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

仲量聯行企業評估及咨詢有限公司
香港英皇道979號太古坊一座7樓
電話 +852 2846 5000 傳真 +852 2169 6001
公司牌照號碼: C-030171

VALUATION REPORT

CONSIDERING

THE MARKET VALUE

OF

SEVERAL ASSETS

Client : **BetterLife Holding Limited**

Ref. No. : **CON101600817BV-1**

Report Date : **5 March 2025**

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

仲量聯行企業評估及諮詢有限公司
香港英皇道979號太古坊一座7樓
電話+852 2846 5000 傳真+852 2169 6001
公司牌照號碼：C-030171

5 March 2025

BetterLife Holding Limited
40th Floor, Dah Sing Financial Centre
No. 248 Queen's Road East
Wanchai
Hong Kong

Dear Madams and Sirs,

In accordance with the instructions from BetterLife Holding Limited (hereinafter together with its subsidiaries referred to as the **"Group"**), Jones Lang LaSalle Corporate Appraisal and Advisory Limited has undertaken a valuation exercise which requires us to express an independent opinion of the market value of the assets to be acquired by Beijing BetterLife Automobile Import and Export Group Co., Ltd. (**"Beijing BetterLife Group"**, or the **"Client"**) under the Debt Settlement Agreement following the completion of the acquisition of the Creditor's Rights, including equity interest of Beijing Jiguang Real Estate Development Co., Ltd. (**"Jiguang Real Estate"**), equity interest of Beijing Jiguang Xinghui Automobile Sales and Service Co., Ltd. (**"Jiguang Xinghui"**) or all or part of the 4S dealership business of Jiguang Xinghui (the **"Target Business"**), properties located on the basement and 3rd floor of a four-storey commercial building at No. 39, Wangjing North Road, Chaoyang District, Beijing, the PRC (**"Shunfeng Properties"**), and properties located on the 1st and 2nd floors of a four-storey commercial building at No. 39, Wangjing North Road, Chaoyang District, Beijing, the PRC (**"Yunzhong Properties"**) (collectively referred to as the **"Target Assets"**), as at 30 September 2024 (the **"Valuation Date"**). The report which follows is dated 5 March 2025 (the **"Report Date"**). As at the Report Date, the Client has decided to acquire all of the Target Business, excluding certain receivables and payables which are not expected to be taken by the Client.

The purpose of this valuation is for the Group's internal reference and inclusion in the Group's public disclosure.

Our valuation was carried out on a market value basis. Market value is defined as "*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*".

BACKGROUND

Beijing BetterLife Automobile Import and Export Group Co., Ltd. (**"Beijing BetterLife Group"**, or the **"Client"**) is a PRC limited liability company established on 3 September 1998.

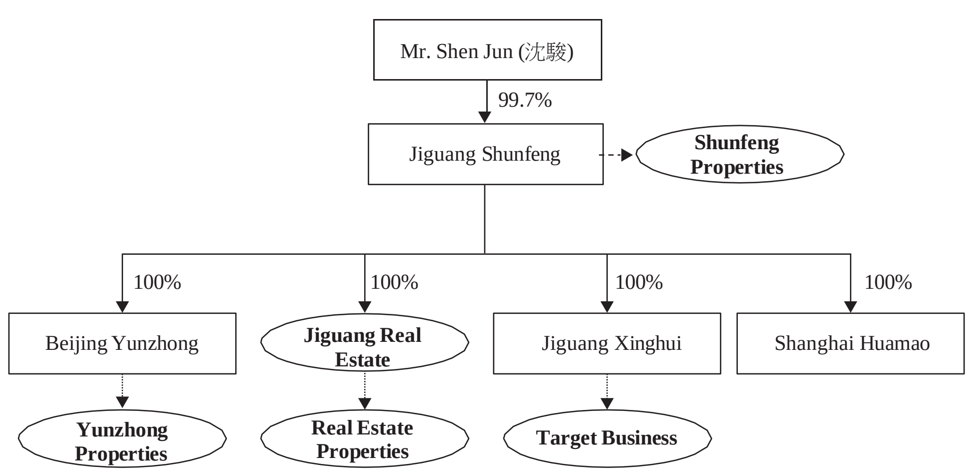
Mengshang Bank Co., Ltd. (**"Mengshang Bank"**) is a commercial bank incorporated in the PRC in 2020.

