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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**If you have sold or transferred** all your shares in **Lifestyle International Holdings Limited**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**LIFESTYLE INTERNATIONAL HOLDINGS LIMITED**

**利福國際集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1212)**

**MAJOR TRANSACTION**

**ACQUISITION OF PROPERTY**

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## DEFINITIONS

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

“Acquisition”	the acquisition of the Property by Super Expert;
“Agreement”	an agreement entered into between Super Expert and the Seller in respect of the sale and purchase of the Property on 20 November 2020;
“Announcement”	the announcement of the Company dated 20 November 2020;
“Board”	the board of Directors;
“close associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Company”	Lifestyle International Holdings Limited, a company incorporated in the Cayman Islands whose shares are listed on the Stock Exchange;
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement;
“Consideration”	the sum of GBP250.1 million (equivalent to approximately HK\$2,571.03 million), being the purchase price of the Property;
“Director(s)”	the director(s) of the Company;
“Dynamic Castle”	Dynamic Castle Limited, a company wholly-owned by Mr. Lau;
“East Point Centre”	an approximately 481,000 sq. ft. of retail and office space at the New Wing/Old Wing, East Point Centre, No. 555 Hennessy Road, Causeway Bay, Hong Kong which are being occupied by the Group for the operation of the SOGO department store and head office use;
“GBP”	Pound Sterling, the official currency of the UK; ( <a href="https://www.bankofengland.co.uk/banknotes/uk-notes-and-coins">https://www.bankofengland.co.uk/banknotes/uk-notes-and-coins</a> )
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HMRC”	Her Majesty’s Revenue and Customs is the tax authority of the UK government;

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## DEFINITIONS

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“Independent Third Party”	third party independent of the Company and its connected persons (as defined in the Listing Rules);
“Kai Tak Project”	the Group's retail complex under development situated at the New Kowloon Inland Lot No. 6557, Kai Tak Area 1E Site 2, Kai Tak, Kowloon, Hong Kong. This development, at completion, will provide approximately 1.1 million sq. ft. of retail and office space;
“Latest Practicable Date”	11 December 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information included in this circular;
“Lease”	the lease agreement dated 20 November 2020 pursuant to which the Seller was granted by Super Expert to lease the Property for a term of 24 months commencing from the date of the agreement at the principal rent of GBP11.21 million (equivalent to approximately HK\$115.24 million) per annum (exclusive of VAT) payable quarterly in advance. The Seller has also a one-time option to extend the lease for another six months following expiry of the initial 24 months period;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Lau”	Mr. Lau Luen Hung, Thomas, Chairman and non-executive Director of the Company;
“Property”	the land and building known as 1, 1A and 2 St. James's Square and 2 to 6 Charles II Street, London registered at the Land Registry with freehold absolute title under title number NGL448775;
“Seller”	BP International Limited (formerly known as BP Trading Limited, a company incorporated in England and Wales with limited liability);
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	share(s) of HK\$0.005 each in the share capital of the Company;
“Shareholder(s)”	the registered holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

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## DEFINITIONS

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“Super Expert”	Super Expert Investments Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company;
“UK”	the United Kingdom of Great Britain and Northern Ireland;
“United Goal”	United Goal Resources Limited, a company which is ultimately owned as to 80% by Mr. Lau through his controlled corporations and as to 20% by certain family members of the elder brother of Mr. Lau;
“US\$”	United States dollars, the lawful currency of the United States of America;
“VAT”	Value Added Tax as referred to in the Value Added Tax Act 1994;
“%”	per cent; and
“sq. ft.”	square feet.

*In this circular, figures in GBP are translated to HK\$ at the exchange rate of GBP1.00 = HK\$10.28 for illustration purposes only. No representation is made that any amount in GBP could be converted at such rate or any other rates.*

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## LETTER FROM THE BOARD

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### **LIFESTYLE INTERNATIONAL HOLDINGS LIMITED**

**利福國際集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1212)**

**Executive Directors:**

Mr. Lau Kam Sen  
Ms. Lau Kam Shim

**Non-executive Directors:**

Mr. Lau Luen Hung, Thomas (Chairman)  
Mr. Doo Wai Hoi, William  
Ms. Lau Yuk Wai, Amy

**Independent non-executive Directors:**

Mr. Lam Siu Lun, Simon  
The Hon. Shek Lai Him, Abraham  
Mr. Hui Chiu Chung  
Mr. Ip Yuk Keung

**Registered office:**

Cricket Square  
Hutchins Drive, P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**Head office and Principal Place  
of Business:**

20th Floor, East Point Centre  
555 Hennessy Road  
Causeway Bay  
Hong Kong

18 December 2020

*To the Shareholders*

Dear Sir or Madam,

### **MAJOR ACQUISITION**

### **ACQUISITION OF PROPERTY**

#### **1. INTRODUCTION**

Reference are made to the announcements of the Company dated 29 October 2020 and 20 November 2020 in relation to the acquisition of the Property.

The Acquisition constitutes a major transaction of the Company under the Listing Rules. The purpose of this circular is to provide you with further details of the Acquisition, the valuation report of the Property and the general information of the Group.

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## LETTER FROM THE BOARD

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### 2. DETAILS OF THE ACQUISITION

On 20 November 2020 (after trading hours), Super Expert, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Seller, pursuant to which Super Expert agreed to acquire and the Seller agreed to sell the Property at the consideration of GBP250.1 million (equivalent to approximately HK\$2,571.03 million).

