire on 24 January 2047 for commercial use.
- (2) Pursuant to 85 Real Estate Ownership Certificates Nos. 301108963 to 301109046 and 301109157 dated on 29 December 2009, 37 Real Estate Ownership Certificates Nos. 301145854, 301145856, 301145859 to 301145867, 301145869, 301145876 to 301145880, 301145882 to 301145884, 301145889 to 301145894, 301145919 to 301145921, 301145923 to 301145924, 301145936 to 301145937 and 301145939 to 301145942 dated on 1 June 2011, 5 Real Estate Ownership Certificates Nos. 3034509 to 3034512 and 3074705 dated on 19 June 2019 all issued by relevant bureau in Kunshan, the real estate ownership of Block 1 of the Property with a total gross floor area of 5,113.19 sq m have been vested in First Shanghai Properties (Kunshan).
- (3) Pursuant to 12 Real Estate Ownership Certificates Nos. 3008497, 3008499, 3022245 to 3022254 dated on 4 March 2020 all issued by relevant bureau in Kunshan, the real estate ownership of Block 5 of the Property with a total gross floor area of 3,076.76 sq m have been vested in First Shanghai Properties (Kunshan).
- (4) The Property was inspected by Sean Wang on 25 September 2023.
- (5) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company's PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) First Shanghai Properties (Kunshan) has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
9	Unsold portions of Block Nos. 2 to 10 & 12 to 13, Singapore International Park, No. 89 Xingchuang Fourth Road, Wuxi New District, Wuxi, Jiangsu Province	<p>The Property comprises the unsold portions of 11 office blocks (i.e. Block Nos. 2-3 and 5-9 for Phase 1 and Block Nos. 4 and 10 for Phase 2 and Block Nos. 12-13) of an office development known as ‘Singapore International Park’. Phases 1 and 2 of the development were completed in about 2010 and 2011 respectively.</p> <p>The unsold office portions of the Property have a total gross floor area of 69,891.99 sq m.</p> <p>The land use rights of the Property have been granted for a term due to expire on 27 February 2058 for research and development uses.</p>	<p>As at the valuation date, portions of the Property with a gross floor area of approximately 32,431 sq m were subject to 120 tenancies, with lease term range from 10 months to 5 years, with the last term expiring in August 2027 at a total monthly rental of approximately RMB1,035,968, inclusive of VAT but exclusive of building management fees.</p> <p>The remaining portions of the Property were vacant.</p>	<p>RMB431,000,000</p> <p>(Renminbi Four Hundred And Thirty One Million)</p>

Notes:

- (1) Pursuant to State-owned Land Use Rights Certificate No. (2008) 1071 issued by the People’s Government of Wuxi on 8 December 2008, the land use rights of the property with a site area of 61,506.40 sq m have been vested in 錫江山置業發展有限公司 (“**Wuxi Landshine**”), an indirect partly-owned subsidiary of the Company, for a term due to expire on 27 February 2058 for research and development uses.
- (2) Pursuant to 224 Real Estate Ownership Certificates dated on 22 January 2019, 15 May 2019 and 16 May 2019 issued by the Wuxi Housing Protection and Real Estate Administration Bureau, the real estate ownership of the Property with a total gross floor area of 69,891.99 sq m have been vested in Wuxi Landshine.
- (3) According to a mortgage Agreement (Contract No.: BOCEB-D064 (2019)-0002), 214 units of the Property are subject to a mortgage in favour of 交通銀行股份有限公司無錫分行 (Wuxi Branch of Bank of Communications Co., Ltd.). The maximum amount secured by the mortgage is RMB66,300,000, and the guarantee period is from 12 June 2019 to 12 June 2029.
- (4) The Property was inspected by Alex Liu on 17 October 2023.
- (5) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Wuxi Landshine has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023										
10	Unsold portions of retail, office and serviced apartment of First Shanghai Plaza, No. 19 Gaolang Road, Wuxi New District, Wuxi, Jiangsu Province	<p>The Property comprises a four-storey podium plus the unsold portions of office and apartment within a commercial complex known as ‘First Shanghai Plaza’ which was completed in about 2010.</p> <p>The Property has a total gross floor area of 13,853.71 sq m with details as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>5,648.30</td> </tr> <tr> <td>Office</td> <td>6,117.28</td> </tr> <tr> <td>Serviced Apartment</td> <td><u>2,088.13</u></td> </tr> <tr> <td>Total</td> <td><u>13,853.71</u></td> </tr> </tbody> </table> <p>The land use rights of the Property have been granted for terms of 40 years due to expire on 29 April 2047 for commercial use and 70 years due to expire on 29 April 2077 for residential use.</p>	Use	Gross Floor Area (sq m)	Retail	5,648.30	Office	6,117.28	Serviced Apartment	<u>2,088.13</u>	Total	<u>13,853.71</u>	<p>As at the valuation date, portions of the Property with a gross floor area of approximately 8,570 sq m were subject to 16 tenancies, with lease term range from 2 to 5 years, with the last term expiring in July 2027 at a total monthly rental of approximately RMB234,764, inclusive of VAT but exclusive of building management fees.</p> <p>The remaining portions of the Property were vacant.</p>	<p>RMB120,000,000</p> <p>(Renminbi One Hundred And Twenty Million)</p>
Use	Gross Floor Area (sq m)													
Retail	5,648.30													
Office	6,117.28													
Serviced Apartment	<u>2,088.13</u>													
Total	<u>13,853.71</u>													

Notes:

- (1) Pursuant to State-owned Land Use Rights Certificate No. (2007) 122 issued by the People’s Government of Wuxi on 6 September 2007, the land use rights of portions of the development with a site area of 25,178.30 sq m have been vested in 無錫香山置業發展有限公司 (“Wuxi Sunshine”), an indirect wholly-owned subsidiary of the Company, for terms of 40 years due to expire on 29 April 2047 for commercial use and 70 years due to expire on 29 April 2077 for residential use.
- (2) Pursuant to 67 Building Ownership Certificate, the real estate ownership of the Property with a total gross floor area of 13,853.71 sq m have been vested in Wuxi Sunshine.
- (3) The Property was inspected by Alex Liu on 17 October 2023.
- (4) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Wuxi Sunshine has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
11	Double Tree by Hilton Hotel Wuxi, No. 19 Gaolang Road, Wuxi New District, Wuxi, Jiangsu Province	The Property comprises a 28-storey hotel with 412 guestrooms known as ‘Double Tree by Hilton Hotel Wuxi’ which was completed in about 2010. The Property has a gross floor area of 38,696.42 sq m. The land use rights of the Property have been granted for a term of 40 years due to expire on 29 April 2047 for commercial use.	As at the valuation date, the Property was operated as a hotel.	RMB291,000,000 (Renminbi Two Hundred And Ninety One Million)

Notes:

- (1) Pursuant to State-owned Land Use Rights Certificate No. (2011) 053036 issued by the People’s Government of Wuxi on 27 December 2011, the land use rights of the development with an apportioned site area of 1,382 sq m have been vested in 無錫香山置業發展有限公司 (“**Wuxi Sunshine**”), an indirect wholly-owned subsidiary of the Company, for a term of 40 years due to expire on 29 April 2047 for commercial use.
- (2) Details of the uses of the constituent floors of the property are listed as follows:

Level	Designated Uses
Level 1	Lobby, Café and Lounge
Level 2	Restaurants
Level 3	Business Centres and Ballroom
Level 4	Fitness Centre, Spa, Pool, Massage and Salon
Level 5 to 22	Hotel Room
Level 23 to 25	Executive Lounge

- (3) Pursuant to Building Ownership Certificate No. XQ1000560795 issued by the Wuxi Housing Protection and Real Estate Administration Bureau on 27 December 2011, the building ownership of the property with a gross floor area of 38,696.42 sq m have been vested in Wuxi Sunshine.
- (4) According to the Real Estate (Property) Registration Certificate and a mortgage agreement (Contract No.: BOCHL-D064 (2016)-0206), the Property is subject to a mortgage in favour of Wuxi Branch of Bank of Communications Co., Ltd. The mortgage amount is RMB150,000,000.
- (5) The Property was inspected by Alex Liu on 17 October 2023.

- (6) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company's PRC legal adviser, which contains, *inter alia*, the followings:
- (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Wuxi Sunshine has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
12	The unsold portions of Lots A & B, Huangshan Banshan Haoyuan, Fenghuang Road, Huangshan District, Huangshan, Anhui Province	<p>The Property comprises various residential units of a composite development completed in between 2015 and 2020.</p> <p>The Property comprises 6 unsold residential units with a total gross floor area of 1,339.60 sq m.</p> <p>The land use rights of the Property have been granted for terms due to expire on 6 December 2076 for residential use and 6 December 2046 for commercial use.</p>	As at the valuation date, the Property was vacant.	RMB10,600,000 (Renminbi Ten Million Six Hundred Thousand)

Notes:

- (1) According to State-owned Land Use Rights Certificate No. (2007) 152 issued by the Land Resources Bureau of Huangshan District, Huangshan City, the land use rights of the property with a total site area of 51,981.73 sq m have been vested in 黃山匯中房地產開發有限公司 (“**Huangshan Hui Zhong**”), an indirect wholly-owned subsidiary of the Company, for a term due to expire on 6 December 2046 for commercial use and 6 December 2076 for residential use.
- (2) Pursuant to 6 Real Estate Ownership Certificates Nos. 0001952, 0001954, 0001955, 0001936, 0000649 and 0000662, the real estate ownership of the Property with a total gross floor area 1,339.60 sq m have been vested in Huangshan Hui Zhong.
- (3) The Property was inspected by Alex Liu on 16 October 2023.
- (4) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Huangshan Hui Zhong has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023										
13	The under construction portion of Lot C, Fenghuang Road, Huangshan District, Huangshan, Anhui Province	<p>The Property comprises Lot C of a composite development to be erected on an enlarged parcel of land of 32,564.51 sq m.</p> <p>The Property, currently under construction, is portions of a planned development of residential use. According to the information provided by the Group, the constituent planned gross floor area of these portions of Property is 39,589.37 sq m with details as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>28,556.44</td> </tr> <tr> <td>Retail</td> <td>3,791.15</td> </tr> <tr> <td>Basement carpark</td> <td><u>7,241.78</u></td> </tr> <tr> <td>Total</td> <td><u><u>39,589.37</u></u></td> </tr> </tbody> </table> <p>The land use rights of the Property have been granted for terms due to expire on 17 January 2084 for residential use, and due to expire on 17 January 2054 for commercial and other uses.</p>	Use	Gross Floor Area (sq m)	Residential	28,556.44	Retail	3,791.15	Basement carpark	<u>7,241.78</u>	Total	<u><u>39,589.37</u></u>	As at the valuation date, the Property was under construction and scheduled to be completed in 2023.	RMB132,000,000 (Renminbi One Hundred And Thirty Two Million)
Use	Gross Floor Area (sq m)													
Residential	28,556.44													
Retail	3,791.15													
Basement carpark	<u>7,241.78</u>													
Total	<u><u>39,589.37</u></u>													

Notes:

- (1) According to State-owned Land Use Rights Certificate No. (2019) 0005098 issued by the Huangshan Natural Resources and Planning Bureau, the land use rights with a total site area of 32,564.51 sq m have been vested in 黃山匯中房地產開發有限公司 (“**Huangshan Hui Zhong**”), an indirect wholly-owned subsidiary of the Company, for terms due to expire on 17 January 2084 for residential use, and due to expire on 17 January 2054 for commercial and other uses.