In November 2024, Beijing BetterLife Group and Mengshang Bank enter into the Creditor's Rights Transfer Agreement, pursuant to which Beijing BetterLife Group acquires the Creditor's Rights by a consideration of RMB964,990,037.65. According to the agreement, the Creditor's Rights to be transferred include the amount comprising the outstanding debts and accrued interests and expenses, and other ancillary rights as mortgagors, pledgors and guarantors as well as the underlying collaterals.

The Debtors include Beijing Jiguang Shunfeng Investment Co., Ltd. (**"Jiguang Shunfeng"**), Beijing Jiguang Real Estate Development Co., Ltd. (**"Jiguang Real Estate"**), Beijing Jiguang Xinghui Automobile Sales and Service Co., Ltd. (**"Jiguang Xinghui"**), Shanghai Huamao Industrial Co., Ltd. (**"Shanghai Huamao"**), and Beijing Yunzhong Materia Medica Traditional Chinese Medicine Hospital Co., Ltd. (**"Beijing Yunzhong"**).

Guarantee and pledged assets of the debt include the personal guarantee of Mr. Shen Jun, corporate guarantee from Jiguang Real Estate, Jiguang Shunfeng, Jiguang Xinghui and Zhongmin Zhiying Investments Co., Ltd., pledge of the 100% equity interest of Beijing Yunzhong, the 100% equity interest of Jiguang Real Estate, the 100% equity interest of Jiguang Xinghui, the 100% equity interest of Shanghai Huamao, pledge of Shunfeng Properties (located on the basement and 3rd floor of a four-storey commercial building at No. 39, Wangjing North Road, Chaoyang District, Beijing, the PRC, owned by Jiguang Shunfeng,), pledge of Yunzhong Properties (located on the 1st and 2nd floors of a four-storey commercial building at No. 39, Wangjing North Road, Chaoyang District, Beijing, the PRC owned by Beijing Yunzhong), and pledge of all the vehicle certificates and import customs clearance of Jiguang Xinghui.

For information on the relationships among the Debtors and the Target Assets, please refer to the diagram below:



Notes:

(1) The dashed arrow indicates the ownership of properties;

(2) The solid arrow indicates the ownership of equity interests;

(3) The assets (including equity interests and properties) to be acquired by the Client under the Debt Settlement Agreement following the completion of the acquisition of the Creditor's Rights are bold and oval-shaped.

On 7 November 2024, Beijing BetterLife Group and the Debtors enter into the Debt Settlement Agreement. According to the agreement, for the settlement of the debts, the Debtors agreed to transfer the Target Assets to Beijing BetterLife Group, including:

(1) 100% equity interest of Jiguang Real Estate, which includes the properties located at No. 109, Jingshun Road, Chaoyang District, Beijing, the PRC **("Real Estate Properties")**, comprises a parcel of land with a site area of approximately 36,921.36 sq.m. and three buildings erected thereon, including a commercial building and Blocks A and B, with a total GFA of approximately 45,935.14 sq.m.;

(2) 100% equity interest of Jiguang Xinghui owned by Jiguang Shunfeng, or all or part of the 4S dealership business of Jiguang Xinghui;

(3) the Shunfeng Properties, located on the basement and 3rd floor of a four-storey commercial building (including a basement level) with a GFA of approximately 3,988.18 sq.m., at No. 39, Wangjing North Road, Chaoyang District, Beijing, the PRC; and

(4) the Yunzhong Properties located on the 1st and 2nd floors of the same building where the Shunfeng Properties are located.

Jiguang Real Estate and Jiguang Xinghui are collectively referred to as the Target Companies. Shunfeng Properties, Real Estate Properties and Yunzhong Properties are collectively referred to as the Target Properties. As at the Report Date, the Client has decided to acquire all of the Target Business, excluding certain receivables and payables which are not expected to be taken by the Client.

SOURCES OF INFORMATION

In conducting our valuation of the Target Assets, we have reviewed information from several sources, including, but not limited to:

- Background of the Target Companies and relevant corporate information;
- Financial information of the Target Companies;
- Business licenses of the Target Companies;
- Copies of title documents and other official plans relating to the Target Properties;
- Legal opinion given by the Group's PRC Legal Advisor;
- Other operation and market information in relation to the Target Companies' business and Target Properties.