The principal terms of the Agreement are summarized as follows:

**Date:** 20 November 2020

**Parties:** (1) Super Expert, as the purchaser  
(2) the Seller

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller and its ultimate beneficial owner(s) are Independent Third Parties.

**Asset to be acquired:** The Property

The Property has been and is currently being used by the Seller as its headquarters/self-owned office.

**Consideration:** The Consideration is GBP250.1 million (equivalent to approximately HK\$2,571.03 million) and has been fully settled in cash upon Completion.

The Consideration was a result of a two-round bidding process and was reference to, amongst other things, the prevailing property and office rental market conditions in the UK and the market value of comparable properties in the proximity of the Property.

**Completion:** Completion took place on 20 November 2020

**Lease back:** Immediately following Completion, Super Expert and Seller shall enter and has entered into a lease agreement pursuant to which Super Expert agreed to lease the Property to the Seller for a term of 24 months from the date of Completion at the principal rent of GBP11.21 million (equivalent to approximately HK\$115.24 million) per annum (exclusive of VAT) payable quarterly in advance.

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## LETTER FROM THE BOARD

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The Consideration paid by Super Expert has been funded by the Group's internal resources and existing banking facilities. It is expected that part of the purchase consideration will subsequently be refinanced by bank borrowings with the Property as collateral.

### **3. REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the operation of department stores and other retailing format and property development and property investment.

The Property is located in St. James's Square, London, one of the city's most prestigious addresses. The Group believes that the Acquisition represents a rare opportunity for the Group to own a high quality freehold property in a prime area in London that will enable the Group to diversify and enhance its asset portfolio. The Acquisition will also provide long-term investment opportunity to the Group through rental income.

Taking into account of the above, the Directors believe that the terms of the Agreement (including the Consideration) are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

It is the current intention of the Group that the Property will be refurbished after delivery of vacant possession of the Property to Super Expert at the end of the Lease arrangement.

### **4. INFORMATION ON SUPER EXPERT AND THE GROUP**

The Group is principally engaged in the operation of department stores, property development and investment in Hong Kong. The major properties held by the Group include the East Point Centre and the Kai Tak Project.

Super Expert is an investment holding company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of the Company.

### **5. INFORMATION ON SELLER**

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Seller is a company registered in England and Wales and its immediate parent undertaking is BP p.l.c., an integrated energy company whose shares are listed on the London Stock Exchange (Symbol: BP).

### **6. INFORMATION ON THE PROPERTY**

The Property is a commercial building providing approximately 103,655 sq. ft. of Grade A office accommodation. The Property comprises a corner positioned building of masonry construction arranged over nine floors including a lower ground and basement level, providing office accommodation throughout. The Property is located on the east side of St. James's Square at the junction with Charles II Street. Piccadilly Circus Underground



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## LETTER FROM THE BOARD

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Station is in close proximity to the north and London Charing Cross Railway Station is a short distance to the east. It has been and is currently being used as headquarter by the Seller. The Property was valued at GBP250.1 million (equivalent to approximately HK\$2,571.03 million) by Cushman & Wakefield Debenham Tie Leung Limited, an independent valuer, as at 12 November 2020. The valuation report of the Property is shown in Appendix II of this circular.

### **7. FINANCIAL EFFECTS OF THE ACQUISITION**

The financial effects to the Group upon completion of the Acquisition will result in (i) an increase of bank borrowings of GBP315.88 million (equivalent to approximately HK\$3,247.28 million); (ii) an increase in non-current assets of approximately GBP265.79 million (equivalent to approximately HK\$2,732.32 million); and (iii) an increase in VAT receivable of GBP50.09 million (equivalent to approximately HK\$514.96 million). If refinancing of the Property is to take place by way of a drawn down from new bank loan facility, it will not have any further financial effects to the Group except that the Property will be pledged to secure the new bank loan facility. The VAT receivable above comprises mainly the amount of VAT calculated at 20% on the purchase consideration Super Expert had to pay for the fact that the Acquisition did not meet the conditions of a Transfer of a Going Concern as the Property was self-used by the Seller. The amount however will be fully recoverable after the HMRC has granted Super Expert of the registration for VAT and option to tax, application of which has been made to the HMRC on the date of Completion.

The Group expects the annual net rental income from the Property before and after taxation, taking into account estimated loan interest and expected incidental expenses for managing the Property and allowances to maintain it in a condition to command its rent, will be approximately GBP8.70 million (equivalent to approximately HK\$89.47 million) and GBP7.05 million (equivalent to approximately HK\$72.47 million), assuming the Property is fully let for the whole year.

The Property was held for self-used purpose by the Seller which has confirmed that there were no intra-group leases in place between any entities prior to the completion of the Acquisition. As such, there was no identifiable income stream in the books and accounts of the Seller. The Lease arrangement between Super Expert and the Seller is partial of the Acquisition which was agreed after a two-round bidding process and was with a term for a period of 2 years to facilitate the Seller's relocation after its disposal of the Property. Pursuant to the Lease, the Seller has an one-time option to extend the lease for a term of 6 months, by serving to Super Expert written notice of its intention to exercise such option no later than seven months before the expiration of the Lease at the same fixed principal annual rent to be calculated on a pro-rated basis.

Expected direct expenses attributable to the Property and to be borne by the Group will be mainly property management fee of GBP5,500 (equivalent to approximately HK\$56,540) per annum (exclusive of VAT).

As there were no historic data in respect of rental and related incidental costs, the requirements under rule 14.67(6)(b)(i) of the Listing Rules are not applicable.

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## LETTER FROM THE BOARD

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### 8. LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Acquisition exceeds 25% but less than 100%, the Acquisition constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirement under Chapter 14 of the Listing Rules.