As advised by the Group, the Property comprises portions of the site area as stated in the State-owned Land Use Rights Certificate mentioned above.

- (2) According to the planning construction design plan approved by Huangshan Natural Resources and Planning Bureau dated 26 October 2019, the Property comprises a planned site area of 15,897.5 sq m and the plot ratio gross floor area is 32,778.42 sq m.
- (3) According to Planning Permit for Construction Works No. 341003201900051 issued by the Huangshan Branch of Huangshan Natural Resources and Planning Bureau, the construction works of the property with a permitted gross floor area of 43,408.07 sq m are in compliance with the construction works requirements and have been approved.
- (4) According to Commencement Permit for Construction Works No. 3410031512290101-SX-001, the construction works of the development with a gross floor area of 43,408.07 sq m are in compliance with the requirements for works commencement and have been permitted.
- (5) According to the pre-sale permit No. (2021) 28 dated 8 November 2021, 76 residential units with a total area of 8,162.71 sq m and 10 commercial units with a total area of 658.84 sq m of building 2# of the Property are permitted for sale from 8 November 2021 to 7 January 2023.
- (6) According to the pre-sale permit No. (2022) 04 dated 14 April 2022, 113 residential units with a total area of 12,281.97 sq m, 43 commercial units with a total area of 2,514.01 sq m and 161 basement car parking spaces with a total area of 7,241.78 sq m of building 1#, 3# and basement car parking spaces of the Property are permitted for sale from 14 April 2022 to 13 April 2024.
- (7) According to the pre-sale permit No. (2023) 13 dated 15 September 2023, 75 residential units with a total area of 8,111.76 sq m and 11 commercial units with a total area of 618.3 sq m of building 4# of the Property are permitted for sale from 15 September 2023 to 14 September 2025.
- (8) The development value of the Property as if completed as at 30 September 2023 was RMB216,900,000.
- (9) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB112,489,333. The estimated total construction cost was approximately RMB169,361,344. In the course of our valuation, we have taken into account such costs.
- (10) The Property was inspected by Alex Liu on 16 October 2023.
- (11) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company's PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The ownership of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Huangshan Hui Zhong has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
14	Lot D, Fenghuang Road, Huangshan District, Huangshan, Anhui Province	The Property comprises Lot D of a composite development to be erected on an enlarged parcel of land of 32,564.51 sq m. The Property is a planned development of hotel use. The Property has a total planned above-ground gross floor area of 33,088 sq m. The land use rights of the Property have been granted for terms due to expire on 17 January 2084 for residential use, and due to expire on 17 January 2054 for commercial and other uses.	As at the valuation date, the Property was a vacant site.	RMB21,000,000 (Renminbi Twenty One Million)

Notes:

- (1) According to State-owned Land Use Rights Certificate No. (2019) 0005098 issued by the Huangshan Natural Resources and Planning Bureau, the land use rights with a total site area of 32,564.51 sq m have been vested in 黃山匯中房地產開發有限公司 (“**Huangshan Hui Zhong**”), an indirect wholly-owned subsidiary of the Company, for terms due to expire on 17 January 2084 for residential use, and due to expire on 17 January 2054 for commercial and other uses.

As advised by the Group, the Property comprises portions of the site area as stated in the State-owned Land Use Rights Certificate mentioned above.

- (2) According to Planning Permit for Construction Works No. 341003201900031 issued by the Huangshan Branch of Huangshan Natural Resources and Planning Bureau on 30 July 2019, the construction works of the property with a permitted gross floor area of 68,309 sq m are in compliance with the construction works requirements and have been approved.

As advised by the Group, the Property comprises 33,088 sq m of gross floor area, which included in the portion of the gross floor area stated in the Planning Permit for Construction Works mentioned above.

- (3) According to the planning construction design plan approved by Huangshan Natural Resources and Planning Bureau dated 26 October 2019, the Property comprises a planned site area of 16,667 sq m and the plot ratio gross floor area is 33,080 sq m.

- (4) The development value of the Property as if completed as at 30 September 2023 was RMB203,000,000.