We have held discussions with management of the Client, conducted market research from public sources to assess the reasonableness and fairness of information provided. We assumed such information reliable and legitimate; and we have relied to a considerable extent on the information provided by the Client in arriving at our opinion of value.

BASIS OF OPINION

We have conducted our valuation with reference to the International Valuation Standards issued by International Valuation Standards Council (**"IVSC"**). The valuation procedures employed include a review of legal status and economic condition of the Target Assets and an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the Target Assets. All matters we consider essential to the proper understanding of the valuation are disclosed in this valuation report.

The following factors form an integral part of our basis of opinion:

- The economic outlook in general;
- The nature of business and history of the operation concerned;
- The financial condition of the Target Assets;
- Market-driven investment returns of companies engaged in similar lines of business;
- Financial and business risk of the business including continuity of income;
- Consideration and analysis on the micro and macro economy affecting the subject business; and
- Assessment of the liquidity of the subject business.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the Target Assets.

APPROACH AND METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same of a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

In the report, we had considered the types of the Target Assets and their conditions when arriving at the market values. We adopted appropriate valuation methodology for each different class of the Target Assets:

Target Assets	**Valuation Approach & Methodology**
100% Equity Interest of Jiguang Real Estate	Cost approach — summation method
100% Equity Interest of Jiguang Xinghui	Market approach — guideline public company method
The Shunfeng Properties The Yunzhong Properties	For the methodology, assumptions and detailed analysis please refer to the "**VALUATION REPORT ON THE PROPERTIES**"

100% Equity Interest of Jiguang Real Estate

As an asset-heavy real estate investment company, the majority of Jiguang Real Estate's assets is its real estate and properties. Therefore, in arriving at the market value of 100% equity interest of Jiguang Real Estate, we have applied the summation method under cost approach in determining our opinion of value, and have considered the type of assets and liabilities and their conditions when arriving at their market values. We adopted appropriate valuation methodology for each different class of assets and liabilities.

Assets/Liabilities	**Valuation Approach & Methodology**
Current Assets	Based on audited book values.
Long-term assets (the Real Estate Properties)	For the methodology, assumptions and detailed analysis please refer to the "**VALUATION REPORT ON THE PROPERTIES**"
Liabilities	**Valuation Approach & Methodology**
Current liabilities	Based on audited book values.
Non-current liabilities	Based on audited book values.

100% Equity Interest of Jiguang Xinghui

Given the unique characteristics of Jiguang Xinghui, there are substantial limitations for the income approach and the cost approach for valuing 100% equity interest of Jiguang Xinghui. Firstly, the income approach requires subjective assumptions to which the valuation is highly sensitive. Detailed operational information and long-term financial projections are also needed to arrive at an indication of value but such information is not available as at the Valuation Date. Secondly, the cost approach does not directly incorporate information about the economic benefits contributed by the subject business.

In view of the above, we have adopted the market approach for the valuation. The market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparable. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used.

The market approach can be applied through two commonly used methods, namely guideline public company method and the comparable transaction method. The comparable transaction method utilizes information on transactions involving assets that are same or similar to the subject asset. However, for this particular valuation exercise, it is difficult to acquire sufficient and timely information of such kind of transaction. Therefore, in this valuation exercise, the market value of the 100% equity interest of Jiguang Xinghui is developed through the guideline public company method.

This method requires the research of comparable companies' benchmark multiples and proper selection of a suitable multiple to derive the market value of the 100% equity interest of Jiguang Xinghui. In this valuation, we have considered the following commonly used benchmark multiples:

Benchmark multiple	Abbreviation	Analysis
Price to Earnings	P/E	**Not used.** P/E is not selected as we have noted that the net profits of Jiguang Xinghui had been fluctuating in recent years.
Price to Book	P/B	**Not used.** P/B is common for asset intensive industries, but it does not account for intangible assets, as well as company-specific competencies and advantages are not captured in it. P/B is not suitable
Enterprise Value to EBITDA and/or Enterprise Value to EBIT	EV/EBITDA and/or EV/ EBIT	**Not used.** EV/EBITDA and EV/ EBIT are not selected as the net EBIT and EBITDA of Jiguang Xinghui had been fluctuating in recent years.
Price to Sales	P/S	**Not used.** P/S is not selected as it does not account for the difference in capital structure between comparable companies and Jiguang Xinghui.
Enterprise Value to Sales	EV/S	**Adopted.** EV/S is usually adopted for companies with fluctuating profitability and different capital structure with the comparable companies. It is selected in the valuation, as the net profits of Jiguang Xinghui had been fluctuating in recent years, and the capital structures of the comparable companies and Jiguang Xinghui are different.

