

29 April 2024

Dear Sir or Madam,

Re: VALUATION OF SHIGUANG YAYUAN TAGANG VILLAGE AND GONGAN VILLAGE (時光雅苑), YONGNING STREET, ZENGCHENG DISTRICT, GUANGZHOU, GUANGDONG PROVINCE IN THE PEOPLE'S REPUBLIC OF CHINA (the "Property")

INSTRUCTIONS

We refer to your instructions for us to assess the Market Value of the Property in which Redsun Properties Group Limited (the "**Company**") and its subsidiaries (hereafter together referred to as the "**Group**") have interests in the People's Republic of China (the "**PRC**"), we confirm that we have carried out inspections, made relevant enquires and searches 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 31 July 2023 (the "**Valuation Date**"), for the purpose of incorporating in the public document.

BASIS OF VALUATIONS

Our valuations are provided on the basis of Market Value, which we would define 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".

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.

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

These valuations have been carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Global Valuation Professional Standards, incorporating the International Valuation Standards of the International Valuation Standards Council (IVSC), and the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

QUALIFICATIONS OF THE VALUER

These valuations have been prepared by Kin Ming Woo (James Woo) (RICS Registration No.: 0837243) and Stella Ho (RICS Registration No.: 1178305), James is a Fellow member of the Royal Institution of Chartered Surveyors. James is co-head of China Valuation and Advisory Services team at Colliers. He is suitably qualified to carry out the valuation and has over 25 years' experience in the valuation of properties of this magnitude and nature in China.

Stella Ho is a Member of the Royal Institution of Chartered Surveyors, a Member of the Hong Kong Institute of Surveyors (Membership No. 3626) and a Registered Professional Surveyor (General Practice) under the Surveyors Registration Ordinance (Cap. 417) in Hong Kong Special Administrative Region. She is suitably qualified to carry out the valuation and has over 20 years of experience in valuing properties of this magnitude and nature in Hong Kong, China, and other Asia Pacific countries.

Neither the valuer nor Colliers are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the property interests.

VALUATION APPROACHES

In the valuation of the property which were under construction as at the Valuation Date, we have adopted market approach to assess the gross development values of the proposed developments by making reference to comparable sale transactions as available in the relevant markets. The gross development values are then adjusted with considerations of the outstanding development costs, the outstanding development periods and the potential profit margins to arrive at our opinion of values of the property interests.

SOURCES OF INFORMATION

Although we have made independent enquires as much as possible, we have relied to a very considerable extent on the information provided by the Group and its legal advisor in respect of the titles of the property interests in the PRC. We also have accepted such information given to us as being true and correct for valuation purposes. This has included such matters as ownership title, site and floor areas, statutory notices, easements, tenure, the identification of the property interests and all other relevant matters.

We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and 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 and have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation.

TITLE DOCUMENTS

We have been provided with copies or extracts of some title documents relating to the Property and have made relevant enquires where possible. Due to the nature of the land registration system in the PRC, however, we have not examined the original documents to verify the existing titles to the property interests in the PRC or any material encumbrances that might be attached to the property interests or any lease amendments. We have made assumptions that the full and proper ownership title of the Property has been obtained and all payable land premium or land-use rights fees have been fully settled.

We have relied on the advice given by the Company's legal adviser, Commerce & Finance Law Office (通商律師事務所), regarding the titles of the property interests in the PRC. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation particulars are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the property interests set out in this letter and the valuation particulars.

ASSUMPTIONS AND CAVEATS

Our valuations have been made on the assumption that the owners can sell the property interests on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of the property interests.

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

We have conducted the valuation assuming:

- the information about the Property provided true and correct;
- the Property is free from contamination and environmental problems or hazards;
- the full and proper ownership title of the Property have been obtained, and all payable land premium or land-use rights fees have been fully settled;

- the Property can be freely transferred, mortgaged, sublet or otherwise disposed of in the market; and
- In valuing the Property held by the Company under development in the PRC, we have valued on the basis that it will be developed and completed in accordance with the latest development proposal provided to us. We have further assumed that all consents, approvals, and licenses from relevant government authorities for such development proposals have been or will be obtained without onerous conditions or delays.

SITE MEASUREMENT

We have not carried out on-site measurements to verify the correctness of the site areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are true and correct in all respects. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

SITE INSPECTION

We have inspected the Property exterior and, where possible, the interior of the Property upon the instruction received. No structural surveys or environmental assessments have been made, but in the course of our inspections, we did not note any serious defects. 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. We have assumed such are in good order for the purpose of valuation.