- (5) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB0. The estimated total construction cost was approximately RMB126,000,000. In the course of our valuation, we have taken into account such costs.
- (6) The Property was inspected by Alex Liu on 16 October 2023.
- (7) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company's PRC legal adviser, which contains, *inter alia*, the followings:
- (i) The land use right of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Huangshan Hui Zhong has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
15	The arcade of Lot E, Fenghuang Road, Huangshan District, Huangshan, Anhui Province	<p>The Property, also known as Huangshan First Shanghai Center Stadium, comprises various retail units of a composite development completed in between 2015 and 2020.</p> <p>The Property has a total gross floor area of 5,504.35 sq m.</p> <p>The land use rights of the Property have been granted for terms due to expire on 7 March 2054 for commercial use.</p>	<p>As at the valuation date, portions of the Property with a gross floor area of approximately 3,401 sq m were subject to various tenancies for various terms, with the last term expiring in June 2028 at a total monthly rental of approximately RMB41,149, inclusive of VAT but exclusive of building management fees.</p> <p>The remaining portions of the Property were vacant.</p>	<p>RMB16,000,000</p> <p>(Renminbi Sixteen Million)</p>

Notes:

- (1) According to State-owned Land Use Rights Certificates No. (2014) 344 issued by the Land Resources Bureau of Huangshan District, Huangshan City, the land use rights of the property with a total site area of 10,695.76 sq m have been vested in 黃山匯中房地產開發有限公司 (“**Huangshan Hui Zhong**”), an indirect wholly-owned subsidiary of the Company, for terms due to expire on 7 March 2054 for commercial use.
- (2) According to Planning Permit for Construction Works No. 311003201700010 issued by the Huangshan Branch of Huangshan Natural Resources and Planning Bureau, the construction works of the Property with a permitted gross floor area of 12,915.51 sq m are in compliance with the construction works requirements and have been approved.
- (3) According to Commencement Permit for Construction Works No. 3410031512290101-SX-001, the construction works of the development with a gross floor area of 12,915.51 sq m are in compliance with the requirements for works commencement and have been permitted.
- (4) According to the pre-sale permit No. (2020) 27 dated 4 August 2020, 31 commercial units with a total area of 5,504.35 sq m of the Property are permitted for sale.
- (5) The Property was inspected by Alex Liu on 16 October 2023.
- (6) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The ownership of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Huangshan Hui Zhong has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023
16	15/F, Building B, International Chamber of Commerce Building, Fuhuayi Road, Futian District, Shenzhen	<p>The Property comprises 14 office units on the 15th floor of a 24-storey building in a commercial development known as “International Chamber of Commerce Building”, which was completed in 2003.</p> <p>The Property has a total gross floor area of approximately 1,104.18 square metres.</p> <p>The land use rights of the Property have been granted for a term expiring on 10 July 2050 for office use.</p>	As at the date of valuation, the Property was occupied by the Group.	RMB31,100,000 (Renminbi Thirty One Million One Hundred Thousand)

Notes:

- (1) Pursuant to 14 Real Estate Ownership Certificate Nos. 3000204730, 3000204729, 3000204741, 3000204740, 3000204739, 3000204736, 3000204737, 3000204738, 3000204734, 3000204735, 3000204731, 3000204732, 3000204733, 3000204742), all issued by the Shenzhen Urban Planning and Land Resources Bureau dated 11 September 2003, the ownership of the property with a total gross floor area of 1,104.18 sq m have been vested in Leading Business Limited, an indirect wholly-owned subsidiary of the Company.
- (2) The Property was inspected by Alex Liu on 12 October 2023.
- (3) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company’s PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The real estate ownership certificate of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Leading Business Limited has the rights to freely lease, transfer, mortgage and dispose of the Property.

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value in existing state as at 30 September 2023														
17	Ru Shan Hu, Eastern side of Chang Jiang Water Reservoir, East District, Zhongshan, Guangdong Province	<p>The Property comprises 2 parcels of land, one lot for residential and commercial uses, with a site area of 32,200.6 sq m and another lot for commercial service use with a site area of 72,992.9 sq m.</p> <p>The Property has a planned planned gross floor area of 63,775.00 sq m with details as follows:</p> <table border="1"> <thead> <tr> <th>Use</th> <th>Gross Floor Area (sq m)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td>52,645.00</td> </tr> <tr> <td>Office</td> <td>2,993.00</td> </tr> <tr> <td>Residential</td> <td>4,734.00</td> </tr> <tr> <td>Other</td> <td>357.00</td> </tr> <tr> <td>Carpark</td> <td><u>3,046.00</u></td> </tr> <tr> <td>Total</td> <td><u>63,775.00</u></td> </tr> </tbody> </table> <p>The land use rights of the Property have been granted for terms due to expire on 2 February 2077 for residential and commercial uses, and due to expire on 2 February 2047 for commercial service use.</p>	Use	Gross Floor Area (sq m)	Retail	52,645.00	Office	2,993.00	Residential	4,734.00	Other	357.00	Carpark	<u>3,046.00</u>	Total	<u>63,775.00</u>	As at the date of valuation, the construction of the Property has been suspended.	RMB135,000,000 (Renminbi One Hundred And Thirty Five Million)
Use	Gross Floor Area (sq m)																	
Retail	52,645.00																	
Office	2,993.00																	
Residential	4,734.00																	
Other	357.00																	
Carpark	<u>3,046.00</u>																	
Total	<u>63,775.00</u>																	

Notes:

- (1) Pursuant to State-owned Land Use Rights Certificate No. (2007) 211744 issued by the People’s Government of Zhongshan on 6 November 2007, the land use rights of the development with a site area of 72,992.90 sq m have been vested in 中山聖賢山莊休閒產業有限公司 (“**Zhongshan Sunshine**”) an indirect partly-owned subsidiary of the Company, for term of 40 years due to expire on 2 February 2047 for commercial service use.
- (2) Pursuant to State-owned Land Use Rights Certificate No. (2007) 211745 issued by the People’s Government of Zhongshan on 6 November 2007, the land use rights of the development with a site area of 32,200.60 sq m have been vested in Zhongshan Sunshine for term of 70 years due to expire on 2 February 2077 for commercial and residential uses.