No Shareholder has any material interest in the Acquisition. As such, none of the Shareholders would be required to abstain from voting if a general meeting were to be convened by the Company to approve the Acquisition, a written shareholders' approval may be accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. Mr. Lau and companies controlled by him hold in aggregate 1,125,097,792 Shares, representing 74.91% of the total issued share capital of the Company as at the date of the Announcement and the Latest Practicable Date, have given written approval for the Agreement and the Acquisition. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreement and the Acquisition.

<b>Name</b>	<b>Number of Shares held</b>	<b>Approximate percentage of shareholding</b> <i>(Note 1)</i>
Mr. Lau	113,403,292 <i>(Note 2)</i>	7.55%
United Goal	540,000,000 <i>(Note 3)</i>	35.95%
Dynamic Castle	471,694,500 <i>(Note 4)</i>	31.41%

*Notes:*

1. The percentage was calculated based on 1,501,916,000 issued Shares as at the Latest Practicable Date.
2. Mr. Lau held 113,403,292 Shares and is also deemed to be interested in the 1,011,694,500 Shares held by United Goal and Dynamic Castle.
3. United Goal held 540,000,000 Shares. United Goal is ultimately owned as to 80% by Mr. Lau through his controlled corporations and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau. By virtue of the SFO, Mr. Lau is deemed to be interested in the same parcel of shares in which United Goal is interested.
4. Dynamic Castle, which is wholly owned by Mr. Lau, held 471,694,500 Shares. By virtue of the SFO, Mr. Lau is deemed to be interested in the same parcel of shares held by Dynamic Castle.

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## LETTER FROM THE BOARD

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### 9. ADDITIONAL INFORMATION

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

### 10. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully,  
On behalf of the Board  
**Lifestyle International Holdings Limited**  
**Lau Kam Sen**  
*Executive Director*

**1. FINANCIAL INFORMATION OF THE GROUP**

Details of the audited consolidated financial statements of the Group for each of the years ended 31 December 2017, 2018 and 2019 are disclosed in the annual report of the Company and condensed consolidated financial statements for the six months ended 30 June 2020 are disclosed in the interim report of the Company, which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.lifestylehk.com.hk](http://www.lifestylehk.com.hk)):

- (i) pages 79 to 166 of the annual report of the Company for the year ended 31 December 2017 dated 5 March 2018  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0328/ltm201803281226.pdf>);
- (ii) pages 89 to 186 of the annual report of the Company for the year ended 31 December 2018 dated 4 March 2019  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0325/ltm201903255886.pdf>);
- (iii) pages 82 to 170 of the annual report of the Company for the year ended 31 December 2019 dated 9 March 2020  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0326/2020032601068.pdf>);  
and
- (iv) pages 21 to 48 of the interim report of the Company for the six month ended 30 June 2020 dated 4 August 2020  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0828/2020082800583.pdf>).

**2. INDEBTEDNESS**

At the close of business on 31 October 2020, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this circular, the Group in aggregate had outstanding bank borrowings, bonds and lease liabilities amounting to approximately HK\$15,905.44 million which comprised:

	<i>HK\$million</i>
(a) Bank borrowings — secured and guaranteed	8,362.17
(b) Bank borrowings — secured and unguaranteed	472.84
(c) Bonds — unsecured and guaranteed	6,843.24
(d) Lease liabilities	227.19

The Group's secured and guaranteed bank borrowings of approximately HK\$8,362.17 million was secured by (i) certain land and buildings in Hong Kong of the Group, (ii) entire Kai Tak Project, comprising the construction in progress and investment property under development, and (iii) equity shares of certain subsidiaries of the Group. The Group's secured and unguaranteed bank borrowings of approximately HK\$472.84 million was secured by certain of the Group's financial investments. The Group's unsecured and guaranteed bonds of approximately HK\$6,843.24 million (or US\$887 million at maturity), comprise (i) a US\$300 million 5-year bond (bearing interest at 4.875%

per annum and maturing in July 2024), (ii) a US\$287 million 10-year bond (bearing interest at 4.25% per annum and maturing in October 2022) and (iii) a US\$300 million 10-year bond (bearing interest at 4.5% per annum and maturing in June 2025).

Save as aforesaid or as otherwise mentioned herein and apart from intra-group liabilities and normal accounts payable and bills payable in the ordinary course of business, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitment, guarantees or material contingent liabilities at the close of business on 31 October 2020.

### **3. WORKING CAPITAL**

The Directors are of the opinion that, in absence of unforeseeable circumstances, upon the completion of the Acquisition, taking into account the internal resources and the banking facilities presently available to the Group, the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

### **4. MATERIAL ADVERSE CHANGE**

References are made to the profit warning announcement of the Company dated 17 July 2020 in relation to the expected loss recorded for the six months ended 30 June 2020, and the interim results announcement of the Company for the six months ended 30 June 2020 dated 4 August 2020. As disclosed in these announcements, the net loss attributable to owners of the Company was mainly caused by a combination of (i) a 53.5% drop in sales revenue as a result of a significant fall in customer foot traffic at the stores of the Group following the COVID-19 outbreak since late January 2020; (ii) a mark-to-market fair value loss of HK\$460.7 million recorded on the Group's financial investments; and (iii) a fair value loss of HK\$179.7 million recorded on the Group's investment property.

Saved as disclosed above and the further information on the impact of the COVID-19 as described in paragraph 5 below, as at the Latest Practicable Date, the Directors confirm that there has been no other material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up.