We applied the enterprise value-to-sales (**"EV/S"**) multiple, which is calculated by using comparable companies' financial statements, to determine the market value of Jiguang Xinghui and then take into account of market liquidity discount and control premium as the appropriate adjustment.

MAJOR ASSUMPTIONS

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value.

The following key assumptions in determining the market value of the Target Assets have been made:

- We have assumed that there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Companies;
- We have assumed that the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- We have assumed that the facilities and systems proposed are sufficient for future expansion in order to realize the growth potential of the business and maintain a competitive edge;
- We have been provided with copies of the operating licenses and company incorporation documents. We have assumed such information to be reliable and legitimate. We have relied to a considerable extent on such information provided in arriving at our opinion of value;
- We have assumed the accuracy of the financial and operational information provided to us by the Target Companies and relied to a considerable extent on such information in arriving at our opinion of value;
- We have assumed the capital structure of the Target Companies will not change;
- We have assumed that there are no hidden or unexpected conditions associated with the asset valued that might adversely affect the reported value. Further, we assume no responsibility for changes in market conditions after the Valuation Date;
- In valuing the properties, our valuation has been made on the assumption that the seller sells the property interests on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests;

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

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

SUMMARY OF THE VALUATION OF 100% EQUITY INTEREST OF JIGUANG REAL ESTATE

The table below summarizes the book values of the assets and liabilities of Jiguang Real Estate as at the Valuation Date. Based on the results of our investigation and analysis outlined in the report which follows, we are of the opinion that the market value of 100% equity interest of Jiguang Real Estate as at the Valuation Date is stated as below:

Assets/Liabilities	**Book Value** *(RMB'000)*	**Market Value** *(RMB'000)*
Current assets	**71,285**	**71,285**
Cash and cash equivalents	674	674
Amounts due from related parties	14,554	14,554
Other receivables and other assets	56,057	56,057
Non-current assets*	**1,125,303**	**1,125,300**
Property, plant and equipment	178,053	
Investment properties	355,810	1,125,300
Right-of-use assets	591,440	
Total assets	**1,196,588**	**1,196,585**
Amount due to a shareholder	12,233	12,233
Other payables	52,867	52,867
Rental received in advance	488	488
Amount due to a related party	2,500	2,500
Long-term rental deposits received	1,235	1,235
Total liabilities	**69,323**	**69,323**
Net assets		**1,127,262**
100% equity interest (rounded)		**1,127,262**

* *Note:* the appraised value of non-current assets including RMB730.1 million for the commercial building and RMB395.2 million for the Blocks A and B. Detailed analysis please refer to the "VALUATION REPORT ON THE PROPERTIES", the appraised values as at 30 September 2024 are listed in Note 16 on Page VII-9.

Analysis of comparable companies and selected parameters

In determining the price multiple, a list of comparable companies was identified. The selection criteria include the following.

1. Companies derive most of their revenues in China from the same industry of Jiguang Xinghui, i.e., over 70% revenue percentage from sales of motor vehicles;
2. Companies are searchable in Bloomberg;
3. Companies have been publicly listed for more than three years; and
4. Sufficient data, including the EV/S Multiples, Enterprise Value, Sales, Market Capitalization, profitability in net operating profit after tax (**"NOPAT"**), etc. as at the Valuation Date, of the companies are available.

As sourced from Bloomberg, an exhaustive list of comparable companies satisfying the above criteria was obtained on a best effort basis. Details of the selected comparable companies are listed as follows:

#	Company Name	Stock Code	Listing Location	Business Description	Brands	Revenue Contribution from Business Segment(s) Relevant to the Business of Jiguang Xinghui (1)
1	BetterLife Holding Limited	6909 HK Equity	China	BetterLife Holding Limited provides automobile dealership services with a focus on luxury and ultra-luxury brands in China.	Porche, FAW-Audi, Mercede-Benz, Volvo, BMW, Jaguar-Land Rover, Bentley	88%
2	China MeiDong Auto Holdings Limited	1268 HK Equity	China	China MeiDong Auto Holdings Limited operates as an automobile dealer in China.	Porche, BMW, Lexus, Toyota, Audi, Tesla	86%
3	China Yongda Automobiles Services Holdings Limited	3669 HK Equity	China	China Yongda Automobiles Services Holdings Limited operates as a passenger vehicle retailer and service provider for luxury and ultra-luxury brands in China.	BMW, MINI, Audi, Porche, Jaguar, Land Rover, Bentley, Aston Martin, Infiniti, Lincoln, Cadillac, Volvo, Mercedes-Benz and Lexus; Buick, Chevrolet, Volkswagen, Ford, Skoda, Toyota, Honda, Roewe, Lynk; BYD, AITO, Great Wall Auto, IM, NETA	78%
4	Zhongsheng Group Holdings	881 HK Equity	China	Zhongsheng Group Holdings Limited engages in the sale and service of motor vehicles in China.	Mercedes-Benz, Lexus, BMW, Audi, Jaguar, Land Rover, Porsche and Volvo; Toyota, Nissan and Honda	86%
5	Grand Baoxin Auto Group Limited	1293 HK Equity	China	Grand Baoxin Auto Group Limited engages in the sale and service of motor vehicles primarily in China.	BMW (including MINI), Audi, Jaguar & Land Rover, Volvo, Cadillac, Alfa Romeo, Porsche, Rolls Royce and Maserati	87%
6	G.A. Holdings Limited	8126 HK Equity	China	G.A. Holdings Limited engages in the sale of motor vehicles and provision of car-related technical services in China.	BMW	99%

Source: Bloomberg

Some key financial information of the comparable companies is listed below, as presented in millions of United States dollar (**"USD"**):

Company Name	**Market Capitalization** *(in USD Million)*	**Net Assets** *(in USD Million)*	**Enterprise Value** *(in USD Million)*	**Sales for Last Twelve-month Period** *(in USD Million)*	**Net Operating Profit after Tax for Last Twelve-month Period** *(in USD Million)*
BetterLife Holding Limited	64	401.1	25	1,335	13
China MeiDong Auto Holdings Limited	501	713.4	548	3,478	46
China Yongda Automobiles Services Holdings Limited	450	1,968.7	973	9,521	67
Zhongsheng Group Holdings Limited	4,393	6,282.1	6,688	24,894	585
Grand Baoxin Auto Group Limited	39	1,052.0	1,185	4,004	12
G.A. Holdings Limited	4	98.1	102	266	0.20

The comparable companies are often of significant different sizes/profitability from Jiguang Xinghui. Larger or profitable companies generally have lower expected returns that translate into higher values. On the other hand, small or loss-making companies are generally perceived as riskier in relation to business operation and financial performance, and therefore the expected returns are higher and resulting in lower multiples. Therefore, the base multiples were adjusted to reflect the difference in natures between the comparable companies and Jiguang Xinghui.

We referred to a formula in a widely-adopted textbook "Financial Valuation — Applications and Model, 2017" by James R. Hitchner, a renowned valuation expert in the United States, for the benchmark multiple adjustments:

The adjusted EV/S Multiples were calculated using the following formula:

$$Adjusted\ EV/S\ Multiple = 1 / \left(\left(\frac{1}{\mathrm{M}}\right) + \theta \times \left(\frac{E}{EV}\right) \times \left(\frac{\mathrm{Sales}}{\mathrm{NOPAT}}\right) \right)$$

where:

M	=	The EV/S Multiple without adjustment
θ	=	Required adjustment in the equity discount rate for difference in size and profitability
E	=	Market capitalization
EV	=	Enterprise value
NOPAT	=	Net operating profit after tax

(Reference: Hitchner, R. (2017) Financial Valuation: Applications and Models (4th Edition))

The logic behind the pricing multiple adjustments is that the reciprocal of the base multiple represents a capitalization rate. In this valuation, the reciprocal of the base EV/S multiple represents a capitalization rate of the enterprise value.

For the parameter θ, it was used as a desired adjustment to reflect the difference in natures between the comparable companies and the Subject. With reference to Cost of Capital Navigator 2023 published by Kroll, depending on the market capitalization of each of the comparable companies, size premium differentials were adopted to capture the size difference between the comparable companies and Jiguang Xinghui. With reference to "The Adjusted Capital Asset Pricing Model for Developing Capitalization Rates: An Extension of Previous "Build-Up" Methodologies Based Upon the Capital Asset Pricing Model" published in 1989 by Z. Christopher Mercer, specific risks were adopted to capture the difference in profitability in net operating profit after tax (the "NOPAT") level, between the comparable companies and Jiguang Xinghui.