- (3) According to Planning Permit for Construction Works No. 281212016110014 issued by the Zhongshan City Urban Rural Planning Bureau dated 29 November 2016, the construction works of the property with a permitted gross floor area of 63,775 sq m are in compliance with the construction works requirements and have been approved.
- (4) The development value of the Property as if completed as at 30 September 2023 was RMB461,000,000.
- (5) According to the information provided by the Group, the construction cost incurred as at valuation date was approximately RMB32,749,363. The estimated total construction cost was approximately RMB223,000,000. In the course of our valuation, we have taken into account such costs.
- (6) The Property was inspected by Alex Liu on 12 October 2023.
- (7) We have been provided with a legal opinion on the Property dated 20 November 2023 issued by the Company's PRC legal adviser, which contains, *inter alia*, the followings:
 - (i) The land use right of the Property is valid, legal and enforceable under the PRC laws; and
 - (ii) Zhongshan Sunshine has the rights to freely lease, transfer, mortgage and dispose of the Property.

B. Valuation report from Roma Appraisals Limited for the property located in France

Rooms 1101-4, 11/F, Harcourt House,
39 Gloucester Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
[http:// www.romagroup.com](http://www.romagroup.com)

23 November 2023

First Shanghai Investments Limited

Room 1903, 19th Floor,
Wing On House,
71 Des Voeux Road Central,
Hong Kong

Dear Sir/Madam,

Re: Valuation of a golf course with a club house and a hotel located in 1 Chemin des Vanneaux, 95290 L'Isle Adam, Paris, France

In accordance with your instructions for us to value the property held by First Shanghai Investment Limited (the “**Company**”) and/or its subsidiaries (together with the Company referred to as the “**Group**”) in 1 Chemin des Vanneaux, 95290 L'Isle Adam, Paris, France. We confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 30 September 2023 (the “**Date of Valuation**”) for the purpose of incorporation in the composite document of the Company dated 23 November 2023.

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value of the concerned property which we would define as intended to mean “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 wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

We have valued the property by the direct comparison approach assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

We have carried out a land cadastral search at the Office from Département du Val D'Oise. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. We have relied considerably on the advice given by the Company's France legal adviser – Oria, concerning the validity of the property title in the France.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owners sell the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property and particulars of occupation, site / floor areas, ages of buildings and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior and, where possible, the interior of the property. No structural survey has been made in respect of the property. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the site / floor areas of the property under consideration but we have assumed that the site / floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoing of an onerous nature which could affect its value.

Our valuations are prepared in compliance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission, and in accordance with the RICS Valuation – Global Standards published by the Royal Institution of Chartered Surveyors and the International Valuation Standards published by the International Valuation Standards Council.

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers we have been advised by the Group that the potential tax liabilities which would arise on the disposal of the property interests held by the Group in the France are approximately EUR1,676,000. The exact amount of the tax payable upon realization of the relevant properties will be subject to the formal tax advice issued by the relevant tax authorities at the time of the disposal on presenting the relevant transaction documents. Further, as advised by the Company, the likelihood of the potential tax liability being crystallized is remote as the Company has no intention to dispose of the property.

7. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation are in European Dollar (EUR).

Our Valuation Certificate is attached.

8. INDEPENDENT CLAUSE

We are independent from the Company and its subsidiaries (collectively, the “**Group**”) and their respective directors and controlling shareholders and that we do not have any direct or indirect material interest in the securities or assets of the Group, its connected persons, or any associate of the Group.

Yours faithfully,

For and on behalf of

Roma Appraisals Limited

Frank F. Wong

BA (Business Admin in Acct/Econ) MSc (Real Est)

MRICS Registered Valuer MAusIMM ACIPHE

Director, Head of Property and Asset Valuation

Note: Mr. Frank F. Wong is a Chartered Surveyor, Registered Valuer, Member of the Australasian Institute of Mining & Metallurgy and Associate of Chartered Institute of Plumbing and Heating Engineering with over 24 years of valuation, transaction advisory and project consultancy experience of properties in Hong Kong and 16 years of experience in valuation of properties in the PRC as well as relevant experience in the Asia-Pacific region, Australia and Oceania-Papua New Guinea, Thailand, France, Germany, Czech Republic, Austria, Poland, United Kingdom, United States, Abu Dhabi (UAE), Ukraine and Jordan.

VALUATION CERTIFICATE

Property held by the Group for investment purpose in France

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 September 2023
A golf course with a clubhouse and a hotel located at 1 Chemin des Vanneaux, 95290 L'Isle Adam, Paris, France	<p>The property comprises multiple parcels of land with a total site area of approximately 1,752,019 sq m which provides a hotel and an 18-hole golf course erected thereon and completed in 1995's and 2019's.</p> <p>The hotel with a site area of approximately 35,000 sq m with a 2-storey hotel main building is erected thereon. The hotel accommodates 67 rooms with recreational facilities such as meeting rooms, swimming pool, restaurant, bar, spa (Hammam, Jacuzzi & Sauna) and gym room.</p> <p>The hotel part of the property has a total gross floor area ("GFA") of approximately 6,000 sq m</p> <p>The golf part also comprises various ancillary buildings and structures such as a club house, training pad, maintenance and repair area, a barn, etc. with a total GFA of approximately 2,000 sq m completed in about 1994.</p> <p>The land is held under Fee Simple Estate.</p>	The property is operated as a golf course and hotel uses.	EUR28,900,000.

Notes:

- Pursuant to the plan "Plan de Propriété du Golf de l'Isle-Adam" registered by the Département du Val D'Oise in September 2013 and Agreement of Sales and Purchase in July 2023, the registered owner of the property is GOLD S.A.S, an indirect wholly-owned subsidiary of the Company.