### **5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

As disclosed in the Company's interim report dated 4 August 2020, the Group had cash and bank balances of approximately HK\$6,120.75 million, financial assets amounted to approximately HK\$4,774.22 million and un-utilised banking facilities of approximately HK\$9,042.40 million.

The Group currently operates two department stores in Hong Kong, namely the Causeway Bay and Tsim Sha Tsui store. The economy and retailing environment in Hong Kong during the first six months of this year has been extremely challenging as the

COVID-19 pandemic seriously disrupted external trade, consumption, especially tourists' spending, and business activities. As a result, the Group's department store operations saw its revenue in the first six months of 2020 dropped by 55.2% year on year. As at the Latest Practicable Date, the COVID-19 pandemic continues to creating threats to both the public health and economic condition of the entire globe and Hong Kong is no exception. The Group believes that before an effective vaccine can be made available for majority of the world's population, it remains uncertain as to the amount of damage and for how long the pandemic will do to the world's economy, Hong Kong and the Group. For further details, please refer to pages 4 to 12 of the section headed "Management Discussion and Analysis" of the interim report of the Company for the six month ended 30 June 2020 dated 4 August 2020 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0828/2020082800583.pdf>).

The Group believes that the Acquisition will provide a long term investment opportunity for the Group that will generate stable rental income and reasonable returns to the Shareholders in the long run.



18 November 2020

The Board of Directors  
Lifestyle International Holdings Limited (The “**Company**”)  
20th Floor  
East Point Centre  
555 Hennessy Road  
Causeway Bay  
Hong Kong

Dear Sirs

## **VALUATION REPORT**

### **1. INSTRUCTIONS**

#### **1.1 Appointment and Purpose of Valuation**

We are pleased to submit our valuation report, which has been prepared in connection with the acquisition of the Property by the Company and/or its subsidiaries (collectively the “**Group**”), for acquisition purposes. We have been advised that the purchase price from BP International Limited is £250,100,000. We understand the Property will be held for investment purposes.

### **2. BACKGROUND TO THE VALUATION**

#### **2.1. Property**

We have valued the Property interest detailed in the Property Report in Part B and the Tenancy Schedule in Part B.

### **3. BASES OF VALUATION**

We confirm that the valuation and valuation report have been prepared in accordance with the RICS Valuation — Global Standards, which incorporate the International Valuation Standards (“**IVS**”) and the RICS UK Valuation Standards (the “**RICS Red Book**”) by a valuer acting as an External Valuer, as defined within the RICS Red Book. It follows that the valuation is compliant with IVS. We confirm that all valuers who have contributed to the valuation have complied with the requirements of PS1 of the RICS Red Book. We confirm that we have sufficient current knowledge of the relevant markets, and the skills and understanding to undertake the valuation competently. We confirm that John Bareham MRICS has overall responsibility for the valuation and is in a position to provide an objective and unbiased valuation and is competent to undertake the valuation (having been with the firm, and working in this sector, for 30+ years). We have adopted three principal approaches, income capitalisation approach, residual appraisal and direct comparison. The Valuation Date is 12 November 2020.

### **3.1 Bases**

The Property has been valued on the basis of Market Value, subject to any existing leases. Market Value is defined in VPS 4 of the RICS Red Book and applies the conceptual framework which is set out in IVS 104. Under VPS 4, the term “Market Value” means “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”.

### **3.2 Market Value Definition**

We have assessed “Market Value” in accordance with the RICS Red Book.

The RICS Red Book defines Market Value as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

### **3.3 Market Rent Definition**

We have assessed “Market Rent” in accordance with the RICS Red Book.

The RICS Red Book defines Market Rent as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion”.

### **3.4 Estimated Net Annual Rents Receivable**

In the Property Report in Part B, we set out our estimates of the net annual rents currently receivable from the Property. In providing these estimates, we define “net annual rent” as “the current income or income estimated by the valuer:

- (a) ignoring any special receipts or deductions arising from the property;
- (b) excluding Value Added Tax and before taxation (including tax on profits and any allowances for interest on capital or loans); and
- (c) after making deductions for superior rents (but not for amortisation) and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent”.

Where premises are let on effective full repairing and insuring leases, the net annual rents receivable stated in the schedule are the presently contracted rents payable under those leases or agreements to lease without any deduction for the cost of management or any other expenses.



The schedule sets out our opinion of the current Estimated Net Annual Rents, which is on the basis of Market Rent. Where there are outstanding or forthcoming reviews, rental value has been assessed in accordance with the terms of the occupational lease review provisions. Otherwise, rental value has been assessed on the basis of Market Rent, assuming a new lease drawn on terms appropriate to current practice in the relevant market.

#### **4. VALUATION METHODOLOGY**

We have adopted a number of approaches to assess Market Value. These include income capitalisation, residual appraisal and the comparable approach. We have utilised the market approach which is based on comparing the Property to similar assets for which price information is available.

#### **5. ASSUMPTIONS, DEPARTURES AND RESERVATIONS**

We have made no Special Assumptions. We have made no Departures from the RICS Red Book. The valuation is not subject to any reservation.

##### **5.1. Tenure and Tenancies**

We have not inspected title deeds and we have relied on the information supplied and listed at Section 7 of this Report as being correct and complete. In the absence of information to the contrary, we have assumed the absence of unusually onerous restrictions, covenants or other encumbrances and that the property has a good and marketable title. Where supplied with legal documentation, we have considered it but we will not take responsibility for the legal interpretation of it, though we confirm that based on the legal information provided, we are not aware of any unusually onerous restrictions, covenants or other encumbrances which adversely impact our opinion of value.