Please be advised we have not carried out investigations to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation has been prepared on the assumption that these aspects are satisfactory.

Site inspections of the Property were carried out *by James Woo, Wilson Huang and Tsui Yik from 8 May 2023 to 9 May 2023 and 25 Aug 2023.*

CURRENCY

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

We hereby certify that we have neither present nor a prospective interest in the Property or the value reported.

Our summary of values and valuation summary reports are attached hereto.

Yours faithfully,

For and on behalf of

Colliers Appraisal and Advisory Services Co., Ltd. (“Colliers”)

Kin Ming Woo James

FRICS AICFC

Executive Director

Valuation and Advisory Services I China

Note: Mr. James Woo is a Registered Valuer with over 25 years’ experience in real estate industry and assets valuation sector. His experience on valuation covers Mainland China. Mr. Woo is a fellow member of the Royal Institution of Chartered Surveyors.

Contributing Valuer:

Stella Ho

BSSc (Hons) MSc MRICS MHKIS RPS(GP)

Executive Director

Valuation and Advisory Services I Hong Kong

Note: Ms. Stella Ho, MRICS MHKIS RPS(GP) is a qualified general practice surveyor and with over 20 years’ experience in valuation of properties in Hong Kong, China and other Asia Pacific countries.

VALUATION SUMMARY

PROPERTY	DESCRIPTION AND TENURE	PARTICULARS OF OCCUPANCY	MARKET VALUE IN EXISTING STATE AS AT 31 JULY 2023
Shiguang Yayuan (時光雅苑) Tagang Village and Gongan Village, Yongning Street, Zengcheng District, Guangzhou, Guangdong Province, PRC	<p>Shiguang Yayuan is a developing residential development which comprises a piece of land of irregular-shaped with a total site area of 53,392.15 sq. m. According to the development plan, it will be developed into residential, commercial, and underground car park.</p> <p>As advised, the Property comprises the construction in progress (“CIP”), and 1,823 basement carparking spaces of the Development. Detailed GFA of the construction in progress is listed below:</p>	<p>At the date of our inspection, the Development was under construction. As advised, the construction was commenced in Q4 2020 and scheduled to be completed in 2024.</p>	<p>RMB1,869,000,000 (RENMINBI ONE BILLION EIGHT HUNDRED AND SIXTY-NINE MILLION)</p> <p>(34% Interest attributable to the Group: RMB635,460,000 (RENMINBI SIX HUNDRED AND THIRTY-FIVE MILLION FOUR HUNDRED AND SIXTY THOUSAND))</p>

Portion	Level	GFA (sq.m.)
Residential (Pre-sold)	17–32	26,084.69
Residential	27–33	135,408.03
Commercial	B1–1	<u>465.00</u>
Total		<u>161,957.72</u>

Pursuant to the Realty Title Certificate provided, the land-use rights of the Property have been granted for a period of years starting from 23 September 2020: 70 years for residential use, 40 years for commercial use, and 50 years for the other uses.

Notes:

- i) Pursuant to the following State-owned Land-use Rights Grant Contract with its supplementary agreement dated on 9 October 2020, the land-use rights of the Property have been granted to Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州環潤房地產開發有限公司). Details are listed below:

No.	Certificate No.	Date	Usage	GFA
1	440183-2020-000045	23 September 2020	Class II residential land (R2) (compatible with commercial)	53,392.15
Total:				<u>53,392.15</u>

- ii) Pursuant to the following Realty Title Certificate, the land-use rights of the Property have been granted to Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州環潤房地產開發有限公司). Details are listed below:

No.	Certificate No.	Date	Usage	GFA
1	Yue (2021) Guangzhou Shi Bu Dong Chan Quan Di No.10047697	8 May 2021	Residential (compatible with commercial)	53,392.15
Total:				<u>53,392.15</u>

- iii) Pursuant to the following Construction Land Planning Permit, the planning of the construction land of the Property has been approved to Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州環潤房地產開發有限公司). Details are listed below:

No.	Certificate No.	Date	Usage	GFA
1	Di Zi Di No.440118202000359	19 October 2020	Class II residential land (R2)	53,392.15
Total:				<u>53,392.15</u>

- iv) Pursuant to the following Construction Work Planning Permits, the planning of the construction work of the Property has been approved to Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州環潤房地產開發有限公司). Details are listed below:

No.	Certificate No.	Project Name	Date	GFA
1	Jian Zi Di No.440118202006434	Block A1 (Ancillary facilities)	10 December 2020	2,271.75
2	Jian Zi Di No.440118202006435	Block K1 (kindergarten)	10 December 2020	2,960.00
3	Jian Zi Di No.440118202107488	Block 12	25 January 2021	6,646.82
4	Jian Zi Di No.440118202107489	Block 13	25 January 2021	6,645.00
5	Jian Zi Di No.440118202107491	Block 1, A0-1, A0-2, A4, 1-1, 1-2 and 1-3	25 January 2021	29,256.51
6	Jian Zi Di No.440118202107490	Block 2, 2-1, 2-2, A0, A2 and A3	25 January 2021	17,045.20

No.	Certificate No.	Project Name	Date	GFA
7	Jian Zi Di No.440118202006306	Block A4 (Ancillary facilities)	4 December 2020	150.00
8	Jian Zi Di No.440118202110103	Block 11 and 11-1	13 June 2021	12,517.77
9	Jian Zi Di No.440118202112217	Block 6, 6-1, 6-2, M1, M2, DX-1-3 and DX-2-3	17 September 2021	44,280.55
10	Jian Zi Di No.440118202112219	Block 7 and 7-1	17 September 2021	16,114.47
11	Jian Zi Di No.440118202112220	Block 8, 8-1 and 8-2	17 September 2021	15,515.86
12	Jian Zi Di No.440118202112218	Block 9 and 9-1	17 September 2021	16,114.47
13	Jian Zi Di No.440118202110106	Block 10 and 10-1	13 June 2021	15,451.69
14	Jian Zi Di No.440118202110625	Block 3, 3-1, DX-1-2 and DX-2-2	9 July 2021	37,251.60
15	Jian Zi Di No.440118202110626	Block 4, 4-1 and A0-3	9 July 2021	12,348.82
16	Jian Zi Di No.440118202110628	Block 5, 5-1, 5-2 and A0-4	9 July 2021	12,414.06
Total:				<u>246,984.57</u>

- v) Pursuant to the following Construction Work Commencement Permits, the construction work of the Property has been approved to commence by Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州景潤房地產開發有限公司). Details are listed below:

No.	Certificate No.	Project Name	Date	GFA
1	No. 440183202012240101	Block 1 (Ancillary facilities)	24 December 2020	2,271.75
2	No. 440183202101060101	Block k1 (kindergarten) and A4 (Ancillary facilities)	6 January 2021	3,110.00
3	No. 440183202101210201	Underground space	21 January 2021	73,103.00
4	No. 440183202101310201	Block 1, A0-1, A0-2, A4, 1-1, 1-2, 1-3, 12 and 13	13 April 2021	42,548.33
5	No. 440183202106300301	Block 2, 2-1, 2-2, A0, A2 and A3	30 June 2021	17,045.20
6	No. 44183202107090801	Block 10, 10-1, 11 and 11-1	9 July 2017	27,969.46
Total:				<u>166,047.74</u>

- vi) Pursuant to the following Commodity Housing Pre-sale Permits, the commodity housing pre-sale of the Property has been approved to Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州璟潤房地產開發有限公司). Details are listed below:

No.	Certificate No.	Project Name	Date	GFA
1	Zeng Cheng Fang Yu (Wang) Zi Di 20210890 Hao	Block 1 Shiguang Yayuan	20 August 2021	11,813.00
2	Zeng Cheng Fang Yu (Wang) Zi Di 20211280 Hao	Block 13 Shiguang Yayuan	15 October 2021	5,952.00
3	Zeng Cheng Fang Yu (Wang) Zi Di 20211241 Hao	Block 2 Shiguang Yayuan	30 September 2021	14,543.34
4	Zeng Cheng Fang Yu (Wang) Zi Di 20220116 Hao	Block 11 Shiguang Yayuan	3 March 2022	11,641.39
5	Zeng Cheng Fang Yu (Wang) Zi Di 20220125 Hao	Block 12 Shiguang Yayuan	10 March 2022	5,772.56
6	Zeng Cheng Fang Yu (Wang) Zi Di 20220341 Hao	Block 10 Shiguang Yayuan	17 June 2022	14,407.43
			Total:	<u>64,129.72</u>

- vii) Pursuant to the Business License issued by the Market Supervision Administration of Zengcheng District, Guangzhou on July 8, 2021 the basic information of Guangzhou Jingrun Real Estate Development Co., Ltd. (hereinafter referred to as “**Guangzhou Jingrun**”) is as follows:

Enterprise Name:	Guangzhou Jingrun Real Estate Development Co., Ltd.
Social Credit Code	91440101MA9UU8FCX9
Type	Other Limited Liability Company
Legal Representative	Lin Chuohao
Registered Capital	(RMB15,151,500)
Date of Establishment	22 September 2020
Operating Period	From September 22, 2020, to long-term
Address	廣州市增城區永寧街碧堤四街9號101房 Room 101, 9 Biti Forth Street, Yongning Street, Zengcheng District, Guangzhou
Scope of Business	Real Estate Industry

- viii) Pursuant to the Real Estate Development Enterprise Qualification Certificate 《房地產開發企業資質證書》 issued by the Guangzhou Housing and Urban- Rural Construction Bureau on July 11, 2022 (Certificate Number: Yue Fang Kai Zheng Zi Er 0100211), Guangzhou Jingrun has a Level II qualification for real estate development. The certificate is valid until July 11, 2025.

- ix) According to the revised version of the “Articles of Association of Guangzhou Jingrun Real Estate Development Co., Ltd.”《廣州璟潤房地產開發有限公司章程》in June 2021, the following information is provided regarding shareholders and their respective shareholdings:

No.	Shareholder Name	Subscribed Registered Capital (RMB)	Shareholding Percentage of Registered Capital
1	Guangzhou Zhujiang Industrial Development Co., Ltd.	1,000	66%
2	Guangzhou Hongzong Real Estate Development Co., Ltd	<u>515.15</u>	<u>34%</u>
Total		<u>1,515.15</u>	<u>100%</u>

- x) The gross development value of the CIP portion of Property as at the Valuation Date is assessed at approximately RMB2,780,000,000.
- xi) As advised, the total budget construction cost of the Property is approximately RMB1,184,000,000 and upon the valuation date, the paid-up construction cost is approximately RMB734,000,000, which has been taken into account in our valuation.
- xii) According to the information provided, as at the valuation date, CIP portion of the Property with a total GFA of 26,084.69 sq.m. have been pre-sold with a total sales amount of approximately RMB452,600,000. As instructed by the Client, we have taken it into account in our valuation.
- xiii) The general description and market information of the Property are summarized below:

Location	The Property is located Tagang Village and Gongan Village, Yongning Street, Zengcheng District, Guangzhou, Guangdong Province, PRC.
Transportation	Guangzhou Baiyun International Airport is located approximately 55 kilometres away from the Property. Also, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately residential and commercial area.

- xiv) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected include residential ranges from RMB15,000 to RMB16,500 psm; retail (Level 1) ranges from RMB18,000 to RMB25,700 psm; and the carparking space ranges from RMB80,000 to RMB100,000 per lot. In the course of our valuation, we have considered the relevant adjustment factors such as the accessibility, size, environment, etc. to determine the unit price of the Property.

- xv) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	Availability
State-owned Land-use Rights Grant Contract	Yes
Realty Title Certificate	Yes
Construction Land Planning Permit	Yes
Construction Work Planning Permit	Yes
Construction Work Commencement Permit	Yes
Commodity Housing Pre-sale Permit	Yes
Business License	Yes

- xvi) As at date of the valuation, portion of the Property is subject to mortgage to China Everbright Bank Co., Ltd., Guangzhou Branch (中國光大銀行股份有限公司廣州分行).

- xvii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, *inter alia*, the following information:

1. Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州璟潤房地產開發有限公司) has obtained the real estate ownership certificate related to the land of the Shiguang Yayuan (時光雅苑) project.
2. Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州璟潤房地產開發有限公司) has obtained the necessary construction permits in accordance with the actual progress of development Shiguang Yayuan (時光雅苑).
3. Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州璟潤房地產開發有限公司) is entitled to pre-sell the in-progress buildings of Shiguang Yayuan (時光雅苑) within the pre-sale scope specified in the "Pre-sale Permit".
4. According to the confirmation from Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州璟潤房地產開發有限公司), based on the current progress of the Shiguang Yayuan (時光雅苑) project, it has not involved matters related to environmental impact assessment approval, civil air defense projects, fire safety approval and construction, and the corresponding approval and construction certificate documents have not been obtained.
5. Upon completion of construction in accordance with the approved construction documents and obtaining the full acceptance certificate as required by law, Guangzhou Jingrun Real Estate Development Co., Ltd. (廣州璟潤房地產開發有限公司) will apply for the relevant property rights documents in accordance with the relevant laws and regulations. Upon acceptance by the competent authority, there are no substantial legal obstacles to obtaining the corresponding property ownership certificates.