2. Pursuant to the Urban Planning Maps of L'Isle-Adam, Mours and Presles, the property is under the territory of 3 municipalities with different zoning and are listed as follows:

No.	Municipality	Zoning	Usage
1	Municipality of L'Isle-Adam	Zone A and N1	Agricultural, Clubhouse and car park area
2	Municipality of Mours	Zone A	Agricultural
3	Municipality of Presles	Zone Ng and N	Natural area

3. The site inspection was performed by Ms. Wai Kwan Lam, Gloria, BSc (Hons) in Surveying, with about 3 years property valuation experience in October 2023.

I. RESPONSIBILITY STATEMENTS

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

II. DISCLOSURE OF INTERESTS AND DEALINGS AS REQUIRED BY THE TAKEOVERS CODE

The Offeror confirms that, as at the Latest Practicable Date:

- (i) save for the 1,140,121,890 Shares (representing approximately 52.04% of the existing issued share capital of the Company) currently owned by the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, neither the Offeror, nor any person acting in concert with the Offeror owned or had control or direction over any voting rights or rights over the Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the Company, or hold any relevant securities in the Company, and save for the 217,671,560 Shares subscribed under the Open Offer by them and the 378,271,425 Shares taken up by the Offeror under the Underwriting Agreement at the price of HK\$0.11 per Share on 16 November 2023, the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, they had not dealt with for value any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (ii) save for the 1,140,121,890 Shares (representing approximately 52.04% of the existing issued share capital of the Company) currently owned by the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, the directors of the Offeror were not interested in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities and save for the 217,671,560 Shares subscribed under the Open Offer by them and the 378,271,425 Shares taken up by the Offeror under the Underwriting Agreement at the price of HK\$0.11 per Share on 16 November 2023, the Offeror and its ultimate beneficial owners, together with parties acting in concert with any of them, had not dealt for value any relevant securities in the Company during the Relevant Period;

- (iii) there was no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the General Offer;
- (iv) neither the Offeror nor any person acting in concert with it had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (v) save for the irrevocable commitment given by Mr. Yeung Wai Kin to the Offeror not to accept the General Offer, neither the Offeror nor any person acting in concert with it had received any irrevocable commitment to accept or reject the General Offer;
- (vi) save for the consideration for the General Offer Shares, there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, its ultimate beneficial owners or any parties acting in concert with any one of them to the parties who will tender their shareholding interests in the Company for acceptance under the General Offer;
- (vii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owners or any parties acting in concert with any of them on the one hand, and the parties who will tender their shareholding interests in the Company for acceptance under the General Offer on the other hand;
- (viii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (a) any Shareholders and (b) the Offeror, its ultimate beneficial owners and any parties acting in concert with any of them;
- (ix) there was no arrangement whereby any Director would be given any benefit as compensation for loss of office or otherwise in connection with the General Offer;
- (x) there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or any parties acting in concert with it and any Directors, recent Directors of the Company, Shareholders or recent Shareholders having any connection with or dependent upon the General Offer;
- (xi) none of the Offeror or parties acting in concert with it had any agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the General Offer; and
- (xii) there was no agreement, arrangement or understanding that the Offer Shares acquired in pursuance of the General Offer would be transferred, charged or pledged to any other persons.

III. MARKET PRICE

The table below shows the closing prices of Shares as quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing Price <i>HK\$</i>
31 January 2023	0.175
28 February 2023	0.165
31 March 2023	0.141
28 April 2023	0.135
31 May 2023	0.125
30 June 2023	0.130
31 July 2023 (also the Last Trading Day)	0.125
31 August 2023	0.104
29 September 2023	0.104
31 October 2023	0.106
20 November 2023 (being the Latest Practicable Date)	0.109

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.184 per Share (on 7 February 2023, 8 February 2023 and 9 February 2023) and HK\$0.100 per Share (on 23 August 2023), respectively.

IV. QUALIFICATION AND CONSENT OF EXPERTS

The following is the qualification of the expert, who has given an opinion or advice contained in this Composite Document.

Name	Qualification
First Shanghai Capital	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, the financial adviser to the Offeror in respect of the General Offer
First Shanghai Securities	a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the offer agent of the Offeror in respect of the General Offer

Each of First Shanghai Capital and First Shanghai Securities has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of its letter and/or references to its name in the form and context in which they respectively appear.

V. GENERAL

- (i) The registered office of the Offeror is located at 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.
- (ii) The directors of the Offeror are Mr. Lau On Kwok and Mr. Lo.
- (iii) The Offeror is wholly owned by New Synergies.
- (iv) The registered address of each of First Shanghai Capital and First Shanghai Securities is 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.
- (v) The registered office of Kinmoss is located at P O Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands and its sole director is Mr. Lo.
- (vi) The registered office of New Synergies is located at Office 08, 20/F, China Shipbuilding Tower, 650 Cheung Sha Wan Road, Kowloon, Hong Kong.
- (vii) The correspondence address of Mr. Yeung Wai Kin is 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.
- (viii) The correspondence address of Mr. Lau On Kwok is 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.
- (ix) The correspondence address of Mr. Lo is 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.