##### ***Ground/Government Rent***

The Property is held freehold therefore there is no ground/Government rent payable.

##### ***Options or Rights of Pre-emption Concerning or Affecting the Property***

There are no known options or rights of pre-emption concerning or affecting the property.

##### ***Details of Encumbrances***

There are no known material encumbrances concerning or affecting the property.

***Summary of tenancy***

The property will be subject to a lease to BP International Limited (No. 00542515) for a term of two years from completion of the investment transaction, at a rent of £11,210,000 per annum, reflecting £108.14 per sq. ft overall. The occupational lease will be contracted outside of the security of tenure provisions of the Landlord and Tenant Act 1954. The Tenant shall remove all removable equipment and furniture from the Premises at the end of the term and leave the Premises clean and tidy. The Tenant shall maintain the Premises in good and tenantable repair, fair wear and tear excepted, but the Tenant shall not be obliged to replace items of M&E.

**5.2. Structure**

We have relied on the information supplied to us as listed at Section 7 of this Report. Further, no inspection has been made of the woodwork and other parts of the structures which are covered, unexposed or inaccessible. In the absence of information to the contrary, the valuation is on the basis that the property is free from defect. However, the value reflects the apparent general state of repair of the property noted during inspection, but we do not give any warranty as to the condition of the structure, foundations, soil and services. Our report should not be taken or interpreted as giving any opinion or warranty as to the structural condition or state of repair of the property, nor should such an opinion be implied.

**5.3. Planning and Statutory Regulations**

We have not been instructed to make formal searches with local planning authorities and we have relied on the information supplied and listed at Section 7 of this Report. We recommend that your lawyers be instructed to confirm the planning position relating to the property and review our comments on planning in the light of their findings.

### ***Current Planning or Zoning Use***

The Property's current planning use is offices under the B1 Use Class<sup>1</sup>, and whilst not a Listed Building<sup>2</sup>, it is situated in St. James's Conservation Area. The Local Planning Authority is Westminster City Council.

#### **5.4. Covenant**

Our valuation takes into account potential purchasers' likely opinion of the financial strength of tenants. However, we have not undertaken any detailed investigations on the covenant strength of the tenants. Unless informed to the contrary by you or in the information supplied and listed at Section 7 of this Report, we have assumed that there are no significant arrears and that the tenants are able to meet their obligations under their leases or agreements.

#### **5.5. Floor Areas**

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

#### **5.6. Other**

Our valuation takes into account the information supplied and listed at Section 7 of this Report. Subject to this information providing otherwise, we have made the following additional assumptions:

- (i) the properties and any existing buildings are free from any defect whatsoever;

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1. B1 Use Class definition: B1 Use Class — is a classification under The Town and Country Planning (Use Classes) Order 1987 which is a use for all or any of the following purposes:

- a. as an office other than a use within class A2 (financial and professional services),
- b. for research and development of products or processes, or
- c. for any industrial process.

This has now been simplified to form part of the new Class E, whereby Use Classes A1/2/3 & B1 are now be treated as Class E 'Commercial, Business and Service'.

2. Listed Building definition: A building is listed when it is of special architectural or historic interest considered to be of national importance and therefore worth protecting. This means that there will be extra control over what changes can be made to a building's interior and exterior. Owners will need to apply for Listed Building Consent for most types of work that affect the 'special architectural or historic interest' of their property through the local planning authority.

- (ii) all buildings have been constructed having appropriate regard to existing ground conditions or that these would have no unusual effect on building costs, property values or viability of any development or existing buildings;
- (iii) all the building services (such as lifts, electrical, gas, plumbing, heating, drainage and air conditioning installations and security systems) and property services (such as incoming mains, waste, drains, utility supplies, etc) are in good working order without any defect whatsoever;
- (iv) there are no environmental matters (including but not limited to actual or potential land, air or water contamination, or by asbestos or any other harmful or hazardous substance) that would affect the property, any development or any existing buildings on the property or any adjoining property, and we shall not be responsible for any investigations into the existence of the same and you are responsible for making such investigations;
- (v) any building, the building services and the property services comply with all applicable current regulations (including fire and health and safety regulations);
- (vi) the properties and any existing buildings on the property comply with all planning and building regulations, have the benefit of appropriate planning consents or other statutory authorisation for the current use and no adverse planning conditions or restrictions apply (which includes, but is not limited to, threat of or actual compulsory purchase order);
- (vii) any occupational leases are on full repairing and insuring terms, with no unusually onerous provisions or covenants that would affect value;
- (viii) in respect of any lease renewals or rent reviews, all notices have been served validly within any time limits;
- (ix) any valuation figures provided will be exclusive of VAT whether or not the building has been elected.

## **6. INSPECTION**

We undertook a full inspection of the Property on 04 November 2020. We were able to gain access to all areas relevant for the purpose of our valuation. The Property was inspected by Aman Panesar MRICS.

**7. SOURCES OF INFORMATION**

In addition to information established by us, we have relied on the information obtained from the persons below:

<b>Information</b>	<b>Source</b>
1. Floor areas	Plowman Craven
2. Copy draft certificate of title	Mayer Brown International LLP
3. Proposed lease terms	Mayer Brown International LLP Dataroom
4. Details of recent, current or proposed marketing of the Property and offers received	JLL and Allsop

Cushman & Wakefield Debenham Tie Leung Limited accepts responsibility for the information contained in the Valuation Report (other than information contained in the Valuation Report which is stated to have been obtained from a third party as set out in the table above). To the best of the knowledge of Cushman & Wakefield Debenham Tie Leung Limited (having taken all reasonable care to ensure that such is the case) the information contained in this Valuation Report is in accordance with the facts and (in the reasonable opinion of Cushman & Wakefield Debenham Tie Leung Limited) does not omit anything likely to affect the input of such information.