The ratio of the market capitalization to enterprise value E/EV was adopted as a weighting factor. As aforesaid, the logic behind this formula is that a pricing multiple is the reciprocal of the capitalization rate. In the case of an enterprise value multiple, the capitalization rate is driven by the weighted average cost of capital (the "WACC") of the valuation subject. Since the size and specific risk premium differentials "θ" are applicable only to the equity portion (for a listed company, market capitalization represents the market value of its equity) but not to the debt portion of the WACC, we shall only adjust the equity portion of the capitalization rate in this pricing multiple adjustment formula. The ratio E/EV was used to apply an appropriate weighting on the parameter θ so that the capitalization rate was adjusted only to the extent of its equity portion. In other words, the ratio E/EV takes into account of the varying capital structures among the comparable companies.

The ratio of Sales to NOPAT was used as a scale factor, which is applied in the adjustment of the EV/S multiple. It is considered that the base measure of the benefits for enterprise value to be NOPAT (Hitchner, R., 2017), which is a financial measure that shows how well a company performed through its core operations net of taxes and it excludes tax savings from existing debt and one-time losses or charges.

After the aforesaid adjustment on the base EV/S Multiples, the adjusted EV/S Multiples of the comparable companies are listed as below:

Company Name	Market Capitalization *(in USD Million)*	EV/S Multiple	Size and specific risk premium Differential	Adjusted EV/S Multiple
BetterLife Holding Limited	64	0.02	1.00%	0.02
China MeiDong Auto Holdings Limited	501	0.16	1.00%	0.14
China Yongda Automobiles Services Holdings Limited	450	0.10	1.00%	0.10
Zhongsheng Group Holdings Limited	4,393	0.27	3.25%	0.22
Grand Baoxin Auto Group Limited	39	0.30	1.00%	0.29
G.A. Holdings Limited	4	0.39	1.00%	0.32
			Median	**0.18**

Discount for lack of marketability (DLOM)

A factor to be considered in valuing closely held companies is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers of interests in privately-held companies, because there is no established market of readily-available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private-held company is worth less because no established market exists.

As there is no specific disclosure requirement for transactions involving non-listed companies in China, no information of such kind is readily available from public filing or announcements and thus no direct analysis on the DLOM can be performed. This limitation on data regarding the non-listed company transactions is similar in other countries. Thus for the analysis of the DLOM, theoretical models and empirical studies are the two common methodologies widely relied on for determining the DLOM. Of the theoretical models, put option methodology is a commonly recognized method in determining the DLOM. Of the empirical studies, most of the DLOM studies focus on restricted stock transactions. Restricted stock, also known as letter stock or restricted securities, refers to stock of a company that is not fully transferable (from the stock-issuing company to the person receiving the stock award) until certain conditions (restrictions) have been met.

In this valuation exercise, we have assessed the DLOM referring to Control Premium & Discount for Lack of Marketability Study Issue 4 — November 2024, a report published by MOORE. According to the report, in the twelve month period ending 30 September 2024, 41 valuation reports with the adoption of DLOM were observed. The range of adopted DLOM was from 2.6% to 42.9%. The average of the adopted DLOM is 18.9%.

By referring to the above report by MOORE, we apply the average DLOM 18.9% for the valuation of Jiguang Xinghui.

Control premium

Control Premium is an amount by which the pro rata value of a controlling interest exceeds the pro rata value of a non-controlling interest of a business enterprise that reflects the power of a control. Both factors recognize that control owners have rights that minority owners do not and that the difference in those rights and, perhaps more importantly, how those rights are exercisable and do what economic benefits, cause a differential in the per-share value of a control ownership block versus a minority ownership block.

We have attempted to use an empirical study to assess the appropriate control premium for the 100% equity interest of Jiguang Xinghui. We referred to Control Premium & Discount for Lack of Marketability Study Issue 4 — November 2024, a report published by MOORE. According to the report, in the twelve month period ending 30 September 2024, 15 valuation reports with the adoption of control premium were observed. The range of adopted control premium was from 11% to 34.2%. The average of the adopted control premium is 22.5%.

By referring to the above report by MOORE, we apply the average control premium 22.5% for the valuation of Jiguang Xinghui.