VI. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of (i) the Company (www.firstshanghai.com.hk); and (ii) the SFC (www.sfc.hk) from the date of this Composite Document up to and including the Closing Date or the date on which the General Offer lapse or is withdrawn (whichever is earlier):

- (a) the articles of association of the Offeror;
- (b) the “Letter from First Shanghai Securities Limited”, the text of which is set out on pages 7 to 15 of this Composite Document; and
- (c) the written consents from the experts referred to under the section headed “IV. QUALIFICATION AND CONSENT OF EXPERTS” in this Appendix IV.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than that relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL AND SHARE OPTIONS**(a) Share capital**

As a Hong Kong-incorporated company, the Company does not have an authorised share capital and its shares have no nominal value.

As at the Latest Practicable Date, the Company had 2,190,679,905 Shares in issue. All the Shares in issue are listed on the Stock Exchange and rank *pari passu* in all respects with each other including as to rights to dividends, voting and return of capital.

Save for the 625,908,544 Open Offer Shares issued under the Open Offer, no new Shares have been issued since 31 December 2022, being the date on which the latest audited financial statements of the Group were made up, up to the Latest Practicable Date. As at the Latest Practicable Date, the Company had no outstanding options, warrants, derivative or convertible securities in respect of Shares which were issued by the Company.

(b) Listing

The Shares are listed and traded on the Main Board of the Stock Exchange. No part of the Shares is listed or dealt in, nor in any listing or permission to deal in the Shares being or proposed to be sought, on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) **Interests of the directors and chief executives of the Company in the securities of the Company and the securities of the associated corporations of the Company**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company and their associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code or which were required to be disclosed under the Takeovers Code were as follows:

Name of Director	Nature of interest (Note 1)	Number of Shares or underlying Shares	Approximate percentage of existing issued share capital of the Company
Mr. Lo Yuen Yat	Interest of controlled corporations	957,059,092 (Note 2)	43.68%
	Beneficial owner	161,304,105	7.36%
Mr. Yeung Wai Kin	Beneficial owner	21,758,693	1.00%
Mr. Zhou Xiaohe	Beneficial owner	160,000	0.01%

Notes:

- (1) All interests in Shares were long positions.
- (2) 119,193,530 Shares, 837,512,648 Shares and 352,914 Shares are held by Kinmoss, the Offeror and New Synergies respectively. Kinmoss is a company wholly owned by Mr. Lo. The Offeror is a company 40% indirectly owned by Mr. Lo through New Synergies and New Synergies is a company with 40% equity interests directly owned by Mr. Lo.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company nor their associates had any interest or short positions in the shares, underlying shares or debentures of the Company, its specified undertakings or any of its other associated corporations (within the meaning of Part XV of the SFO) which had 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 and the Hong Kong Companies Ordinance (Cap.622), to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange or which were required to be disclosed under the Takeovers Code.

(b) Interests of substantial shareholders in the securities of the Company

As at the Latest Practicable Date, as far as known to the Directors, the following persons or entities (not being a Director or a chief executive of the Company) (i.e. other than Mr. Lo and his concert parties that are already covered in part (a) above) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Company to update figures after Open Offer and Underwriting

Name	Nature of interest (Note 1)	Number of Shares or underlying Shares	Approximate percentage of existing issued share capital of the Company
Ms. Chan Chiu, Joy ("Ms. Chan") (Note 2)	Personal interests	61,576,000	
	Family interests	12,432,000	
	Other interests	<u>63,640,000</u>	
	Total	<u><u>137,648,000</u></u>	6.28%
Mr. Yin Jian, Alexander ("Mr. Yin") (Note 2)	Personal interests	12,432,000	
	Family interests	61,576,000	
	Other interests	<u>63,640,000</u>	
	Total	<u><u>137,648,000</u></u>	6.28%

Notes:

- (1) All interests in Shares were long positions.
- (2) 63,640,000 Shares are held by The Golden Bridge Settlement, a trust with Ms. Chan and Mr. Yin as beneficiaries.

Save as disclosed in part (a) and part (b) above, as at Latest Practicable Date, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to the provision of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

(c) Interests discloseable under Schedule II to the Takeovers Code

As at the Latest Practicable Date:

- (i) the Company did not hold any relevant securities in the Offeror and no Director was interested in any relevant securities in the Offeror, and the Company and its Directors had not dealt for value in any relevant securities in the Offeror during the Relevant Period;
- (ii) save as disclosed in the paragraph headed “3. Disclosure of Interests” in this Appendix V (including the 46,086,887 and 6,216,769 Shares subscribed under the Open Offer by Mr. Lo and Mr. Yeung Wai Kin), no Director was interested in any relevant securities in the Company and none of them had dealt for value in any relevant securities in the Company otherwise than in the Open Offer during the Relevant Period;
- (iii) no (i) subsidiary of the Company, (ii) pension fund of the Company or any of its subsidiaries, or (iii) person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of associate in the Takeovers Code (but excluding exempt principal traders and exempt fund managers), held, owned or controlled, or had dealt for value in any relevant securities in the Company;