**8. GENERAL COMMENT**

Our opinion of value is based on an analysis of recent market transactions, supported by market knowledge derived from our agency experience. Our valuation is supported by this market evidence.

Where there are outstanding or forthcoming reviews, rental value has been assessed in accordance with the terms of the occupational lease review provisions. Otherwise, rental value has been assessed on the basis of Market Rent, assuming a new lease drawn on terms appropriate to current practice in the relevant market.

All valuations are professional opinions on a stated basis, coupled with any appropriate assumptions or special assumptions. A valuation is not a fact, it is an estimate. The degree of subjectivity involved will inevitably vary from case to case, as will the degree of certainty, or probability, that the valuer's opinion of market value would exactly coincide with the price achieved were there an actual sale at the valuation date.

The purpose of the valuation does not alter the approach to the valuation.

Property values can change substantially, even over short periods of time, and so our opinion of value could differ significantly if the date of valuation was to change. If you wish to rely on our valuation as being valid on any other date you should consult us first.

Should a sale be contemplated, we strongly recommend that the property is given proper exposure to the market.

We recommend that you keep the valuation of this property under frequent review.

You should not rely on this report unless any reference to tenure, tenancies and legal title has been verified as correct by your legal advisers.

## **9. VALUATION**

### **9.1. Market Value**

Our opinion of the Market Value of the freehold interest in the Property detailed in Part B as at 12 November 2020 was:

**£250,100,000**

*(Two Hundred and Fifty Million, One Hundred Thousand Pounds)*

## **10. FCA COMPLIANCE**

For the purposes of Prospectus Rule 5.5.3(R) (2)(f), we are responsible for this valuation report and we will accept responsibility for the information contained in this valuation report and confirm that to the best of our knowledge (having taken all reasonable care to ensure that such is the case), the information contained in this valuation report is in accordance with the facts and contains no omissions likely to affect its import. This valuation report complies with Rule 5.6.5G of the Prospectus Rules and paragraphs 128 to 130 of CESR's recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses no. 809/2004.

We also confirm that for the purposes of the Listing Rules issued by the Financial Conduct Authority, neither the signatories to this report or Cushman & Wakefield Debenham Tie Leung Limited has an interest (material or otherwise) in the entity.

## **11. CONFIDENTIALITY**

To the fullest extent permitted by the law (including any mandatory responsibility arising from the listing rules of any stock exchange) we do not assume any responsibility to and we hereby exclude all liability arising from use of and/or reliance on this report by any person or persons for the purposes of determining whether or not to take up their entitlement to new ordinary shares in the Company other than those parties to whom this report is addressed and to whom we have issued a reliance letter.

**12. DISCLOSURE AND PUBLICATION**

You must not disclose the contents of this valuation report to a third party in any way without first obtaining our written approval to the form and context of the proposed disclosure, other than required by the law. You must obtain our consent, even if we are not referred to by name or our valuation report is to be combined with others. We will not approve any disclosure that does not refer sufficiently to any Special Assumptions or Departures that we have made.

The liability of Cushman & Wakefield Debenham Tie Leung Limited and its directors and employees is limited to the addressee of this report only. No accountability, obligation or liability to any third parties is accepted.

The Company agrees to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including reasonable attorneys' fees, to which we may become subjects in connection with this engagement. The Company's obligation for indemnification and reimbursement shall extend to any controlling person of Cushman & Wakefield Debenham Tie Leung Limited, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless of legal theory advanced, such liability will be limited to the lesser of 25% of Market Value or £25 million.

You must not modify, alter (including altering the context in which the report is displayed) or reproduce the contents of this valuation report (or any part) without first obtaining our written approval. Any person who contravenes this provision shall be responsible for all of the consequences of the same, including indemnifying Cushman & Wakefield Debenham Tie Leung Limited against all consequences of the contravention. Cushman & Wakefield Debenham Tie Leung Limited accepts no liability for any use of the Report that is in contravention of this section.

Yours faithfully

**John Bareham MRICS**

*International Partner*

*RICS Registered Valuer*

For and on behalf of  
Cushman & Wakefield Debenham Tie Leung Limited  
43–45 Portman Square  
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## PART B SCHEDULE

## PROPERTY REPORT

## Property held as an Investment

Property/Tenure	Description	Terms of Existing Tenancies	Net Annual Rents Receivable	Estimated Net Annual Rents	Market Value
Land and buildings known as 1, 1A and 2 St. James's Square and 2 to 6 Charles II Street London (" <b>1 St. James's Square, London SW1</b> ")	The building, constructed in 1998, comprises 103,655 sq. ft of Grade A office accommodation.	The property will be subject to a lease to BP International Limited (No. 00542515) for a term of two years from completion of the investment transaction,	£11,210,000 per annum	£11,210,000 per annum	£250,100,000
Freehold	The property comprises a corner positioned building of masonry construction arranged over nine floors including a lower ground and basement level, providing office accommodation throughout.	at a rent of £11,210,000 per annum, reflecting £108.14 per sq. ft overall.			
Title Number: NGL448775					
The registered owner is BP International Limited					
	The property is located on the east side of St. James's Square at the junction with Charles II Street. Piccadilly Circus Underground Station is in close proximity to the north and London Charing Cross Railway Station is a short distance to the east.				