Calculation of valuation results

Under the guideline public company method, the market value depends on the market multiples of the comparable companies derived from Bloomberg as at the Valuation Date. We have also taken into account the DLOM and control premium. The calculation of the market value of the 100% equity interest of Jiguang Xinghui as at the Valuation Date is as follows:

100% equity interest of Jiguang Xinghui	*Unit: RMB*
Adjusted EV/S multiple (times)	0.18
Financial figures[1]	
Sales (2023.10–2024.9)	606,235,000
Enterprise Value	109,122,000
Financial figures[1]	
Add: Cash and cash equivalents[2]	7,588,000
Less: Borrowing[3]	32,705,000
Less: Lease liabilities	21,379,000
100% Equity Interest	62,626,000
DLOM	18.9%
Control Premium	22.5%
100% Equity Interest with Control Premium after DLOM *(Rounded)*[4]	**62,218,000**

1. The financial figures extracted from audited accounts of Jiguang Xinghui as at the Valuation Date.

2. Including cash and cash in bank, restricted cash are not included.

3. Excluding the loan that falls within the scope of the Debt.

4. Based on the information provided by the Client and Jiguang Xinghui, we understood that Jiguang Xinghui has no business operations or investments other than the Target Business. As such, it is considered that the market value of 100% equity interest in Jiguang Xinghui and the market value of the Target Business do not materially differ.

SUMMARY OF THE VALUATION OF THE SHUNFENG PROPERTIES AND THE YUNZHONG PROPERTIES

Based on the results of our investigation and analysis, we are of the opinion that the market value of the Shunfeng Properties and the Yunzhong Properties as at the Valuation Date is RMB74,000,000.

For the methodology, assumptions and detailed analysis please refer to "VALUATION REPORT ON THE PROPERTIES", the market value as at 30 September 2024 are listed in Note 10 on Page VII-12.

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherent subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Companies and Client, and Jones Lang LaSalle Corporate Appraisal and Advisory Limited.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target Company and Client over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

We are instructed to provide our opinion of value as per the Valuation Date only. It is based on economic, market and other conditions as they exist on, and information made available to us as of, the Valuation Date and we assume no obligation to update or otherwise revise these materials for events in the time since then. Readers are reminded that we do not intend to provide an opinion of value as of any date after the Valuation Date in this Report.

This report is issued subject to our Limiting Conditions as attached.

CONCLUSION OF VALUE

Based on the results of our investigations and analysis, we are of the opinion that the market value of the Creditor's Rights as at the Valuation Date is reasonably stated at the following:

Target Assets	**Market Value** *(RMB'000)*
100% Equity Interest of Jiguang Real Estate	1,127,262
100% Equity Interest of Jiguang Xinghui	62,218
The Shunfeng Properties	47,600
The Yunzhong Properties	26,400
Total	**1,263,480**

Yours faithfully,
For and on behalf of
Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan
Executive Director

Note: Mr. Simon M.K. Chan is a fellow of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS) where he now serves on their North Asia Valuation Practice Group. He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.

LIMITING CONDITIONS

1. In the preparation of this Report, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Client/Target Company and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our Report was used as part of the analysis of the Client/Target Company in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the Subject rests solely with the Client.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and Companies Ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The board of directors and the management of Client/Target Company have reviewed this Report and agreed and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.

7. The use of and/or the validity of the Report is subject to the terms of the Agreement and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the Subject.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation Date. We cannot provide assurance on the achievability of the results forecasted by the Client/Target Company because

events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.

10. This Report has been prepared solely for internal use purpose. The Report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without our prior written consent. Even with our prior written consent for such, we are not liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.

11. This Report is confidential to the Client and the calculation of values expressed herein is valid only for the purpose stated in the Agreement as at the Valuation Date. In accordance with our standard practice, we must state that this Report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by parties interested in the Subject, we are entitled to rely on that representation without further investigation into the veracity of the representation.

13. The Client/Target Company agrees to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Client/Target Company and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

16. This Report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the Report and conclusion of values are not intended by the author, and should not be construed by any reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Client/Target Company and other sources. Actual transactions involving the Subject might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the knowledge and motivation of the buyers and sellers at that time. The transaction amount does not need to be close to the result as estimated in this report.

17. The board of directors, management, staff, and representatives of the Client/Target Company have confirmed to us that they are independent to JLL in this Valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Client/Target Company and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.