- (iv) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of acting in concert or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of associate under the Takeovers Code and no person who had such an arrangement had dealt for value in any relevant securities in the Company;
- (v) no relevant securities in the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company;
- (vi) Mr. Zhou Xiaohe, being the Director other than Mr. Lo and his concert parties, who held beneficial shareholdings in the Company, intends to reject the General Offer;
- (vii) no relevant securities in the Company were borrowed or lent by any of the Directors or by the Company or by the Offeror or parties acting in concert with it;
- (viii) there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror, its ultimate beneficial owner or any parties acting in concert with any of them on one hand and the Company or any party acting in concert with it on the other hand;
- (ix) there was no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder and the Company, its subsidiaries or associated companies;
- (x) no benefit had been given or will be given to any Director as compensation for loss of office or otherwise in connection with the General Offer;
- (xi) there was no agreement or arrangement between any Director and any other person which is conditional on or dependent upon the outcome of the General Offer or otherwise connected with the General Offer; and
- (xii) save for the Underwriting Agreement in connection with the Open Offer, in which Mr. Lo is interested through the Offeror there was no material contract entered into by the Offeror or parties acting in concert with it in which any Director had a material personal interest.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, except that the existing service contracts for the Directors Mr. Yu Qihao and Mr. Zhou Xiaohe were renewed on 14 April 2023, none of the Directors had entered into service contracts with the Company or any subsidiary or associated company of the Company which (a) (including continuous and fixed term contracts) had been entered into or amended within the Relevant Period; (b) are continuous contracts with a notice period of 12 months or more; (c) are fixed term contracts with more than 12 months to run irrespective of the notice period; or (d) are not determinable by the employer within one year without payment of compensation (other than statutory compensation).

Particulars of the relevant Directors' service contracts are set out as follows:

Name of Director	Position	Counterparty	Date of contract	Term	Remuneration	Notice Period
Mr. Yu Qihao	Independent non-executive Director	The Company	14 April 2023	Two years	HK\$294,000 per annum <i>(Note)</i>	N/A
Mr. Zhou Xiaohe	Independent non-executive Director	The Company	14 April 2023	Two years	HK\$294,000 per annum <i>(Note)</i>	N/A

Note: There is no variable pay. This remuneration remains the same as before the renewal of the contract on 14 April 2023.

5. LITIGATION

As at the Latest Practicable Date, the Group was involved in the following material litigation, claim or contingent liability:

Wuxi Landshine Real Estate Company Limited (“WL”), a non-wholly owned subsidiary of the Company, was involved in litigation. The claimant, Shanghai Chong Ming Construction (Group) Company Limited 上海崇明建設(集團)有限公司 (“**Claimant**”), an independent third party, claimed from WL payment of construction costs in the amount of RMB110 million and interest in the amount of approximately RMB23.7 million and legal fees as damages for an alleged breach of contract of 房屋買賣與工程款抵消協議 (Set off construction costs agreement by sale and purchase of houses agreement) on 4 December 2015. Wuxi Intermediate People's Court ruled in favour of the Claimant on 23 June 2021. In July 2021, WL appealed to the higher court which allowed the appeal and on 8 February 2023 remitted the case to the court of first instance for retrial. The court of first instance ruled in favour of the Claimant on 10 November 2023. As at the Latest Practicable Date, WL has engaged a lawyer for appeal to the Higher People's Court of Jiangsu Province.

As at the Latest Practicable Date, save as disclosed above, no other member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

6. MATERIAL CONTRACT

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or its subsidiaries within the two years immediately preceding the date of the Initial Announcement and up to the Latest Practicable Date and are or may be material:

- (a) the underwriting agreement dated 31 July 2023 between the Company and the Offeror in relation to the Open Offer;
- (b) the placing agreement dated 31 July 2023 between the Company and First Shanghai Securities in respect of the compensatory arrangements in the Open Offer; and
- (c) the offer agent agreement dated 31 July 2023 between the Offeror and First Shanghai Securities.

7. EXPERT QUALIFICATION AND CONSENT

The following are the names and qualifications of the experts engaged by the Company, who have given opinions or advice which is contained in this Composite Document:

Name	Qualifications
Capital 9 Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, appointed by the Company to advise the Independent Board Committee in connection with the General Offer and in particular as to whether the General Offer is, or is not, fair and reasonable and as to acceptance
Colliers International (Hong Kong) Limited	Independent Professional Valuer
Roma Appraisals Limited	Independent Professional Valuer

Each of Capital 9 Limited, Colliers International (Hong Kong) Limited and Roma Appraisals Limited has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion therein of its recommendations, opinions, letter and/or references to its name in the form and context in which they respectively appear.

8. MISCELLANEOUS

- (i) The registered office of the Company is Room 1903, Wing On House, 71 Des Voeux Road Central, Hong Kong.
- (ii) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, which is situated at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (iii) The registered office of each of the Offeror, First Shanghai Capital and First Shanghai Securities is 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong.
- (iv) The English texts of this Composite Document and the Form of Acceptance shall prevail over the Chinese texts.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be for on display (1) on the website of the Company at www.firstshanghai.com.hk; and (2) on the website of the SFC at www.sfc.hk from the date of this Composite Document onwards for so long as the General Offer remains open for acceptance:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for each of the three financial years ended 31 December 2020, 2021 and 2022 and the interim report of the Company for the six months ended 30 June 2023;
- (iii) the “Letter from the Board”, the text of which is set out from pages 16 to 20 of this Composite Document;
- (iv) the “Letter from the Independent Board Committee”, the text of which is set out from pages 21 to 22 of this Composite Document;
- (v) the “Letter from the Independent Financial Adviser”, the text of which is set out from pages 23 to 43 of this Composite Document;

- (vi) the property valuation reports from Colliers International (Hong Kong) Limited and Roma Appraisals Limited, which are set out in Appendix III to this Composite Document;
- (vii) the service contracts referred to in the section headed “4. DIRECTORS’ SERVICE CONTRACTS” in this Appendix V of this Composite Document;
- (viii) the written consents from the experts referred to in the section headed “7. EXPERT QUALIFICATION AND CONSENT” in this Appendix V of this Composite Document; and
- (ix) this Composite Document and the Form of Acceptance.