**TENANCY REPORT**

Unit/Floor (Use)	Floor Area		Tenant	Start	Expiry	Term	Break (L/T/M)	Next Review	Net Rents	Estimated Net
	Sq. ft	Sq m							Receiveable	Annual Rent
									(£ per annum)	(£ per month)
									(£ per month)	
									(£ per sq. ft)	(£ per sq. ft)
Entire (Office)	103,655	9,629.7	BP International Limited	On completion	—	2 years	None	None	£11,210,000 pa (£934,166 pm) (£108.14 psf)	£11,210,000 pa (£934,166 pm) (£108.14 psf)

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

### Interests and short positions of Directors in Shares, underlying Shares or debentures of the Company and its associated corporations

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

#### (i) Directors’ interests in the long positions in the shares of the Company

Name of director	Nature of interest	Number of Shares held	Percentage of issued Shares
Mr. Lau	Beneficial owner	113,403,292	7.55%
	Interest of controlled corporations (Note 1)	1,011,694,500	67.36%
	Trustee (Note 2)	951,000	0.06%
Mr. Lau Kam Sen	Beneficiary of a trust (Note 2)	951,000	0.06%
Ms. Lau Kam Shim	Beneficiary of a trust (Note 2)	951,000	0.06%
Ms. Lau Yuk Wai, Amy	Beneficiary of a trust and Trustee (Note 2)	951,000	0.06%

Notes:

1. The 1,011,694,500 shares comprise:
  - (a) 540,000,000 shares held by United Goal. United Goal is ultimately owned as to 80% by Mr. Lau through his controlled corporations and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau. By virtue of the SFO, Mr. Lau is deemed to be interested in the same parcel of shares in which United Goal is interested.
  - (b) 471,694,500 shares held by Dynamic Castle, which is wholly owned by Mr. Lau. By virtue of the SFO, Mr. Lau is deemed to be interested in the same parcel of shares held by Dynamic Castle.
2. These shares are held by a trust for an estate in which certain family members of Mr. Lau have interest. Mr. Lau and Ms. Lau Yuk Wai, Amy are the trustees of the trust and each of Mr. Lau Kam Sen, Ms. Lau Kam Shim and Ms. Lau Yuk Wai, Amy is a beneficiary under the trust, and therefore each of them is deemed to be interested in such shares by virtue of the SFO.

**(ii) Directors' interests in debentures of associated companies of the Group**

- (1) *LS Finance (2022) Limited — 4.25% guaranteed bonds due 2022 (“2022 Guaranteed Bonds”)*

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Amount of 2022 Guaranteed Bonds held (US\$)</b>
Mr. Doo Wai Hoi, William	Interest of controlled corporation ( <i>Note</i> )	10,000,000

*Note:* These debentures are held by a company which is wholly owned by Mr. Doo Wai Hoi, William. By virtue of the SFO, Mr. Doo Wai Hoi, William is deemed to be interested in the same parcel of debentures in which such company is interested.

(2) *LS Finance (2017) Limited — 4.875% guaranteed bonds due 2024 (“2024 Guaranteed Bonds”)*

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Amount of 2024 Guaranteed Bonds held (US\$)</b>
Mr. Lau Kam Sen	Interest of controlled corporation ( <i>Note 1</i> )	10,000,000
Ms. Lau Kam Shim	Interest of controlled corporation ( <i>Note 2</i> )	10,000,000
Mr. Doo Wai Hoi, William	Interest of controlled corporation ( <i>Note 3</i> )	10,000,000

*Notes:*

1. These debentures are held by Magic Achieve Limited (“Magic Achieve”), which is wholly owned by Mr. Lau Kam Sen. By virtue of the SFO, Mr. Lau Kam Sen is deemed to be interested in the same parcel of debentures in which Magic Achieve is interested.
2. These debentures are held by Dynasty Sky Limited (“Dynasty Sky”), which is wholly owned by Ms. Lau Kam Shim. By virtue of the SFO, Ms. Lau Kam Shim is deemed to be interested in the same parcel of debentures in which Dynasty Sky is interested.
3. These debentures are held by a company which is wholly owned by Mr. Doo Wai Hoi, William. By virtue of the SFO, Mr. Doo Wai Hoi, William is deemed to be interested in the same parcel of debentures in which such company is interested.

(3) *LS Finance (2025) Limited — 4.50% guaranteed bonds due 2025 (“2025 Guaranteed Bonds”)*

<b>Name of Director</b>	<b>Nature of interest</b>	<b>Amount of 2025 Guaranteed Bonds held (US\$)</b>
Mr. Lau	Beneficial owner	4,000,000
Mr. Lau Kam Sen	Interest of controlled corporation ( <i>Note 1</i> )	15,000,000
Ms. Lau Kam Shim	Interest of controlled corporation ( <i>Note 2</i> )	10,000,000

*Notes:*

1. These debentures are held by Magic Achieve, which is wholly owned by Mr. Lau Kam Sen. By virtue of the SFO, Mr. Lau Kam Sen is deemed to be interested in the same parcel of debentures in which Magic Achieve is interested.
2. These debentures are held by Dynasty Sky, which is wholly owned by Ms. Lau Kam Shim. By virtue of the SFO, Ms. Lau Kam Shim is deemed to be interested in the same parcel of debentures in which Dynasty Sky is interested.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### Interests and short positions of the substantial shareholders' interests in Shares and underlying Shares

As at the Latest Practicable Date, so far as the Directors were aware, the following persons/entities (not being the Directors or chief executives of the Company) had, or were deemed to have interests or short positions in the Shares or the underlying Shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register of the Company required to be kept under Section 336 of the SFO:

<b>Name</b>	<b>Nature of interest</b>	<b>Number of Shares held</b>	<b>Percentage of issued Shares</b>
United Goal	Beneficial owner ( <i>Note 3</i> )	540,000,000	35.95%
Asia Prime Assets Limited (" <b>Asia Prime</b> ")	Interest of controlled corporation ( <i>Notes 1 and 3</i> )	540,000,000	35.95%
Sand Cove Holdings Limited (" <b>Sand Cove</b> ")	Interest of controlled corporation ( <i>Notes 2 and 3</i> )	540,000,000	35.95%
Dynamic Castle	Beneficial owner ( <i>Note 3</i> )	471,694,500	31.41%

Notes:

1. Asia Prime, a company indirectly controlled by Mr. Lau, holds 80% of the entire issued share capital of United Goal. By virtue of the SFO, Asia Prime is deemed to be interested in the same parcel of shares comprising 540,000,000 shares in which United Goal is interested as beneficial owner.
2. Sand Cove, which is wholly owned and directly controlled by Mr. Lau, is entitled to exercise or control the exercise of 100% voting power at general meetings of Asia Prime. By virtue of SFO, Sand Cove is deemed to be interested in the same parcel of shares in which Asia Prime is deemed to be interested as set out in Note 1 above.
3. Mr. Lau, Mr. Lau Kam Sen and Ms. Lau Kam Shim are directors of United Goal and Sand Cove. Mr. Lau is also the sole director of Asia Prime and Dynamic Castle.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified of any other relevant interests or short positions in the issued share capital 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.

As at the Latest Practicable Date,

- (a) None of the Directors had any material direct or indirect interest in any assets which have been, since 31 December 2019 (being the date to which the latest published audited accounts of the Group were made up), acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to by any member of the Group; and
- (b) None of the Directors was materially interested in any contract or arrangement subsisting which was significant in relation to the business of the Group.

### **3. SERVICE CONTRACTS**

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

### **4. COMPETING INTEREST**

Save as disclosed below, as at the Latest Practicable Date, none of the Directors nor their respective close associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with any business of the Group.

As at the Latest Practicable Date, the following Directors (including their respective close associates) were considered to have interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group pursuant to the Listing Rules, particulars of which are set out below:

<b>Name of Director</b>	<b>Name of the entity</b>	<b>Description of businesses</b>	<b>Nature of interest of the director in the entity</b>
Mr. Doo Wai Hoi, William	New World Development Company Limited group of companies	Property development and investment and department store operations	Director
	Ace Action Ltd. group of companies	Property investment	Director and shareholder
	Amelia Gold Limited group of companies	Property investment	Director and shareholder
	Fortune Success Limited group of companies	Property investment	Director and shareholder
	Fung Seng Enterprises Investment Company Limited group of companies	Property investment	Director and shareholder
	Fung Seng Enterprises Limited group of companies	Property investment and management	Director and shareholder
	Golden Wealth Investment Limited group of companies	Property investment and development	Director and shareholder
	Oriental Triumph Inc. group of companies	Property and hotel investment	Director and shareholder
	Silver City International Limited group of companies	Property investment and food and beverage operations	Director and shareholder
	Sunshine Dragon Group Limited group of companies	Property investment	Director and shareholder
Ms. Lau Yuk Wai, Amy	Chinese Estates Holdings Limited	Property investment and development	Director



**5. LITIGATION**

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

**6. QUALIFICATION AND CONSENT OF EXPERT**

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Cushman & Wakefield	Independent professional valuer

As at the Latest Practicable Date, the expert

- (a) was not interested beneficially in the shares in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and
- (b) did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2019 (being the date up to which the latest published audited consolidated financial statements of the Company were made up).

As at the date of this circular, the above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its report and reference to its name included herein in the form and context in which it appears.

**7. MATERIAL CONTRACTS**

The following contracts (not being contracts in the ordinary course of business of the Group) have been entered into by members of the Group within two years immediately preceding the date of this circular which are or may be material:

- (a) the conditional investment agreement dated 13 August 2020 entered into among CEG Holdings (BVI) Limited (as vendor), China Evergrande Group, Mangrove 3, Ltd. and Treasure Pitcher Limited (as purchaser, a subsidiary of the Company) in respect of the acquisition of 59,704 ordinary shares of US\$0.0001 in the share capital of Mangrove 3, Ltd. at a consideration of HK\$500,000,000 and its side letter dated 28 September 2020. Further details of the conditional investment agreement are set out in the announcement of the Company dated 14 August 2020; and
- (b) the Agreement.

**8. GENERAL**

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of the business of the Company in Hong Kong is at 20th Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong.
- (c) The Company Secretary is Mr. Poon Fuk Chuen. He is a member of the Hong Kong Institute of Certified Public Accountants.
- (d) The share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (e) The English text of this circular shall prevail over its Chinese text in the case of inconsistency.

**9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection from 9:30 a.m. to 5:00 p.m., Monday to Friday (except public holidays) at the head office and principal place of business of the Company in Hong Kong for a period of 14 days from the date of this circular:

- (i) the memorandum and articles of association of the Company;
- (ii) the material contracts referred to in the paragraph headed "Material Contracts" to this Appendix;
- (iii) the annual reports of the Company for the two financial years ended 31 December 2018 and 31 December 2019;
- (iv) the interim report of the Company for the six months ended 30 June 2020;
- (v) the valuation report set out in Appendix II;
- (vi) the written consents referred to in the paragraph headed "Qualification and Consent of Expert"; and
- (vii) this circular.